

**Senate Standing Committee on Environment and Communications**  
**Legislation Committee**  
Answers to questions on notice  
**Environment portfolio**

**Question No:** 145  
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**Topic:** Secretary's speeches to staff  
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**Question Type:** Written

**Senator Bilyk asked:**

1. Can a copy of any speeches delivered by the Secretary of the Department at any staff meetings in 2015 please be provided?

**Answer:**

The Secretary delivered a speech to all staff of the Department of the Environment on 31 March 2015. A copy of the Secretary's speech is provided at **Attachment A**.

The Secretary regularly speaks to staff at meetings throughout the year including divisional meetings and planning days, meetings with Executive Level 1, Executive Level 2 and Senior Executive Service cohorts and departmental events such as the Department's Australia Day awards ceremony and launch of NAIDOC week celebrations. These speeches are given on the basis of high level talking points and there is no formal record of these speeches.

## **All Staff Meeting – 31 March 2015 – Secretary's speech**

Good morning. Thank you for coming here today.

The past 18 months have been busy ones for our department.

There has been a lot of change and hard work done on policies, research and implementation, be it through operations, programs or regulation. And we've managed significant changes to the department as an organisation.

Our department should be one of Australia's leading departments of state.

We should be the first and best source of expert advice for the Australian Government on environmental policy, and be regarded as a trusted, professional and reliable agency in delivering the intended outcomes of environment policy using our implementation toolkit of programs, operations and regulation.

This morning, I'd like to talk to you about how we, as a department, are achieving this.

I would like to talk with you about three matters:

- first, to update you on the Enterprise Agreement negotiations
- second, to update you on budget and staffing profiles for 2015 and 2016
- third, to talk through the achievements we have made as a department one year on from the release of the Strategic Review and priorities for the year ahead.

### **Enterprise Agreement**

I'll start with the Enterprise Agreement, which is an important formal statement of how we organise ourselves.

We have had extensive discussion about the Enterprise Agreement. I accept that the pace of these negotiations has been frustrating for many of you. It has been frustrating for me too. It has been neither our desire nor intention that this process drag on as it has.

It has taken longer than expected for two reasons.

First, we made a commitment that we would negotiate in good faith. This meant that we would fully consult on potential changes to existing arrangements or entitlements, and it meant that we would closely examine all proposals put forward by the Bargaining Committee. As recently as its meeting on 6 March, the Committee was still presenting new substantive proposals which we have needed to examine, fully understand and respond to.

Second, our negotiations are occurring within a broader public service-wide framework mandated by the Australian Public Service Commission. Under the framework, I can only make a pay offer to staff that is accompanied by productivity and financial savings, which need to be approved by the Australian Public Service Commission and

the Department of Finance, and, along with the draft enterprise agreement, by relevant Ministers.

This interaction between extended consultation and verifying the affordability of pay offers has meant that the process has taken more time than we anticipated. Last night, the Public Service Commissioner told me that he has approved the department's pay offer to staff. There have also been changes in the past week to the streamlined agreement, including now retaining reference to superannuation entitlements formally in the agreement.

The Executive Board will meet today to finalise the streamlined enterprise agreement. We will present a pay offer in a streamlined agreement to the Bargaining Committee this week for negotiation. I will make it available to all staff at the time it goes to the Bargaining Committee for your information and feedback.

There are two things that I would like to highlight about this process.

First, it is a negotiation process, so conditions and the pay offer can change.

Second, we have flexibility in the length of the voting period. Given that Easter and school holidays will soon be upon us, I can assure you that we will not schedule the vote during a time when many of us have family responsibilities. We expect that the vote will occur in May and you will have ample opportunity to provide your thoughts between now and then.

### **Update on budget and staffing**

At the All Staff meetings in September and April last year, I outlined the budget outlook for the department. As you can see here (**SLIDE: Department's budget**), our department is managing a 25 per cent reduction in funding over four years. As you know, we've been managing this situation both by reducing corporate costs and significantly reducing our staffing levels, especially across the SES and EL cohorts.

This slide (**SLIDE: Department's affordable ASL**) shows the challenge we've faced in reducing our staffing levels. In order to meet our affordable level of staffing for 2014-15 and prepare for 2015-16, we moved to reduce the size of the department's workforce by around 250 ASL this financial year. We've achieved this through a mix of (in terms of impact) voluntary redundancy rounds, natural attrition and the capability assessment process for EL2 staff.

