

# Human resource management in the Australian public service: challenges and opportunities

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## INTRODUCTION

This article addresses Australia's recent experience with Human Resource Management in the public sector focusing on basic approaches and concepts that may be of use to other countries, in their search for best practice.

In the past decade the Australian public service has experienced major reforms that have had a significant impact on the work of public servants. The demands placed on public servants are now greater than ever before, standards expected are higher and roles more complex. There is a focus on management and professionalism in place of administration and bureaucracy.

In addition there are now more sophisticated expectations in the Australian community about the ongoing nature and purpose of public sector activities at the Commonwealth level. These expectations assume that:

- the Australian public service provide a uniform and high standard of efficiency and effectiveness right across Australia for the delivery of its services;
- all Australians will have equal access to the services of the Commonwealth, and will receive the same high standard of treatment;
- the Australian public service will reflect the broad values of the Australian community, in particular, it will provide a model of effectiveness and equality in the management of its staff.

These expectations, added to the reforms of the past decade, bring complexity to the nature of work and management pressures in the Australian public service.

The reforms have gone to the very heart of what is the role of the public service and have raised many questions including those about the nature of government, the scope of its functions, the way in which these functions are best performed and the means of paying for them.

Central to these reforms have been concepts of efficiency, effectiveness, devolution and accountability leading to a new focus on results and on improvement in the quality of services to the public.

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## MANAGEMENT REFORMS

It has been recognized in Australia that public sector management is an important, indeed critical, issue and that national objectives will not be achieved without a substantial upgrading of public sector management skills and performance. In this context, the key objectives of the Management Reform agenda pursued have been to develop a public service that:

- is more responsive and accountable to Ministers and the Parliament;
- is more efficient, effective and equitable, with more rational means for the distribution of resources to priorities and giving managers greater flexibility in managing those resources; and
- has more streamlined, flexible staffing policies, which allow managers to recruit the best staff possible and achieve quality outcomes.

Major elements of the reform framework have included:

- restructuring of departments and agencies into fewer larger portfolios;
- major reforms in budgetary processes, including ongoing forward estimates;
- a Financial Management Improvement Programme;
- various commercial reforms and corporatization of major activities;
- the devolution of decision making from central agencies to line departments, and from central corporate services areas to line managers, that is, bringing them closer to those immediately responsible for the delivery of services;
- reform of classification structures and working arrangements;
- a move to enterprise bargaining;
- more streamlined and flexible staffing policies, including a range of personnel management reforms based on devolution of responsibilities; and
- an increased stress on performance and accountability of individual managers.

Initial reforms focused on structural, financial and industrial matters but, increasingly, a more integrated approach is being adopted, which recognizes that added to these must be other essential elements—culture and people management practices.

The Australian public service is now turning to the challenges and opportunities offered by human resource management in maintaining the momentum of the Government's reform agenda. There is a growing appreciation that an essential priority of contemporary public sector management is people management.

It is being recognized that the achievement of corporate or programme goals relies not only on strategic management and improved financial management but on clear human resource management strategies. These include establishing a culture accepting of new directions such as better teamwork, as well as allowing for individual creativity and contribution, rewarding high performance and managing poor performance, ensuring there is good communication within the organization as well as with clients, and appropriate training and development.

While the pace and extent of change is increasing, the issue for a career service is to shift from a service based on ongoing structural certainties to one based on an agreed culture and enduring values and principles. This requires a more strategic approach to human resource management based on clarity of objectives and values. This probably holds true in other public services generally.

In the Australian public service, current strategic directions in people management reflect the findings of a major evaluation of a decade of management reform in the public service undertaken on behalf of the Management Advisory Board<sup>1</sup> (MAB). The evaluation report, *The Public Service Reformed*, reached a number of broad conclusions about the progress made in implementing management reforms in the last decade. It found

‘that the reform programme has been well directed and accepted to the point where financial, human resource and industrial relations frameworks operating in the Service can reasonably be said to approach best international practice, and in some cases to be ahead of best practice. There, is however, an urgent need to press home changes to embed them more firmly in the working culture of the Public Service’ (Foreword—*Building a Better Public Service*)

The report noted that the major factor in determining how successful an organization would be in achieving its objective was the contribution made by staff and the biggest gains in productivity, at this stage of the reform process, would be realized through better people management. Put simply, its message is that good public sector management requires good systems, good management and good people.

