

Part 1:

What does better value and high performance look like?

Achieving our goal of being the most responsive and respected public service in the nation means building a high performance workforce that delivers high quality and sustainable services for Queensland. But what does this look like in practice?

A new set of public service values has been developed that represent the aspirations and behaviours that are vital to creating a high performance workforce that meets the needs of Queenslanders. The values and supporting behaviours (Figure 2) were developed following engagement with QPS employees across the state.

Figure 2: values and supporting behaviours



Customers first

- Know your customer
- Deliver what matters
- Make decisions with empathy



Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Source: Public Service Commission, 2013, *About the public service*

These values are a key foundation in achieving the government's goal of a more responsive and respected QPS. Our progress towards this goal and the broader renewal agenda will be measured in four ways:

Figure 3: measures of success



Source: Department of the Premier and Cabinet, 2013, *Queensland's Renewal Framework*

Setting the benchmark

Measuring our performance allows the QPS to track progress towards becoming the best public service in the nation.

To do this, baseline data is reported below that allows comparisons to be made across the jurisdictions, and within Queensland over time. This data includes employee opinion survey data, client satisfaction data and economic measures.

Making the QPS a better place to work



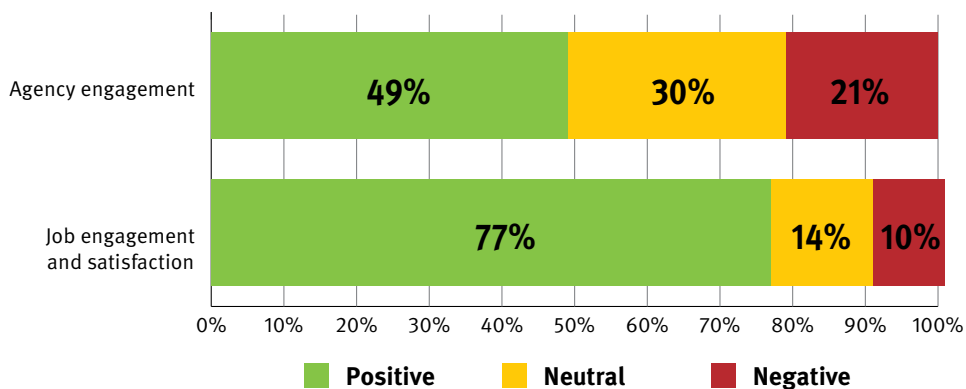
The QPS must compete to attract and retain talented and committed staff. One of the ways to measure whether the QPS is a good place to work is to analyse the level of employee engagement.

The *Working for Queensland Employee Opinion Survey 2013* considered two different types of employee engagement:

- Agency engagement:** captures the extent to which employees are emotionally attached to, speak positively of, and are motivated by their agency to help it achieve its objectives.
- Job engagement and satisfaction:** captures the extent to which employees enjoy their work, identify with their work, are willing to contribute extra effort and rate their overall job satisfaction.

Figure 4 below shows that the level of engagement with an employee’s job was considerably higher than the level of an employee’s engagement with their agency.

Figure 4: measures of engagement



Source: *Working for Queensland Employee Opinion Survey 2013*

Note: Reported percentages are based on valid responses to the respective questions. *Positive* expresses the average percentage agreement ('Strongly agree' and 'Agree') for survey questions included in the engagement measures. *Neutral* expresses the average percentage of neutral responses to the relevant questions. *Negative* expresses the average percentage disagreement ('Strongly disagree' and 'Disagree') for the relevant survey questions. Survey items included in the engagement measures are listed in Appendix 1. Percentages are rounded and may not add up to 100%.

Comparative data on engagement is available from the United Kingdom (UK) Civil Service People Survey 2012 and the Australian Public Service (APS) State of the Service Employee Census 2012. Table 1 suggests that levels of agency engagement in the UK in 2012 were very similar to that of Queensland in 2013. The only significant difference was on the item relating to feeling a strong personal attachment to their organisation, where Queensland’s result was five percentage points higher than the UK.

Table 1: agency engagement in the QPS and the UK civil service

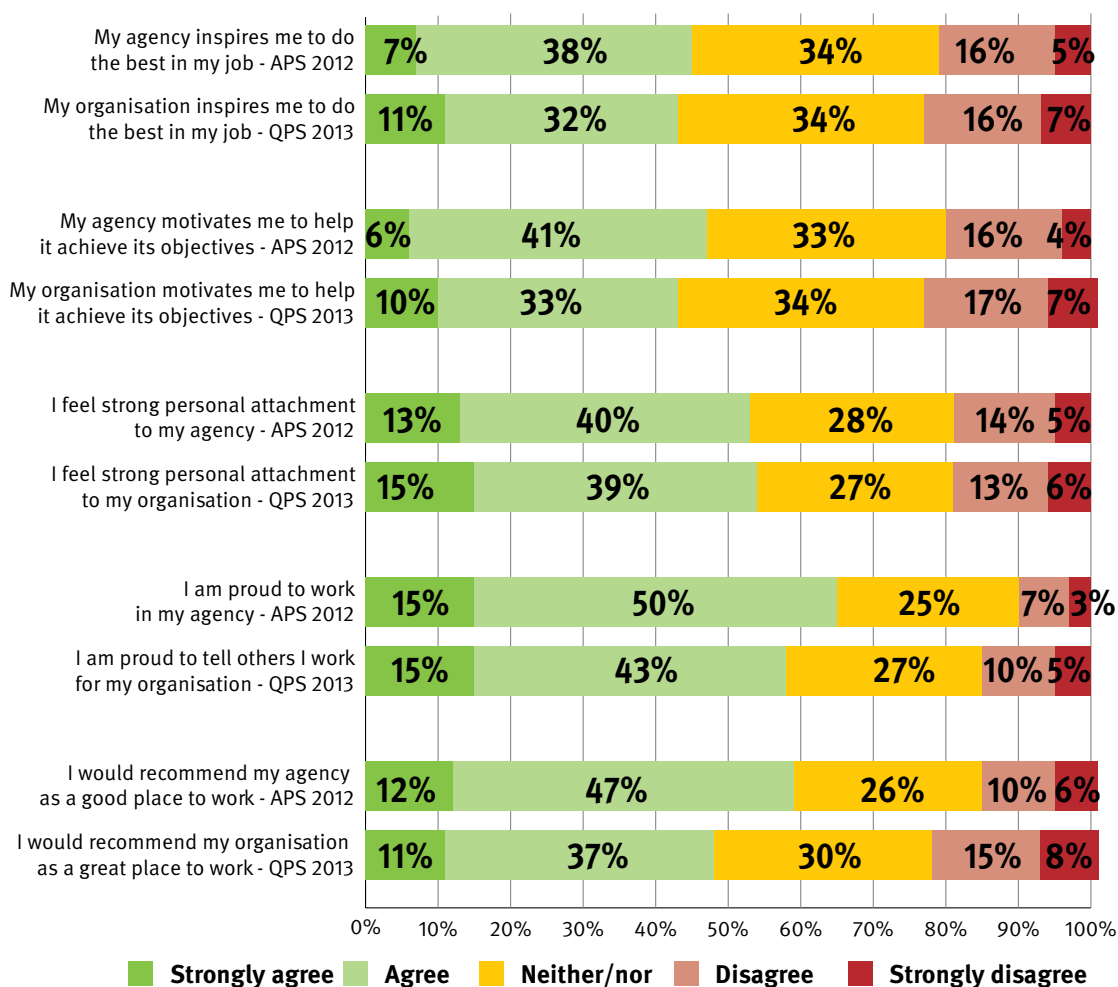
Survey item	QPS 2013	UK 2012
I would recommend my organisation as a great place to work	45%	46%
I am proud to tell others I work for my organisation	54%	53%
I feel a strong personal attachment to my organisation	49%	44%
My organisation inspires me to do the best in my job	40%	41%
My organisation motivates me to help it achieve its objectives	40%	38%