As a result, the department is on track to meet our affordable level of staffing both for 2014-15 and going into 2015-16. Based on the current budget, the Board is not planning further whole-of- department processes to reduce our staffing levels over the next 12 to 18 months.

As you can see, we are expecting a further step-down in our budget in 2016-17. This means that as we get closer towards the end of 2016, we'll need to look again both at our staffing levels and at the shape of our staffing profile.

To date, the department has reduced the size of our SES cohort by 21 per cent. We'll see further reductions in our SES cohort, including a reduction in the number of deputy secretaries from four to three, over the next couple of months. As mentioned earlier, we have conducted an EL2 capability round. A number of our EL1 staff have also left the organisation through voluntary redundancies, and further work to reduce the relative size of this cohort is currently being managed through the evaluation of all vacant EL1 positions.

Coupled with targeted recruitment at the APS levels by some divisions, these staffing reductions have allowed us to make some progress in achieving a better span of control. If, as we approach 2016-17, the department needs to achieve a further reduction in staffing, we will look to build on this progress.

All of this is some way down the track. As we have done so far, the Executive Board's ongoing commitment is to keep you fully informed and engaged on staffing changes. As in the past, any future processes will treat staff with respect and fairness and be transparent.

### **Strategic review – one year on**

The tight budget and staffing outlook was one of the principal reasons why the Executive Board commissioned a Strategic Review of the department after the 2013 election. Given this outlook, and given also the machinery of government changes and the new policy priorities of the incoming government, it was clear to the Board that significant changes were required to the department to ensure our ongoing capability and influence.

The Review, guided by an independent panel of eminent experts with strong public sector experience, made 30 recommendations aimed at improving the department's structure, governance and policy and risk management processes. All of these were accepted by the Board. Many of these have now been fully implemented, while some, by their nature, are ongoing.

One year on from the Review's release, the actions put in place in response to it are making the Department a more capable, effective, resilient and influential organisation.

I'll expand on three areas to illustrate how this is happening.

First, dedicated support areas are now helping line areas in specialist disciplines.

The Office of Environmental Science and Economics is providing support and advice to people on matters like geospatial information, economic analysis, behavioural insights, better regulation, engagement and best-practice evaluation.

Through the Office of the General Counsel and the Implementation and Governance Branch, line areas across the department are being supported to understand legal and legislative issues, and to better understand, manage and engage with risk.

Second, the consolidation of related policy areas is encouraging a better transfer of corporate knowledge, expertise and experience.

The transitional structure saw a range of related policy functions consolidated into a coherent set of divisions, including the merger of two water divisions into one, and the movement of a range of grants, procurement and other program areas into Biodiversity Conservation Division. This consolidation has improved the efficiency of program delivery, and has helped the designers of new programs – such as the Green Army and Reef Trust – to learn from the experience of existing and past initiatives.

The final structure – to be in place from July – will encourage similar outcomes through the merger of EQD and EACD. The creation of the new Environment Standards Division will bring many of our legislative and regulatory functions together under the same ceiling – encouraging greater efficiencies, bigger networks, and the cross-fertilisation of cultures and ideas for best-practice regulation. Already we're seeing benefits from the upcoming merger, with compliance and enforcement officers from the two divisions engaging more closely with, and learning from, each other.

Third, we're building the knowledge, capability and breadth of skills and experience of our staff.

We're achieving this in many ways. The departmental seminars, case studies and master classes are forums for external and internal experts to pass on their knowledge and experience to our staff. The Secretary's Award for Innovation has been an effective way to encourage people to look for new and creative solutions to problems. And the first EL mobility round is providing opportunities for a number of staff to work in new roles around the Department where they can develop a broader set of skills and experience. I would note that there was less interest in the EL2 mobility round than we expected, and we are talking directly with EL staff about their concerns to improve the effectiveness of what I still consider is a good way to build capacity and careers for our people.

### **Being a leading department of state – culture, values and behaviour**

The Strategic Review has put us on a strong trajectory to achieve the vision of our department as the leading source of environmental policy advice and implementation expertise for the Australian Government – one of Australia's leading departments of state.