In launching the report, the Prime Minister noted:

‘The performance of our Public Service and its values are basic to our national well being. The quality of our system of government depends heavily upon the integrity, professionalism and dedication of the Public Service.’

## BUILDING A BETTER PUBLIC SERVICE

The results of the evaluation have been used to develop a report entitled *Building a Better Public Service*, which presents a strategic direction for the public service for the future. It identifies the continuing challenge to improve performance and captures the nature of further integration of the reforms into the culture of the public service through three key elements:

- making performance count;
- improving leadership; and
- promoting a culture of continuous improvement.

While there are many components of management contributing to improved performance—and we cannot afford to neglect any of them—the emphasis in our Service is moving to people management.

According to the Management Advisory Board:

<sup>1</sup>The Management Advisory Board (MAB) is charged under the Public Service Act with advising the Commonwealth Government, through the Prime Minister, on significant issues on the Management of the Australian Public Service.

‘Since the Public Service is a service industry its greatest assets will always be the knowledge, skills and capabilities of its people. This especially is an area where change cannot be simply mandated and where the attitudes and behaviour of staff and the culture of organizations may have powerful effects.’

In setting the direction for the future, the Management Advisory Board contends that:

‘The primary means for achieving further improvement will be through developing the main resource of the Service, its people. The strong positive attitudes and commitment which public servants have to building a better Public Service need to be brought more closely to the forefront and used to underpin a real culture of continuous improvement.’

## **A POLICY-ORIENTED STRATEGIC APPROACH TO HUMAN RESOURCE MANAGEMENT**

Having recognized the value of, and opportunities presented by, good people management the challenge presented is how to fully integrate people management reforms into public service culture and how to transmit the messages of the Report to those in the service.

It is here that the Public Service Commission, as the agency with responsibility for human resource management policies across the Australian public service, plays a major role in meeting the challenges presented by the Reform Agenda. It does this by articulating the values and principles of a modern, professional public service through developing policy frameworks for fair and equitable staffing practices, based on merit, and by developing and assisting agencies to implement good practices in people management.

A key issue for the Public Service Commission has been how to carry out its role in relation to policy and strategic management in a way that will help achieve the benefits of devolution while avoiding major problems which could arise from fragmentation. A ‘policy cycle’ approach has been adopted.

The Public Service Commission’s general approach to its policy development role is as follows:

- setting an appropriate framework (in the form of a policy statement, guidelines or broad instructions), usually after consultation;
- communicating and promoting that framework;
- monitoring and obtaining feedback on implementation of the framework;
- identifying and communicating best practice, where this is appropriate and productive;
- undertaking evaluation or promoting evaluation methodologies; and
- revising policy where necessary and recommencing the cycle.

The Commission’s focus is on working through people and linking improved performance to a strategic approach to people management. Strategic human resource management is a concept that seeks to integrate human resource values and practices within corporate objectives.

## PROFESSIONALISM AND VALUES

In promoting a strategic approach to people management issues the Commission is also focusing more strongly on the place of public service values in establishing our modern ethos and culture.

These values for the Australian public service (detailed in Table 1) are seen as:

- responsiveness to governments
- a close focus on results
- merit as the basis for staffing
- the highest standards of probity, integrity and conduct
- a strong commitment to accountability, and
- continuous improvement through teams and individuals.