Source: Working for Queensland Employee Opinion Survey 2013; UK Civil Service People Survey 2012

Note: Percentages combine ‘Strongly agree’ and ‘Agree’ responses and are median scores of participating agencies (51 agencies in Queensland and 97 agencies in the UK).

The APS, in its annual survey of employees, also includes the five agency engagement survey items used in the UK civil service employee census. Both the APS and the QPS data are compiled using the same scale and results are illustrated in Figure 5. The data indicates that the APS generally has higher percentage positive responses than Queensland to most of the agency engagement items. The one exception is the item on feeling a strong personal attachment to the organisation they work for, where Queensland’s result was one percentage point higher than that of the APS.

Figure 5: agency engagement in the QPS and the APS

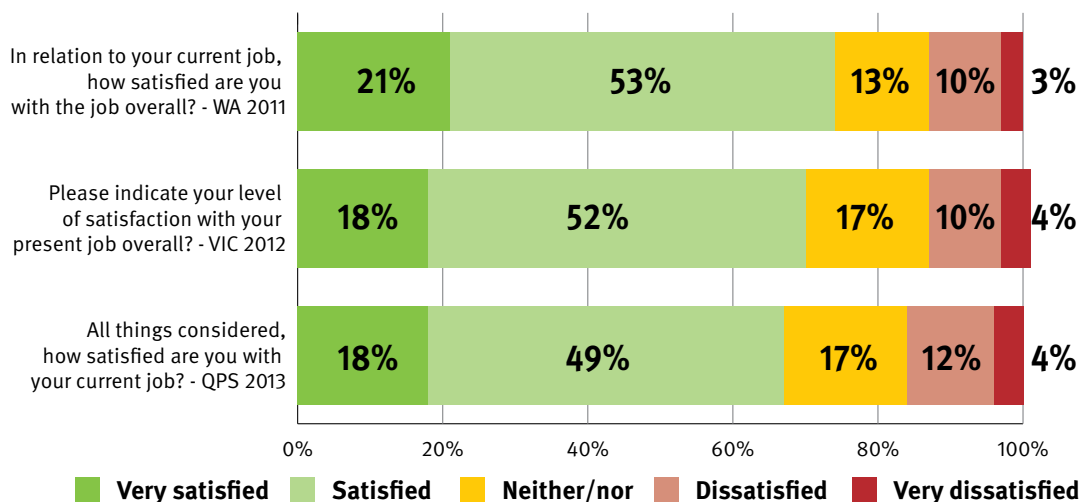


Source: Working for Queensland Employee Opinion Survey 2013; Australian Public Service 2012 State of the Service Employee Census

Note: The five questions used in the Working for Queensland Employee Opinion Survey were sourced or adapted from the UK Civil Service People Survey. Reported percentages are based on valid responses to the respective question(s). Percentages are rounded and may not add up to 100%

Figure 6 below indicates that perceptions on overall job satisfaction were similar across Western Australia (WA) (2011), Victoria (2012) and Queensland (2013), with Queensland showing slightly lower satisfaction scores.

Figure 6: overall job satisfaction in Queensland, Victoria and Western Australia



Source: *State of the sector 2012 (WA)*; *Working for Queensland Employee Opinion Survey 2013*; *The State of the Public Sector in Victoria 2011-12, Chapter 3 and Appendix D*.

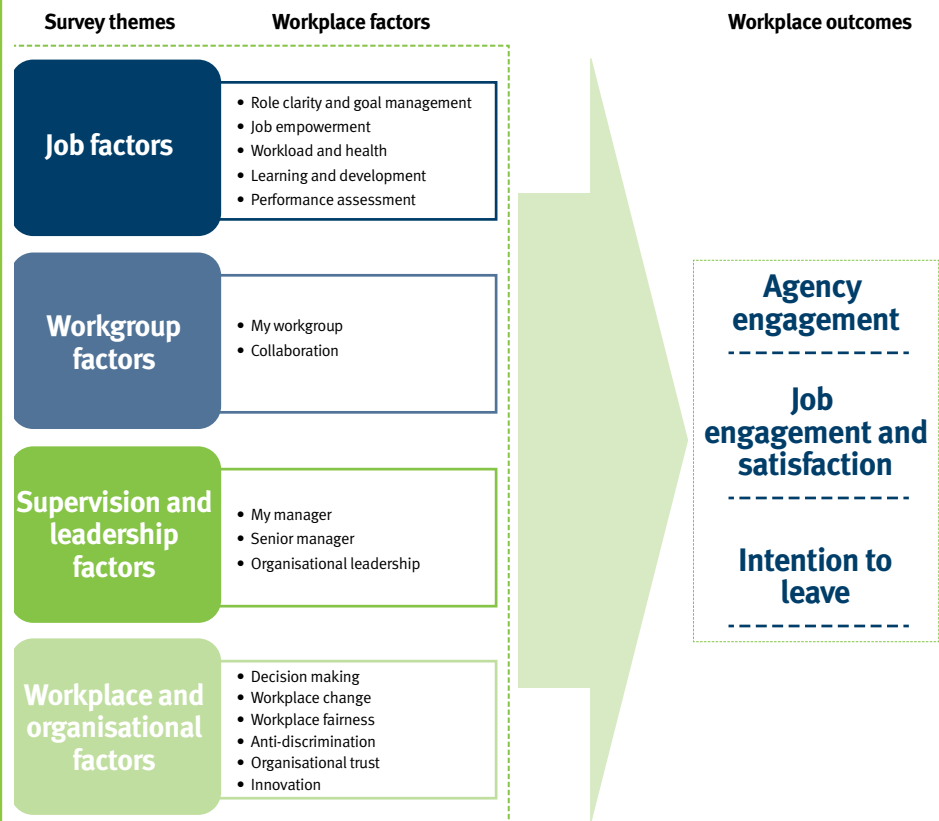
Note: Reported percentages are based on valid responses to the respective questions. Percentages are rounded and may not add up to 100%

