

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates 18-22 November 2013

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1 Prime Minister and Cabinet

Topic: Turnover

Senator: Senator the Hon Penny Wong

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Question:

With reference to the Secretary's claim in the PM&C Annual Report 2012-13 that he seeks to retain the best staff:

What has been (a) overall turnover of staff in PM&C and (b) turnover of SES staff in PM&C since the Secretary's appointment, by year?

Is the Secretary of PM&C concerned the capability review of the department published by the Australian Public Service Commission has found "the upwards movement of decision-making authority has translated into feelings among some staff that they are not trusted and valued by the senior leadership, which can be demotivating"? If so, how has he addressed the concerns of his staff?

Answer:

PM&C, like other central policy co-ordination agencies in Australia and in other Westminster systems, has historically had higher turnover than the APS average. In 1979, when the Department prepared its first annual report, it was 33 per cent. Rates in the 25 plus and 30 per cent range, and even higher, have been common over the last two decades. Over the last three years:

a) the overall turnover of staff in PM&C has been:

- 31% in 2011-12;
- 17% in 2012-13; and
- 20% in 2013-14 to date (annualised).

b) the turnover of SES staff in PM&C has been:

- 22% in 2011-12;
- 25% in 2012-13; and
- 21% in 2013-14 to date (annualised).

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Internal measures have been put in place to address higher turnover, noting that - as the Secretary has indicated in speeches - it is common for PM&C staff to spend a period, or several periods, of time in PM&C and to work elsewhere in between. Finally while relatively lower level of turnover may benefit PM&C, the benefit to the APS as a whole of significant numbers of other staff spending time in PM&C also must be taken into account. The lower the turnover, the fewer the staff who benefit from the experience.

The quote used in relation to the PM&C Capability Review is incomplete and may mislead the reader as to PM&C's approach. While the Review did note that "the upwards movement of decision-making authority has translated into feelings among some staff that they are not trusted and valued by the senior leadership, which can be demotivating" (last paragraph, page 19) it also found that "PM&C has made recent moves to introduce a more effective delegation of authority and now needs to also ensure that behavioural norms align" (4th paragraph, page 30).

More generally, the overall findings of the Review based on the Department of early 2012 were that PM&C had much strength but that to build capability, the Department could focus on, among other things:

- ensuring clarity of purpose and ways of operating by specifying the desired 'PM&C craft' and then promulgating it, in particular by improving the ability of staff to focus on strategic priorities by communicating what is important;
- filling capability gaps and building the workforce of the future through a strategic approach to recruitment and people development;
- improving the department's ability to operate in a strategic and integrated way by strengthening the foundation of governance and corporate infrastructure and empowering staff to choose wisely in their use of time and resources (3rd paragraph, page 9).

The Department took these areas and other areas for improvement seriously. A Plan to address the areas of improvement was developed, senior officers were identified to progress initiatives, and actions were reviewed by the committee of senior staff.

One of the commitments for change in the Capability Action Plan was to have greater staff engagement in decision making; the level at which material was to be authorised was reviewed and lowered. The Capability Review itself noted that PM&C had already made recent moves to introduce more effective delegation of authority.

The Department reports to the APSC on progress of the Capability Action Plan on a quarterly basis.