I'd like to spend a few moments talking about some of the cultures, values and behaviours that help us achieve this vision.

A smaller department with fewer staff means we must be more disciplined about building the knowledge, expertise, confidence and judgment of ourselves and our colleagues. Supervisors and managers – be they division heads, branch heads, directors or EL1s – have a crucial role to play in this.

The Australian Public Service Commission has published work level standards for SES, EL and APS staff. Put broadly – and accepting that this varies across different policy, program and operational areas – these standards say that it's the job of EL and APS to be the subject matter experts, while it's the job of SES to provide strategic oversight, judgment and direction, and to build the skills and expertise of staff in their

divisions and branches. In our department – and indeed across the public service – we are looking carefully at what we can do better to ensure that the work people are doing matches their work level standard.

The Executive Board is walking the talk on this. We've empowered division and branch heads to play a greater role in corporate decision-making through their appointment to new governance committees. We've pushed down financial delegations so that directors and their staff have greater scope to make decisions on the day-to-day conduct of their sections. And I have asked that directors attend and lead briefings to me when a policy issue is emerging.

I would like to know what you are doing about responsibilities at work level standards. If you are a supervisor or manager, what are you doing to ensure your staff are responsible for our work and have the capability to do it? If you are EL or APS officer, do you show that you are able to take responsibility for policy advice, research or implementation, and does your manager give you appropriate responsibility and capability support?

For this to happen, there needs to be a pact between senior and junior staff. On the one hand, supervisors and managers must trust their staff to do their job, and must work with them to identify development needs so they have the requisite skills, expertise and judgment. On the other hand, staff must repay their supervisors' trust by being reliable, even-handed and by giving attention to detail. More than anything, the secret of an effective system of delegation is openness and communication, testing ideas and thinking about risk, and ensuring others are in the loop. The officers that excel are those that are proactive in discussing policy, implementation and risk with others up and down the line, and in consulting with other areas of the department, other departments and agencies, and outside government where possible.

To be a leading source of policy expertise, we will continue to invest in our skills, knowledge and capabilities. This means:

- a greater focus on formal professional development,
- greater engagement by SES and EL staff in identifying areas for their colleagues' development and improvement, and
- more thinking about policy and implementation, including by reading, researching and keeping abreast of ideas as a basic part of our jobs.

I accept this is hard. Everyone is busy and finding more time in the day involves compromises. But it will only be through a conscious emphasis on building and maintaining our knowledge and expertise that we'll remain widely regarded for our advice on the environment.

There are two prerequisites for delegation to be effective.

I have spoken about one of these – the importance of professional development, which is a shared responsibility between managers and staff. The other is the importance of strong internal management systems, and a crucial element of this is honest and fair performance assessment. The work level standards are clear that it is

a fundamental role of managers and supervisors to build the skills, expertise and judgement of their colleagues. Proper performance assessment is crucial to enable managers to do this well and for staff to have control over their career.

Performance assessment is of no use to anyone if it's a tick-and-flick exercise. It's meant to be a series of genuine, two-way discussions about development needs, gaps in experience, and about what staff and supervisors can both do to bridge these. Honest performance assessment is not meant to be deflating and people should not be surprised to learn they aren't performing at level. It should be a serious, realistic and constructive process.

I'll have more to say about performance assessment over the coming weeks, including how we can use ratings moderation in a trusted and fair way, the value of manager-once-removed discussions, and the support we'll be providing both for managers and their staff to ensure performance is effective and seen to be so.

### **Things we've achieved**

At our last all staff meeting I spoke about what we have been achieving as a department in delivering the Government's priorities and on our responsibilities under the law. The strategic review highlighted that we are a department of state and our obligations are to provide advice on environment policy and implement the Government's decisions. I think we do that well and the department is well regarded as responsive and flexible. Streamlining of Landcare administration, simplified and localised implementation of the Green Army, and progress with the one stop shop for environmental assessments and approvals are leading examples talked about in this town of better ways to deliver environmental policy.

I would like to emphasise that shifting our focus to delivering better environmental outcomes is at the heart of the changes we have made over the past year. The emphasis we have put on working with communities, businesses and states in the co-design of programs and regulation has been to get more durable and effective design and implementation of policy and thereby better environmental outcomes. Ultimately, our responsibility to the Parliament, and to the people of Australia, is in terms of delivering the four outcomes set out in our portfolio budget statements: protect the environment and heritage, conserve biodiversity and manage pollutants in Australia; reduce Australia's greenhouse gas emissions; advance Australia's interests in Antarctica; improve and manage well Australia's fresh water.