Further information about the *Working for Queensland Employee Opinion Survey 2013* is displayed below.

Working for Queensland Employee Opinion Survey 2013	
What	The <i>Working for Queensland Employee Opinion Survey 2013</i> explored various aspects of workplace climate in the QPS. It provides a rich source of information about the factors which drive employee engagement and which can support improved public sector performance.
How	The survey was sent to approximately 215,000 employees using a mix of online and hard copy surveys. The survey was in field from 3 to 28 June 2013. A response rate of 38% was achieved. The survey was conducted by independent provider, ORC International, on behalf of the PSC.
Results	<p>The survey report identified 16 key ‘factors’ or underlying themes in the survey results. These factors can be categorised as job factors, workgroup factors, supervision and leadership factors, and workplace and organisational factors. They are depicted in Figure 7, along with the three workplace outcomes that they influence:</p> <ul style="list-style-type: none"> • agency engagement • job engagement and satisfaction • intention to leave/stay

Results cont.

Figure 7: survey workplace factors and workplace outcomes



Collectively the factors which drive the greatest positive changes in these workplace outcomes were:

- organisational leadership
- learning and development
- role clarity and goal alignment
- job empowerment
- workload and health.

ORC International benchmarked the performance of the QPS against high performing organisations internationally. The results indicate there is a significant difference between the performance of the QPS and the global high performance benchmark.

The survey report concludes that agency engagement, job engagement and satisfaction, and intention to stay are key indicators of success for the QPS. Focussing on the key drivers of these workplace outcomes will help build the capability and culture the QPS needs to improve its performance.

Why

Results from the survey are likely to reflect the effects of large-scale organisational change across the QPS, as well as more embedded issues such as perceptions of organisational leadership and learning and development, which were identified as matters for further work in the [State of the Service Report 2010](#).

Improving agency engagement and employee job engagement and satisfaction will help drive improvements in the productivity of the QPS.

Success looks like

- improved perceptions of organisational leadership, job empowerment and employee health
- improved workforce capability, through better learning and development opportunities for employees and executives
- greater levels of engagement at the job and agency level

Reducing the cost of service delivery to Queenslanders

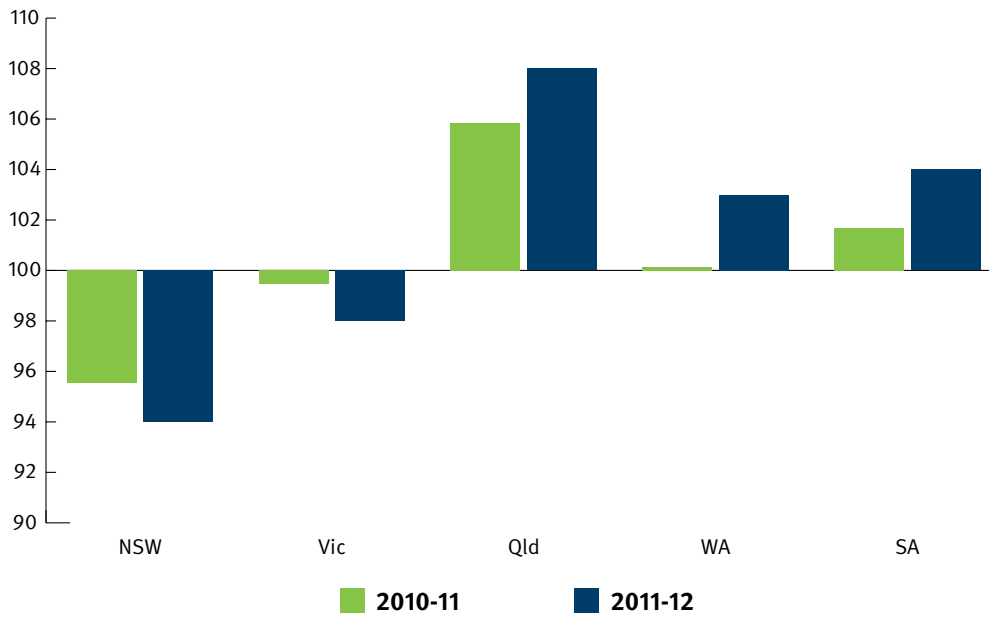


The cost of service delivery in Queensland has traditionally been lower than the national per capita average.

The Commission of Audit noted that this trend has now changed, with service expenditure in Queensland being approximately six per cent higher than the Australian average since 2007-08.¹

Figure 8 below indicates that in both 2010-11 and 2011-12, Queensland had the highest cost of service provision of any mainland state.