While *Building a Better Public Service* places emphasis on what might be seen as newer values—the need for responsiveness to governments, managing for results and

Table 1. Key public service values

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*This statement of values blends traditional and contemporary APS values with the principles of good people management practice. Together they describe the ethos of public service which is to serve government in accordance with the law and to meet the community's rightful expectations of its public servants. In describing the public service ethos these values also distinguish the special features of work and employment which embody an integrated Service and ensure its capacity to respond effectively to governments and clients across the breadth of its functions.*

*Responsiveness to governments:*

- serving loyally and impartially Ministers and the Government; and
- providing frank, honest and comprehensive advice

*A close focus on results:*

- pursuing efficiency and effectiveness at all levels; and
- delivering services to clients conscientiously and courteously

*Merit as the basis for staffing:*

- ensuring equality of opportunity; and
- providing fair and reasonable rewards as an incentive to high performance

*The highest standards of probity, integrity and conduct:*

- acting in accordance with the letter and spirit of the law;
- dealing equitably, honestly and responsively with the public;
- avoiding real or apparent conflicts of interest; and
- upholding individuals' right to privacy
- ensuring fair decision making

*A strong commitment to accountability:*

- contributing fully to the accountability of the agency to the Government, of the Government to the Parliament and of the Parliament to the people;
- fully supporting the administrative and legal measures established to enhance accountability; and
- recognizing that those delegating responsibility for performance do not lose responsibility and may be called to account.

*Continuous improvement through teams and individuals:*

- striving for creativity and innovation;
- making individual and team performance count;
- responding flexibly and promptly to change; and
- involving staff fully in decisions that affect their working lives.

# The New Professionalism

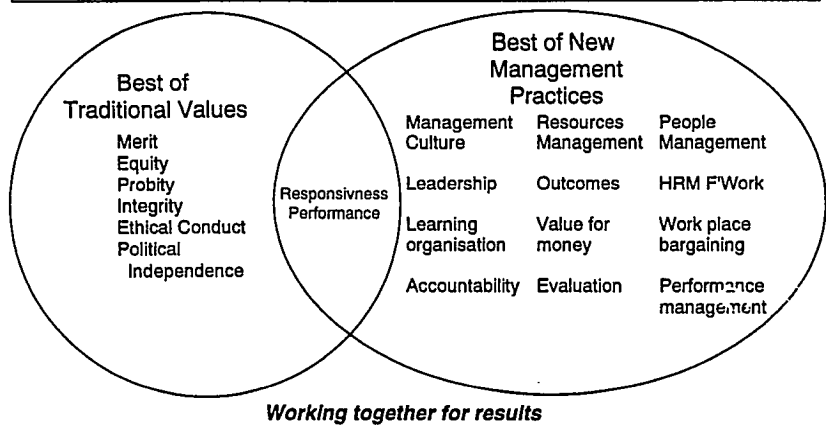


Figure 1. The 'New Professionalism' concept for public servants

improving accountability—this does not represent 'any retreat from traditional values. Rather, the new and the old should reinforce each other'. Consistent with this approach the Public Service Commission has been promoting a concept of the 'New Professionalism' as a means of focusing on what it means to be a public servant today, taking into account the rapid process of change, management challenges and traditional public service values.

Put simply, 'New Professionalism' (see Figure 1) is a concept that aims to integrate the best parts of the improved management practices with the best parts of the more traditional Australian public service values. It recognizes and encompasses new approaches to management culture that contribute to continuous improvement. It recognizes the centrality of people management and the importance of valuing people and their potential. It helps create an environment in which that potential can be realized.

It also provides a logical transitional connection between the 'old' public service concepts and those that are needed in today's environment and for the future. This transitional concept has been useful in helping public servants feel more comfortable with the nature and process of change.

*Building a Better Public Service* and the concept of the 'New Professionalism' provide a consistent strategic direction and conceptual framework for furthering the Government's reform agenda for the public service.

These new approaches recognize that the performance of organizations, of individuals and of teams of individuals are inter-related. They also recognize that the performance of organizations cannot improve without fostering and managing the performance of individuals and teams and drawing the links between their

performance and the achievement of organizational goals. This interdependence and interconnection now has to be seen as the key means of embedding recent reforms more deeply in the culture of the public service.