So what have we achieved on the ground to improve environmental outcomes?

Over the past year, work by our Department has led to the protection of a further 27 species under the EPBC Act. These include the Christmas Island Flying Fox, the White-throated Snapping Turtle and the Rufous Scrub-bird.

We're making a difference to protect these species and others like them, by tackling threats to their survival including habitat loss, pollution and invasive species. On Christmas Island, we're leveraging a company's offset obligations to eradicate cats from the island. Far away on Macquarie Island, we've successfully eradicated rabbits.

I'll focus for a moment on one threatened species. The Murray hardyhead is a small native fish found only within the floodplains of the southern Murray-Darling Basin. This species was once widespread and abundant in the Murray and Murrumbidgee, but has suffered a serious population decline over the past several decades. Over the past couple of years, and after the release of Commonwealth environmental water, record numbers of the hardyhead have been recorded at Riverland sites in South Australia. Because of this recovery, we've been able to translocate 2,000 fish to re-establish a viable population in the Mallee wetlands in Victoria. This is just one tangible outcome of the work we do here, with further environmental benefits for birds and other fish in the food chain and with lifestyle and recreation co-benefits for rural communities.

Each year, we assess around 350 projects referred under the EPBC Act. Through our work in assessing these projects, we achieve real wins for the environment by pushing for impacts to be avoided or mitigated and for land to be set aside and protected as environmental offsets. As just one example, last year the Minister approved the Carmichael Coal and Rail Project in Queensland's Galilee Basin. This project is not without controversy and, once operational, will be by far one of the biggest coal mines in the Southern Hemisphere.

As a result of our work in assessing this project, the company involved must, in addition to rigorous reporting and monitoring obligations, return over 3,500 mega-litres of water over five years to the Great Artesian Basin. In addition, the company must secure, protect and manage 30,000 hectares of critical habitat for the threatened Black-throated finch – around three times the area of finch habitat that's being cleared for the project.

It's our job to argue for environmental safeguards when projects are referred and assessed. We should be proud of our successes in achieving these safeguards.

Science is crucially important to the work we do. It allows us to understand interactions and linkages within natural environment, and the potential consequences of actions, events and shocks.

World-class scientific research is being undertaken across our Department. For example, scientists in the Antarctic Division have been using highly detailed ice cores to gain a better understanding of climatic and weather patterns on the Australian continent. Through this work, we're now better able to understand drought conditions in south-western Australia.

Whether it be the Supervising Scientist's work in the tropics or the Antarctic Division's work near the South Pole, the science our department does is innovative and pioneering.

And we do important work overseas, particularly with our regional neighbours. As one example, we've recently completed climate change adaptation projects which are helping Pacific nations to plan for sea level rise and build climate-resilient infrastructure. Projects like these have renewed importance following the devastation we saw two weeks ago in Vanuatu. Indeed, the geospatial information from those projects is proving invaluable right now in the immediate recovery phase after the



cyclone. A major reconstruction effort will be required in that country over the coming months and years, and our work is already making a difference in guiding that program.

These are some of the things we can point to, and be proud of having achieved. And there are more great achievements to come.

Over the next few months, we will have programs in place and running on the Emissions Reduction Fund (the central tool to reduce Australia's domestic carbon emissions reductions), 20 Million Trees (a timely instrument to connect ecosystems and support migratory species), the Murray Darling Basin (more projects essential to returning flows to the river system and sustainable development in the eastern states) and the Reef Trust (practical projects to improve water quality and reduce crown of thorns).

## **Conclusion**

Many of the issues that we deal with here are big, really big: climate change, species extinctions and habitat loss, water scarcity, waste and pollution. These are big – often global – problems, and they matter for generations to come. I am proud of the innovation and the practical approaches that you have taken in finding solutions, even small ones, to these problems, and doing so in a way that meets the public's expectations of a healthy environment, strong economy and thriving communities.

Keep your eye on the prize of being an influential and effective department in supporting government achieve the environmental outcomes that matter.

Thank you for your hard work over the past 18 months. It has made a difference.