Figure 8: cost of service provision by state

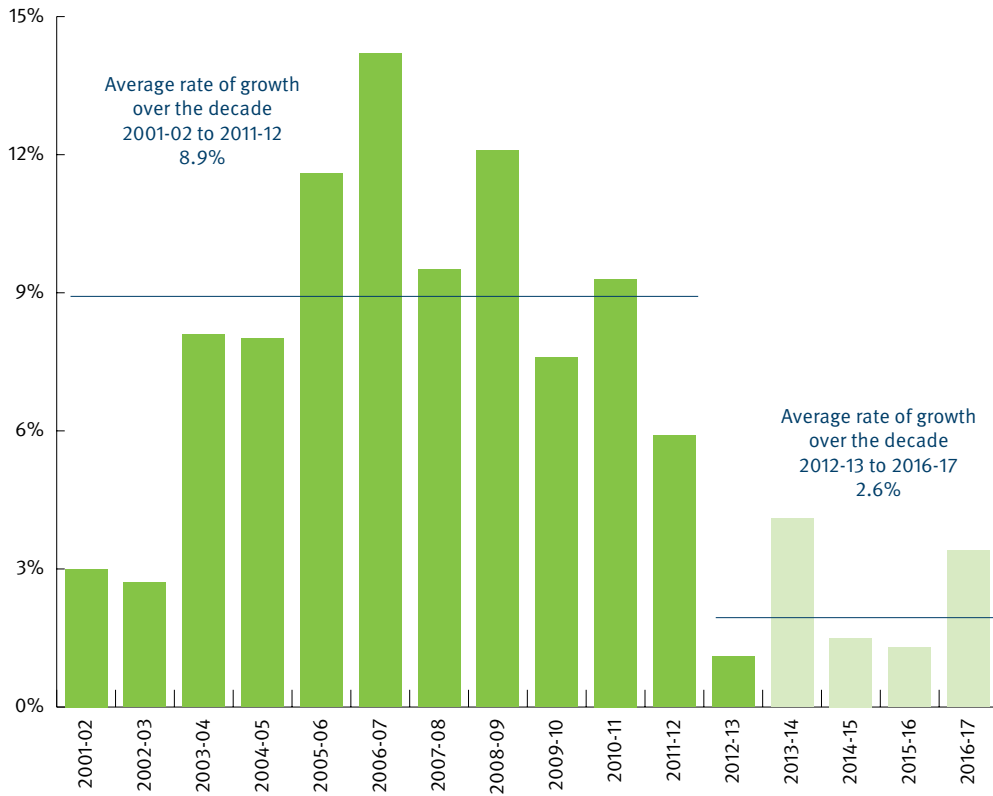


Source: Commonwealth Grants Commission, assessed level of service ratio

¹ Queensland Commission of Audit Final Report, February 2013, Volume 1, p. 20

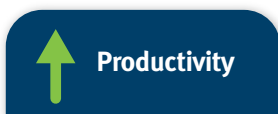
Since 2012-13, the government has sought to reduce the rate of growth in general government sector expenses. As shown in Figure 9 below, the average rate of growth in Queensland’s general government sector expenses was 8.9 per cent in the decade to 2011-12. In contrast, the rate of growth in 2012-13 was 1.1 per cent, the lowest since 1998-99. Expenses are projected to grow on average by 2.6 per cent over the period 2012-13 to 2016-17.

Figure 9: growth in general government sector expenses



Source: Queensland State Budget 2013-14

Increasing public sector productivity



Improving public sector productivity essentially requires the QPS to deliver better services to more customers with the same or fewer resources.

Measuring public sector productivity is a challenge. Academic and Public Sector Renewal Board member, Professor Gary Sturgess, notes that:

“Lack of competition and performance benchmarking means that governments have only a limited understanding of productivity in the public service economy. Indeed, this issue has been studied so little that policy makers have not yet developed meaningful measures of productivity for this sector.”²

For this reason, most assessments of public sector productivity have traditionally been made by measuring inputs and outputs. This is an imperfect approach, as it does not take into account the quality and value of particular services. An important future focus for the QPS will be partnering with academia and productivity commissions to develop more comprehensive and nuanced measures for public sector productivity.

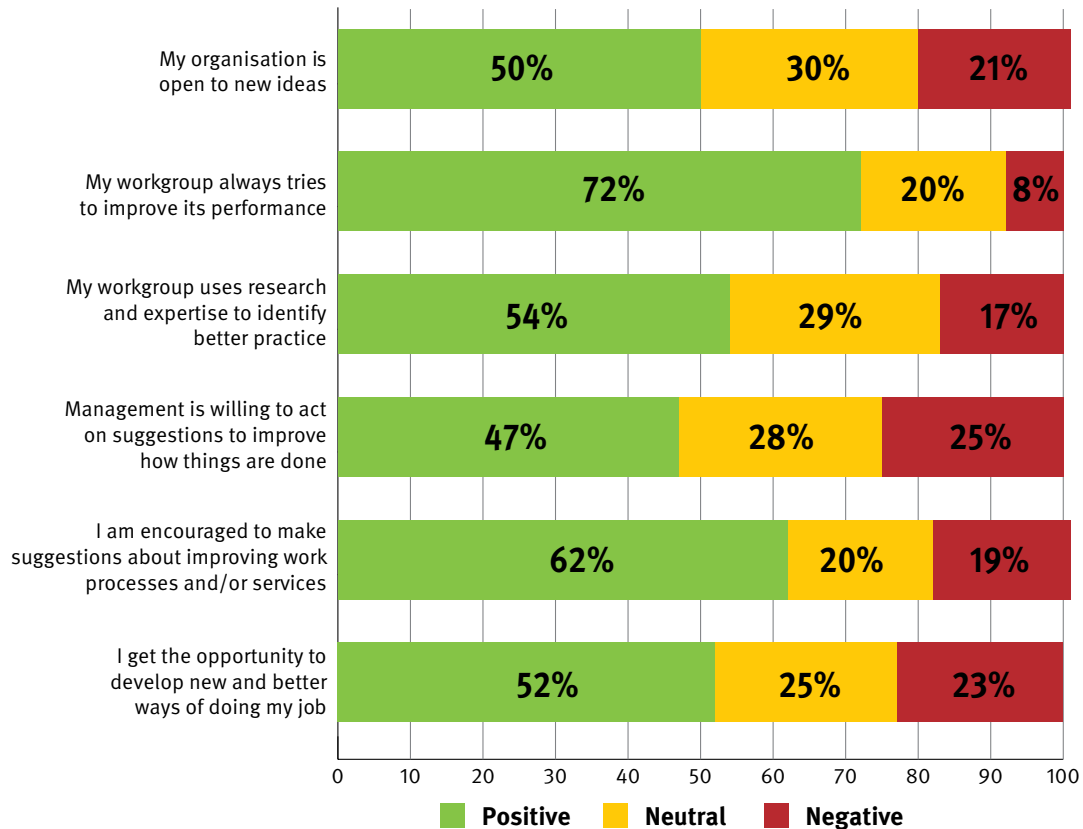
Productivity can be improved in a number of ways, including:

- embedding innovation in our ways of working
- streamlining business processes
- improving the use of information and communication technology
- enhancing workforce management practices
- increasing employee engagement.