In order to assist staff to meet the challenges and take advantage of the opportunities available through good people management the Public Service Commission has adopted a range of strategies to integrate these values into everyday work.

Among these are a range of guidelines and management frameworks that provide advice and good practice examples and make explicit the uniform and high standards of conduct and behaviour expected to all staff. A challenge for the Commission is how best to provide less formal, more user-friendly guidance on people management issues in an accessible format.

## **THE HUMAN RESOURCE MANAGEMENT (HRM) FRAMEWORK**

One such tool is the Commission's *Framework For Human Resource Management in the Australian Public Service*. It has been developed to promote better people management across the service and is specifically designed to assist individual managers better understand their roles and responsibilities. It provides a consistent, strategic approach to people management identifying six key areas of people management:

- Human Resources Planning;
- Staffing Practices;
- Working Conditions;
- Performance Management;
- Human Resource Development; and
- Staffing Relations.

(The Human Resource Management Framework is diagrammatically represented in Figure 2).

For the manager, the HRM Framework provides an explanation of how the components of people management fit together in an integrated framework. It also encourages all managers to think more about their roles as effective people managers, by bringing together the current principles, policies and practices in managing people in the Australian public service in an integrated form.

In an environment where departments and agencies have greater flexibility and greater responsibilities to manage their resources to meet corporate goals, this Framework provides a conceptual and communications tool to help managers manage their people more efficiently. It is not directive in character but encourages reference to best practice and benchmarking between agencies.

By setting out human resource management values, policies and best practice in a strategic and integrated fashion, the Framework helps managers improve performance and commitment at all levels, and thus ultimately better serve the Australian community.

