



Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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PUBLIC SECTOR MANAGEMENT REFORMED TO FOCUS ON THE FRONTLINE

NSW Premier Barry O'Farrell today announced reform of public sector senior and middle management to better focus government resources on the frontline and improved services for communities across the state.

"These reforms will create a more professional public service, operating along best-practice private and government sector lines, that is better able to meet the needs of families across NSW," Mr O'Farrell said.

"We want an innovative, professional and accountable public service which encourages and rewards performance and delivers the best possible frontline services for local communities," he said.

"The NSW Government wants to reward talent, not time, in the public service."

The NSW Public Service Commissioner has recommended significant reforms that build on the recommendations of the report of the Commission of Audit.

Cabinet has accepted the recommendations for reform including:

- rationalising the executive structure, reducing multiple layers of management;
- tightening up procedures to quickly and fairly deal with poor executive performance; and,
- streamlining legislation covering government executives in different agencies into a single act, while enabling organisations like the NSW Police Force, the Teaching Service and Local Health Districts to have independent arrangements aligned with the new reforms.

Under existing legislation, first written in 1902, the NSW public service operates two types of executive employment with some executives on 5 year contracts (Senior Executive Service), and others on awards (Senior Officers).

Under the reforms there will be a single system, with award and contract-based executives shifting to ongoing contracts with built-in rigorous merit recruitment and performance management provisions.

Executives will be appointed to a band - not a position - and a role within the band.

Research undertaken by the Public Service Commission has revealed a dramatic increase in the number of Senior Officers with the number increasing fivefold since from 280 in 1999 to more than 1,600 in 2012.

There are also another 640 'senior officer equivalents' in other agencies that will be covered by these reforms.

The reforms will dramatically reduce executive management layers, improve executive accountability and help with better service delivery across the State.

In the NSW Public Sector approximately 16 per cent of executive level staff do not manage any people and, of the remaining who do, around 30 per cent only manage one to three people.

Under best practice in the private and government sector, a typical manager would oversight more than six people.

This reform was recommended by the Schott Report (Interim Report on Public Sector Management, January 2012):

'The [Audit] Commission recommends the PSC should present reform proposals to the Government regarding the executive structure of the NSW public service (SES, SO and other executives) to:

- . *establish a separate structure for Directors General*
- . *create a new executive structure combining the SES and the Senior Officer classification, and as appropriate, other executive grouping.'*

ENDS

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