The *Working for Queensland Employee Opinion Survey 2013* explored employee views of innovation, including opportunities to develop new and better ways of working, and whether the organisation was open to new ideas. Results are shown in [Figure 10](#).

² Gary L Sturgess, 2012, *Diversity and Contestability in the Public Service Economy*, p.7, NSW Business Chamber.

Figure 10: ideas into action – innovation factor



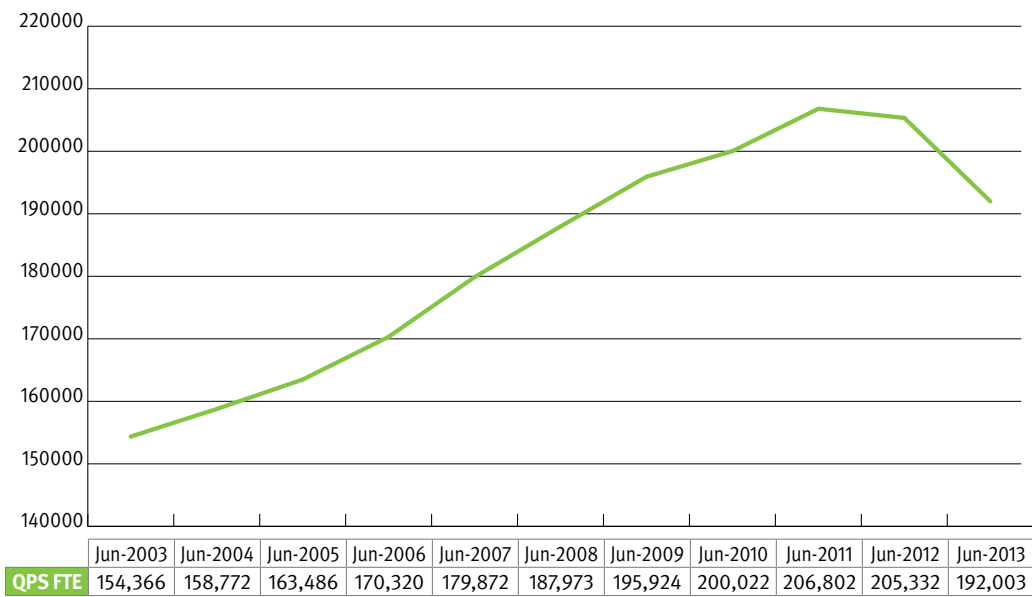
Source: Working for Queensland Employee Opinion Survey 2013

Note: Reported percentages are based on valid responses to the respective questions. *Positive* expresses the average percentage agreement ('Strongly agree' and 'Agree') for survey questions included in the innovation factor. *Neutral* expresses the average percentage of neutral responses to the relevant questions. *Negative* expresses the average percentage disagreement ('Strongly disagree' and 'Disagree') for the relevant survey questions. Percentages are rounded and may not add up to 100%.

Less than half of respondents (47 per cent) agreed that management is willing to act on suggestions to improve how things are done. This would suggest that there are still some barriers to innovation in the workplace, including a need to build a workplace culture that can effectively manage the potential risks associated with innovation and new ways of working.

Trends in the size of the public service workforce are a key input measure and can also provide some insights into productivity, although the data must be interpreted with caution because it does not take into account any changes in the level of output, or their quality or value. As shown in Figure 11, the QPS increased in size by nearly a quarter in the 10-years to June 2013, with a net increase of 37,637 full-time equivalents (FTE). However, in the past 12-months, there has been a net reduction of 13,329 FTEs (-6.29 per cent).

Figure 11: trends in QPS growth (FTE) from 2003-2013

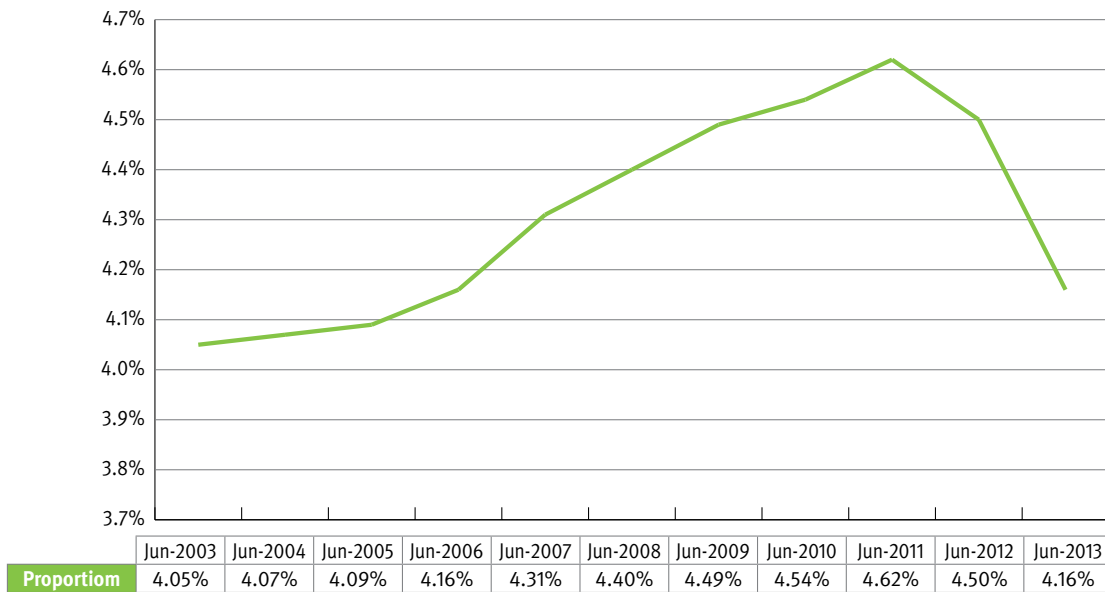


Source: Public Service Commission, *Queensland Public Service Workforce Characteristics 2012-13*

The reduction in FTEs in 2012–13 can be attributed in large part to the government’s aim to restore financial sustainability. This was implemented through the [Establishment Management Program \(EMP\)](#), voluntary redundancies and natural attrition. Commencing in late March 2012, the EMP sought to reduce agency workforce size through greater scrutiny of recruitment decisions.