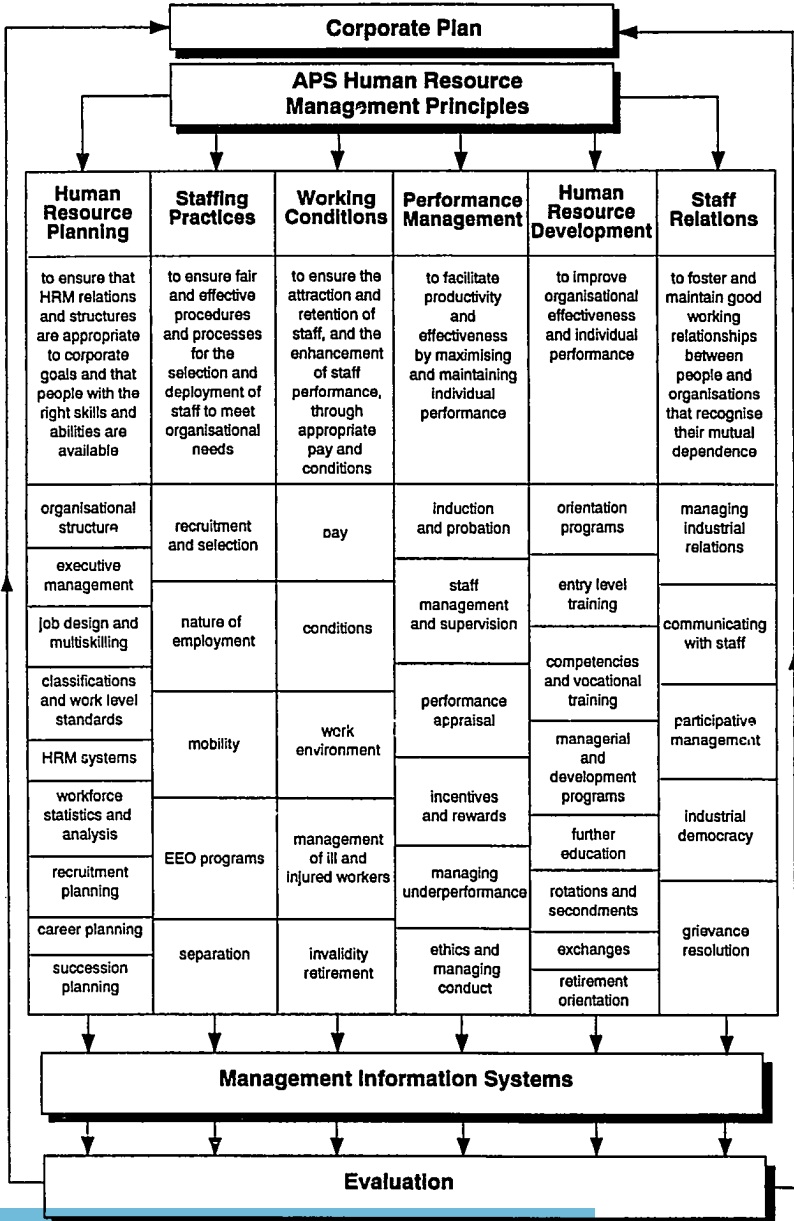


Figure 2. Corporate plan: APS human resource management principles



## WORKPLACE BARGAINING

Another important current issue of reform is the introduction of workplace or enterprise bargaining. This is one of the new tools or instruments by which change is negotiated and implemented in individual departments and agencies. It is, in Australia, the new cutting edge of labour relations.

Workplace bargaining allows management and unions in individual Departments to negotiate variations in remuneration and working conditions, in the interests of boosting productivity, efficiency and flexibility in the organization concerned.

An integrated public service is maintained by applying any productivity-based pay and improvements in working conditions under agency agreements on top of a continuing common core of standardized pay and other conditions of employment. This approach maintains essential standards of employment conditions while allowing new flexibility in detailed work practices. Productivity pay increases are to be self-funded from savings made. Further details are provided in Appendix A.

Workplace bargaining in the Australian Public Service is part of a strategy to develop further a culture that delivers results and supports continuing improvement. It is part of the Government's framework for bringing public administration more in tune with contemporary needs and as such it provides an opportunity for departments and agencies to examine how things are done in terms of structures and people. In itself it represents a substantial move away from centralized industrial relations.

In the words of the Secretary of the Department of Finance:

'As with most other public sector reforms it provides managers with more flexibility, but in the context of more defined accountability mechanisms and a greater focus on bottom-line outcomes. If workplace bargaining is implemented effectively, it should focus our attention on the fact that the most important resource we have in the public sector is our people. The major way in which we will be able to continuously improve will be by tapping the full potential and creativity of our people. Workplace bargaining is therefore a classic illustration of the convergence of the financial, industrial and people management aspects of the reform agenda.'

(Speech for DIR Conference by S. T. Sedgwick, Secretary, Department of Finance, 7 July 1993)

Workplace bargaining has raised new issues about employment concepts and work practices, and the extent of gains in work practices, improved productivity and better service to the public are still to be assessed towards the end of 1994. It is, however, seen as a critical step in making devolution work more effectively.

## MOBILITY

Another HRM practice that is producing good results in Australia is mobility. This refers to the practice of both permitting and encouraging officers to move between

departments on promotion or transfer. The career service is seen as being Australian Public Service—wide and not just limited to the department joined at career entry.

Departmental secretaries and their deputies have usually worked in two or more departments during their careers. Senior Executive Service (SES) officers—representing executive management across the public service—are generally appointed on the basis of having skills that are transferable across the service, and this is increasingly happening in practice. Interestingly, this practice of mobility is spreading through middle management and lower levels. One recent survey noted that agencies are increasingly filling middle management vacancies by external transfer, i.e. by recruitment of senior officers from outside their own agency by way of transfer at level. To some extent this represents an outcome of demographic factors as officers seek better career paths in the face of growing competition but such movement is encouraged and represents an additional effective means of applying the merit principle to the filling of vacancies. In 1992–93, in a selected survey group, external transfers were used to fill 20% of notified vacancies, and total external filling (including promotions) was over 30%.

This practice is reported here with some emphasis because its extent appears to be unique to Australia and it is believed that it is yielding up substantial gains in terms of versatility, career paths, professionalism and succession planning.