Recent FTE reductions have also brought the size of the QPS back in line with the historical proportional relationship with the Queensland population. In the last decade, the number of QPS employees expressed as a proportion of the Queensland Estimated Resident Population (ERP) increased each year until June 2011. By June 2013, the proportion decreased to 4.16 per cent – returning to the level that existed in June 2006 ([Figure 12](#)).

Figure 12: trends in QPS (FTE) as a proportion of the Queensland population



Source: Public Service Commission, *Queensland Public Service Workforce Characteristics 2012-13*

Absenteeism can also have a negative effect on productivity. Figure 13 sets out trends in absenteeism and sick leave in Queensland in the 10-years to 2012-13. Both absenteeism and sick leave have trended upwards since 2010-11.

Figure 13: comparisons of employee absenteeism and sick leave



Source: Public Service Commission, *Queensland Public Service Workforce Characteristics 2012-13*

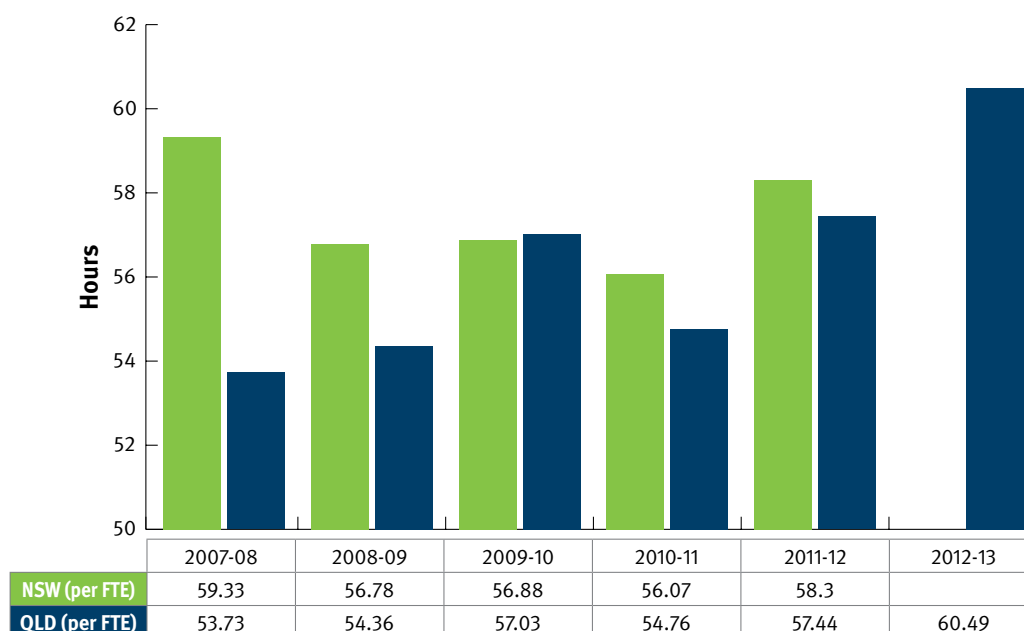
Note: data reports average full time days taken per employee (excluding casuals).

The costs of absenteeism in the QPS are substantial. The direct costs of absenteeism³ have increased over time, rising from \$272.4 million in 2003-04, to \$568.7 million in 2012-13. This equates to 3.94 per cent of total direct payroll costs in 2003-04, rising to 4.47 per cent of total direct payroll costs in 2012-13. These costs are influenced by a range of factors, including growth in workforce size, the ageing workforce, enterprise bargaining increases and the rate of absenteeism.

The indirect costs of absenteeism, such as the costs of replacement staff and overtime, are much more difficult to calculate, due to a combination of IT system limitations and the tendency of some agencies to absorb the costs of absenteeism via temporary reductions in productivity. Research indicates that the indirect costs of absenteeism are typically around 6.1 per cent of payroll.⁴

There is limited data available on which to compare Queensland’s performance in this area with that of other jurisdictions. An analysis of the average hours’ sick leave taken per FTE suggests that in the six years to 30 June 2012, less sick leave was generally taken in Queensland than in New South Wales (Figure 14).

Figure 14: interstate comparison of average hours’ sick leave per FTE in public sector/service



Source: Queensland Public Service Commission; NSW Public Service Commission

Notes: the above data was compiled using the following business rules:

NSW:

- Sick leave only (excludes carer’s leave and Family and Community Services leave)
- Includes all employees for the 12 month reference period whose employment conditions include sick leave provisions.
- Average hours sick leave per FTE is calculated as the sum of sick leave hours taken over the 12 month reference period divided by the reference period FTE.
- NSW data covers the NSW Public Sector. It includes all departments, Government owned corporations and statutory authorities, and some government offices, bodies, and commissions.
- It should be noted that for 2010-11, Health data was excluded as NSW Health were only able to provide six months data due to the extensive nature of the restructure of NSW Health in early 2011

Queensland:

- Sick leave only (excludes carer’s leave)
- Includes employees whose employment status is “active” or “on paid leave”. Excludes employees whose employment status is “separated” or “on unpaid leave greater than 8 weeks”
- Excludes casual employees
- Measure is “average hours sick leave per FTE” (i.e. the sum of sick leave hours taken over the 12 month period divided by the FTE as at the end of the 12 month period)
- For the 12 month reporting periods of 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12
- The scope for the Queensland data is Queensland Public Service. It includes all departments, and some government offices, bodies, and commissions. Government owned corporations and statutory authorities are excluded.

³ The Queensland Audit Office defines unplanned absence as including sick leave, carers leave, workers’ compensation, short periods of special leave (such as bereavement leave), and industrial disputes. For further information, see the Auditor-General of Queensland’s 2012 publication, [Managing employee unplanned absence](#), p. 12.