## THE EEO STRATEGIC PLAN

*Equal Employment Opportunity A Strategic Plan for the Australian Public Service for the 1990s*, released in 1993, provides a framework for further progressing human resource management by addressing equity and merit issues in the Australian public service.

It takes its cue from one of the Government's key management reforms, which introduced measures to combat discrimination and to promote equal employment opportunity (EEO) in the Australian public service.

A range of policies and measures that benefit designated EEO groups—women, people with disabilities, Aboriginal and Torres Strait Islander people and people of a non-English background—has subsequently been introduced. There is an emphasis on fair and equitable staffing practices, which aim to ensure that the skills and talents of all staff are recognized, utilized and their potential realized.

The Strategic Plan addresses the expectation that the public service will reflect the composition and values of the Australian community, and, in particular, that it will provide a model of effectiveness and equity in the management of its people by integrating EEO principles into people management practices. This concept is sometimes generally referred to now as 'mainstreaming' to try to make it clear that EEO is not an afterthought but a central principle. The principle objectives and strategies are set out in Table 2.

Equal Employment has come to be seen as an indispensable element in quality management of people in the workplace. It is a major component of the key human resource management principles of merit and equity—as noted in the *Human Resource Management Framework*:

### *Objectives*

To eliminate unjustified discrimination against members of EEO groups in relation to all employment matters:

including selection, promotion and transfer, training and staff development, and terms and conditions of service.

To enable members of EEO groups to compete for promotion and transfer and pursue careers as effectively as other staff.

To increase or maintain the representation of EEO groups across all levels and structures of the APS on the basis of open competition on merit.

### *Strategies*

1. Actively incorporate EEO principles into all policies and practices impacting on APS staff.
2. Implement Government initiatives and special programmes to assist the recruitment and advancement of EEO groups.
3. Integrate EEO principles into mainstream training and staff development activities and implement specialist EEO training initiatives.
4. Communicate and promote the principles and practices of EEO in the APS.
5. Collect and analyse APS and comparative employment information and undertake research.
6. Evaluate the extent to which EEO programmes, policies and measures have been implemented in the APS and this Plan's objectives achieved.

'An objective appreciation of individual worth and talent is central to the effective operation of the merit principle and to the efficient and effective deployment of people in support of corporate planning and agency goals. A uniform commitment of fairness and non discrimination is central to the maintenance of Service wide standards of equity, ethical conduct and accountability.'

On top of these are challenges of managing an increasingly diverse workforce. The diversity comes not only from the multicultural nature of the Australian workforce but also from new demands by groups like workers with family responsibilities and from changed and flexible work patterns.

Equal Employment has required staffing policies and practices to be examined and changed if they were barriers to equal employment opportunity. More flexible and family-oriented working arrangements have been put in place—in part because of analysis undertaken for EEO purposes. Such policies include parental leave, permanent part-time work, flextime, and re-entry measures, which have made the working conditions more attractive and enhanced motivation.

In setting this direction Equal Employment is recognized as an important element contributing to the reshaping of cultural practices in the Service by providing guidance on practices that will enhance the work environment and utilize the skills and talents of all workers, leading to greater efficiency, effectiveness and productivity.

This diversity places increased demands on managers to value difference, to recognize and accommodate the needs of individuals and specific groups and to take action to create a productive, safe and harmonious workplace.

- Unit 1: Apply knowledge of APS and Agency context to work
  - Unit 2: Plan and organize for results
  - Unit 3: Contribute to the work group
  - Unit 4: Interact with people
  - Unit 5: Participate in and adapt to change
  - Unit 6: Manage own performance
  - Unit 7: Find, analyse and use information related to work
  - Unit 8: Make efficient use of equipment
  - Unit 9: Work with numbers
  - Unit 10: Work with words
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Table 4. PSC APS competency based courses

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- Certificate in Public Administration (APS)
  - Advanced Certificate in Public Administration (APS)
  - Associate Diploma of Business in Public Administration (APS)
  - Advanced Certificate in Human Resource Development (APS)
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## TRAINING AND SKILLS DEVELOPMENT

Demand for higher levels of skill has led to careful consideration being given to the importance of training and development in meeting corporate objectives. The Government's commitment to a programme of reform of vocational training at a national level has provided an opportunity to develop a consistent service-wide approach to training and development tailored to specifically meet the skills needs of the Australian public service as well as enhancing the career opportunities for the individual.