⁴ Mercer, 2010, [Survey on the Total Financial Impact of Employee Absences](#), p. 8. See also C. Bass and D. Fleury, 2011, [The \(Not So\) Hidden Costs of Member Absences](#), p. 13.

The Australian Public Service (APS) also publishes data on absenteeism and sick leave rates in the Australian Public Service Commissioner's State of the Service Report. The 2011-12 report for the APS indicated that the median unscheduled absence rate for APS agencies in 2011-12 was 11.1 days, and the median sick leave rate was 8.5 days. This compares to 9.2 average full-time days of unplanned absence, incorporating 7.16 average full-time days of sick leave, for the QPS workforce in 2011-12. In interpreting this data, it should be noted that the APS and the QPS use different data reporting approaches (the APS reports on the median, including paid and unpaid leave, while the QPS reports the average based on paid leave only).

A number of agencies have implemented proactive strategies to manage and reduce the rate of absenteeism, including preventative health initiatives, setting targets within the agency and enhanced monitoring and reporting. One example is illustrated in the case study below.

Case study: managing absenteeism in the QPS

Fast Facts

Department: Department of Agriculture, Fisheries and Forestry

Employees: 2,230

Focus area: Reducing absenteeism

Year: 2012-13

Geographic area: South-east Queensland

The situation

The Department of Agriculture, Fisheries and Forestry (DAFF) has implemented tailored and highly successful strategies to reduce absenteeism in a specific program area.

The program area, which has a large in-field workforce, has been subject to significant change. The size of the workforce was reduced by over one third in October 2012, which had an effect on staff morale and work performance.

An analysis of field staff attendance in October 2012 indicated that average daily absenteeism peaked at 20 per cent in October 2012. While this reduced to 10 per cent by early 2013, absenteeism was still unacceptably high and unsustainable.

Approach

To respond to these issues, DAFF implemented a structured process to manage absenteeism, with union and workforce consultation. Field staff were provided with an analysis of their patterns of absence, and given an opportunity to provide an explanation. Counselling assistance was provided to field staff with legitimate reasons for absence and agreed strategies were implemented to ensure staff had an appropriate work life balance that was consistent with operational goals. Field staff unable to satisfactorily explain their absences received written notification and strategies to improve attendance were agreed. Fortnightly review meetings were also held to monitor improvements.

Outcomes

As a result of these initiatives, daily absenteeism fell to 2 to 3 per cent. When contractors were employed to provide seasonal capacity in mid-2013, daily absenteeism fell to 0 to 2 per cent.

Operationally, the reduction in absenteeism has translated into:

- increased productivity
- higher responsiveness to clients
- increased daily operational outputs
- decreased organisational costs
- increased staff morale.

Source: Department of Agriculture, Fisheries and Forestry

Improving customer experience

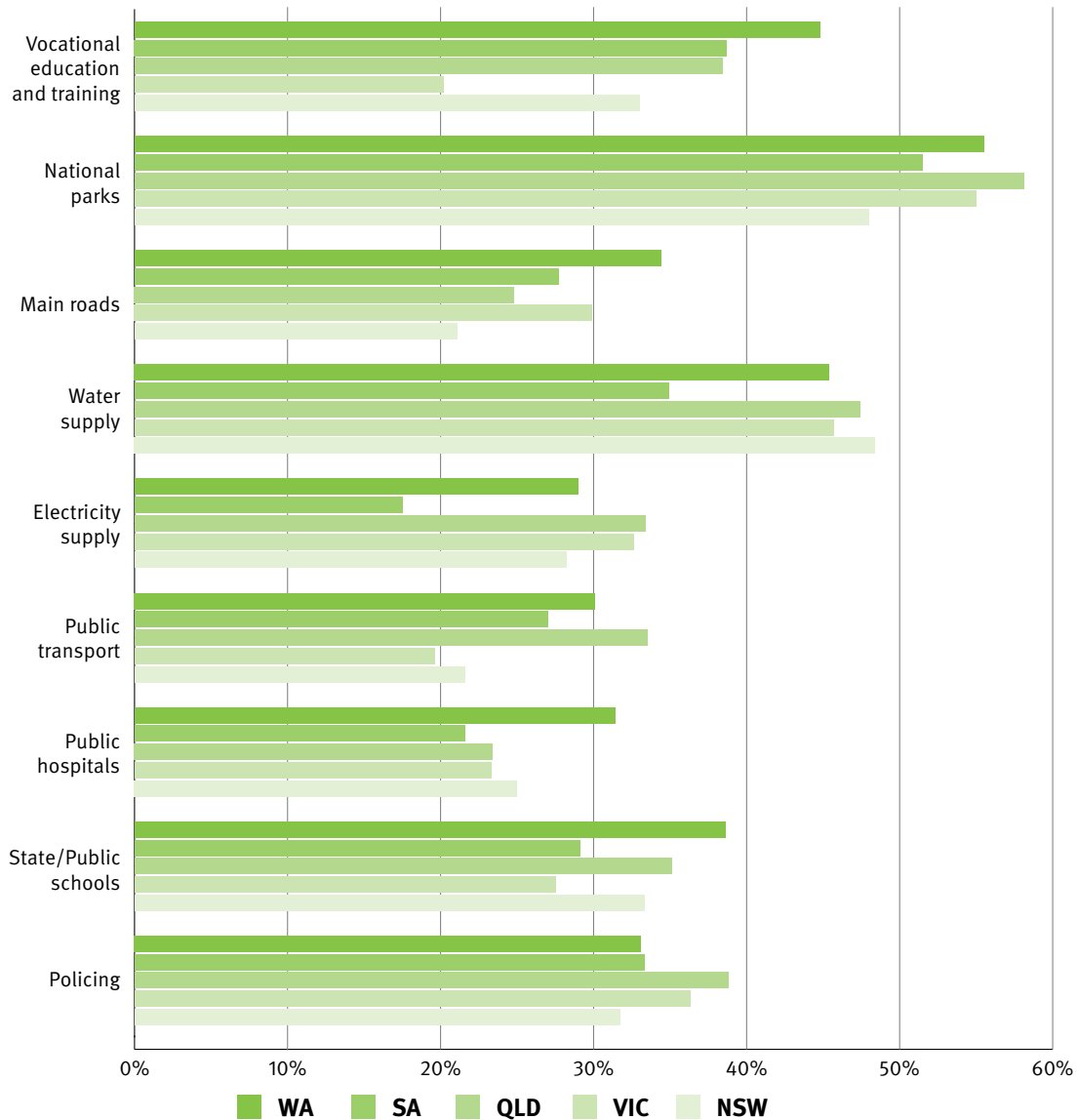


The Queensland Government commissioned a whole-of-government customer satisfaction survey, which was conducted in March 2012. The survey compared customer satisfaction with service delivery across all three levels of government (local, state and Australian governments) and across the five mainland states.

The survey results clearly showed that local government attracts the highest level of customer satisfaction, with state governments and the Australian Government behind in most jurisdictions. This can perhaps be attributed to the proximity of the service provision to the individual, and the fact that state services (policing, education, public transport) and federal services are typically more complex to deliver than local government services.

Overall satisfaction with service delivery in Queensland is compared with other mainland states in Figure 15.

Figure 15: overall satisfaction with services delivered by state governments in Australia



Source: Public Service Commission, *Whole-of-Government service delivery research: Summary of outcomes*

Note: due to small jurisdictional sample sizes, differences between jurisdictions need to be interpreted with caution.

As shown in Figure 15, Queensland's results were mixed:

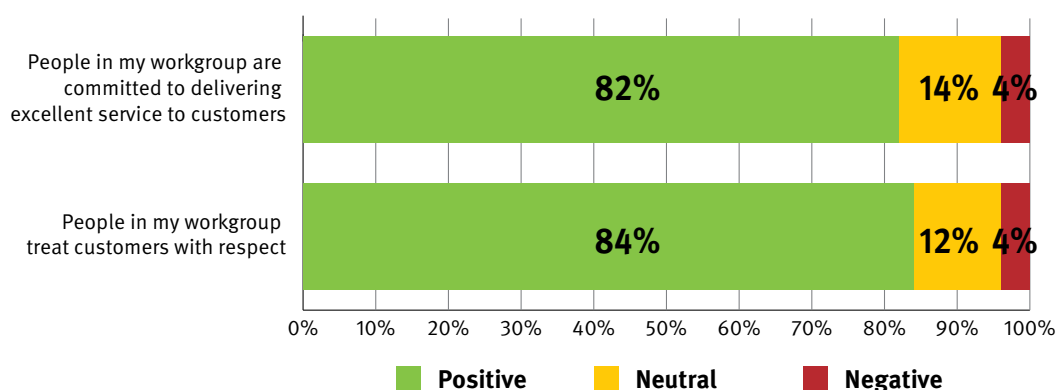
- Queensland scored the highest levels of satisfaction of any state in national parks (59 per cent), policing (39 per cent), public transport (34 per cent) and electricity supply (33.4 per cent).
- Queensland attracted low levels of satisfaction in a number of areas, including main roads (24 per cent) and public hospitals (23 per cent).
- Queensland was not the worst performing state in any service.

The next survey of customer satisfaction will be completed by the Queensland Government in December 2013. The results, which are expected to be available in the first quarter of 2014, will provide the QPS with a better understanding of customer satisfaction across the state.

The *Working for Queensland Employee Opinion Survey 2013* also provides a rich source of data on employee perceptions of customer service. Employees were asked to what extent they believed people in their workgroup treated customers with respect and were committed to delivering excellent services.

The results suggest that respect for customers and commitment to delivering excellent services are common among the QPS workforce (Figure 16).

Figure 16: customer service in the QPS



Source: *Working for Queensland Employee Opinion Survey 2013*

Note: reported percentages are based on valid responses to the respective questions. *Positive* expresses the percentage agreement ('Strongly agree' and 'Agree') and *Negative* expresses the percentage disagreement ('Strongly disagree' and 'Disagree') for the survey questions. Percentages are rounded and may not add up to 100%.

An analysis of the benchmarking data in part one of this report indicates that the QPS has a strong platform on which to improve its performance, but there is still a significant body of work to undertake and achieve the goal of being the most responsive and respected public service in Australia. Future work in this area is likely to focus on:

- increasing levels of employee engagement (both agency engagement and job engagement and satisfaction) across the QPS
- developing appropriate indicators for measuring public sector productivity in Queensland
- reducing the rate of absenteeism in the QPS
- reducing the costs of service delivery so that expenditure is at, or below, the national average
- improving levels of customer satisfaction, especially in areas where Queensland scores comparatively poorly against other jurisdictions, including main roads and public hospitals.

Achieving these performance goals will help to position Queensland as the most respected and responsive public service in Australia.

Risks and challenges of renewal

Any major change process brings a range of risks and challenges. Public sector reform and, more specifically, the Queensland Government's renewal process are no different.

Both the government and public sector employees will need to proactively manage and mitigate a number of major risks and challenges during the renewal process. The risks and challenges include:

- **understanding the significance of the reforms:** the public sector renewal agenda represents a fundamental change in the way we work and the way we do business. It involves changes to the structure, operations and culture of the QPS, and is therefore far more significant in scope than previous reforms undertaken in the past 20-years. The QPS will need to develop a workplace culture that can better engage with, and manage, risk in order to successfully implement the reforms.
- **sequencing and prioritising reform:** the government's renewal agenda comprises many initiatives, some of which are 'foundational' in nature and need to occur first to create a platform for further reform. Coordination, sequencing and prioritising these reforms is important to ensure the right supports are in place, and to make sure we deliver on our commitment to renewal.
- **building capability:** implementing many of the renewal initiatives, and especially those relating to greater competition and contestability in service delivery, will require skills and capabilities that are quite different to those traditionally found in the public sector. This includes skills in market analysis and development, strategic procurement and performance-based contract management. The QPS will need to 'buy, borrow and build' the requisite skills in the short to medium term, so that reforms can be successfully implemented.
- **measuring performance:** measuring our progress towards our goals is complex, due to difficulties associated with making performance comparisons over time and across jurisdictions. Despite the absence of perfect data, the ongoing monitoring and reporting of our performance is vital.
- **maintaining momentum and engagement in the renewal agenda:** implementing lasting change takes time, especially when it comes to organisational culture and values. Queensland's renewal journey will be measured in years, not months. Delivering on the renewal agenda will therefore be an exercise in persistence as much as planning.

Part two of this report outlines the approach of the Queensland public service to the workforce renewal agenda, in terms of leadership and direction, employee engagement, and enabling systems and processes.