To this end Competency Based Training (CBT)<sup>2</sup> is being developed and introduced in the Australian public service as the principal mechanism for achieving these objectives. This approach forms an integral part of human resource management in the service. A statement of key competencies and related training programmes now being introduced is given in Tables 3 and 4.

The advantages of this approach to training and development are its focus on the skills and knowledge required in the workplace at the appropriate level and the scope it provides for aligning training and development more closely with corporate goals and the strategic objectives of the Australian public service.

Training is also the key element in achieving continuous improvement of performance as it provides public servants with the skills required to carry out their responsibilities and to improve their work performance.

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<sup>2</sup>Competency is defined as 'the ability to perform activities within an occupation or function to the standard expected in employment'. It reflects the relevant combination of skills and knowledge needed to carry out the functions required.

The Australian public service, through the work of the Joint Australian Public Service Training Council (JAPSTC), which brings together management, unions and the education sector, has taken a leading role in developing a service-wide approach to training revolving around core competencies that have been identified for the various classifications and levels employed in the service.

The advantage of the competency approach being pursued comes from the close link to the workplace, the focus on the acquisition of skills required to perform on the job and the capacity to incorporate aspects of the Government's reform agenda and thereby to reinforce the policies and values promoted in *Building a Better Public Service*.

As one of the major thrusts in training and development it is envisaged that those undertaking this form of training will be better prepared to meet the challenges confronting public servants and will be better able to meet their individual responsibilities and corporate objectives.

In the near future all junior level entrants to the Australian public service will be expected to undertake a formal training programme as part of the entry conditions for the service.

At middle management levels a variety of training options are available, including access to the Public Sector Management Course. This is a course designed for middle managers, in a co-operative project between Commonwealth and State Governments. It is available on a national basis and more than 1,200 Commonwealth and State officials have already taken up this training.

At the executive management level the Public Service Commission now provides an integrated suite of higher level training opportunities for the Senior Executive Service. These are all short term programmes. The principal elements are:

- SES Orientation Programme for new entrants at Band 1;
- the Australian Government Executive Programme (AGEP) for new entrants at Band 1;
- the Advanced Executive Programme (AEP) for Band 1 officers of 5 years' standing;
- the Senior Executive Leadership Programme (SELP) for Band 2 officers;
- the Leading Australia's Future in Asia Programme (LAFAP) for Band 3 officers (i.e. the Deputy Secretary level).

Training and development have become, in today's public service, a career-long process, and the view is being taken that no public servant can aspire to the highest levels of the service in the future if he or she does not take up the opportunities that are now being presented for specialized training and development.

## SOME CONCLUDING COMMENTS

This article has tried to set out logically the way in which public sector reforms have been introduced in Australia, focusing on human resource management.

There have certainly been challenges and scope for conflict in pursuing the reform agenda. Change makes many people uncomfortable and apprehension may be

accentuated in the public service where past principles of bureaucracy (and tenure) have been built on a concept of permanency. Change can appear very daunting—and even unnecessary—to someone brought up on the proposition that employment concepts and work practices are permanently enshrined.

But, of course, the demand for change in public service activities cannot be resisted for long in a modern democracy. The pressures are irresistible. How much better, then, to recognize the emerging pressures as new opportunities and try to design a modern reform process that is strategic in nature and aims to meet the fundamental objective of service to the community. Peter Drucker observed in *Managing in Turbulent Times*:

‘A time of turbulence is also one of great opportunity for those who can understand, accept and exploit the new realities. It is above all, a time of opportunity for leadership.’

This observation certainly seems to hold true for the challenges and opportunities in human resource management.

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**Workplace bargaining: rewarding productivity***Key elements of the framework agreement—a more flexible system*

**Fixed-term, closed agreement** The Agreement is for two years and provides for no alterations to labour costs during that period. The parties sought this closed agreement as it offers benefits such as certainty, stability and protection for the parties.

**Pay increases** The parties have agreed to a pay increase of 4.9 per cent over the life of the Agreement. The increases will be delivered in three instalments:

- two per cent in recognition of the contribution of employees to ongoing improvements in the productivity, efficiency and flexibility of the APS—including those new initiatives in the Agreement; and
- two further economic adjustments—1.4 per cent payable from March 1993 and 1.5 per cent payable from March 1994. These adjustments reflect the closed nature of the Agreement and will ensure its viability over two years, within the context of the Accord commitments to secure wage outcomes consistent with keeping Australia's inflation rate comparable to that of our major trading partners.

*Service-wide productivity initiatives—rewarding team effort*

Agreement has been reached on specific changes which will produce genuine Service-wide productivity and efficiency improvements on their implementation. These changes include:

**Permanent part-time work** The Agreement recognizes that many part-time workers have responsibilities outside the workplace which restrict their ability to change hours in response to workload pressures. Accordingly more flexible arrangements and an extension of permanent part-time work has been agreed.

**Joint selection committees** The parties have agreed to new arrangements to improve selection processes and make greater use of Joint Selection Committees.

**Inefficiency procedures** Inefficiency procedures will be streamlined and new formal procedures will apply. However these procedures will not be used for disciplinary or invalidity reasons.

**Absenteeism** The Agreement puts in place a number of strategies that address absenteeism. These strategies include a target of 20 per cent reduction in absenteeism over the life of the Agreement; investigations at the agency level into the causes of absenteeism; and a Joint Task Force to oversee and monitor progress in agencies.

**Competency-based training, assessment and salary advancement** The parties agreed that the development and application of skills form a sound basis for a more flexible and productive workforce and effectiveness in programme delivery and services. The

Agreement commits the parties to a number of measures covering the introduction of competency-based training, assessment and salary advancement.

**Central redeployment unit** The Agreement establishes a Central Redeployment Unit to assist APS officers whose jobs are affected by restructuring.

**Award rationalization** Award rationalization in terms of a reduction in the 150 awards and agreements applying in the APS will continue.

#### *Framework for agency agreements—retaining a career service*

The Agreement means greater decentralization and flexibility for APS agencies. In addition to Service-wide productivity initiatives, the Agreement also gives agencies the opportunity to reward staff for productivity improvements at the workplace. Agency agreements are subject to a number of 'best practice' guidelines that promote both efficiency and fairness.

**A broad agenda** This does not mean that a narrow cost offsets approach should be taken. Negotiators have agreed that arbitrary jobshedding is not a viable basis for securing the ongoing improvements in productivity and efficiency which are sought under agency level bargaining.

Agencies should be seeking to increase efficiency, productivity and flexibility within the agency; increase the effectiveness of programme and service delivery outcomes and provide job satisfaction and career opportunities in the APS.

Agency level agreements should focus on a broad agenda that could include, but not be restricted to:

- changes in work organization, job design and working patterns and arrangements;
- new training and skills development programmes;
- people management issues and occupational health and safety;
- optimum utilization of capital equipment and new technology; and
- quality assurance and continuous improvement programmes.

Agencies might also look at using employment conditions more flexibly, provided that overall there is no disadvantage to employees.

**Salary discrepancies** To address salary discrepancies arising from agency bargaining, base pay rates will be reviewed towards the end of the Agreement. Base pay increases will be absorbed against productivity pay in those agencies which have completed agreements. Only those staff who have not had an increase equivalent to the rise of base pay rates would receive an increase in pay.

**Social justice** The bargaining process must be consistent with social justice objectives, including access and equity, EEO and considerations for workers with family responsibilities.

**Fixed term** As with the framework Agreement, agency level agreements would also be for a fixed term, with no further claims for the life of the agreement.