



Speech by

**Hon. PETER BEATTIE**

**MEMBER FOR BRISBANE CENTRAL**

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Hansard 5 August 1998

**MINISTERIAL STATEMENT**  
**Management of Public Service**

**Hon. P. D. BEATTIE** (Brisbane Central— ALP) (Premier) (9.35 a.m.) by leave: Today I provide to honourable members for their information the key points concerning my Government's approach to managing the Public Service. Unlike previous transitions to office, this Government has maintained stability in the Public Service and minimised organisational change. Most departments have proceeded unchanged. Where change has been necessary, as in the creation of a new department to generate business investment and economic growth—the Department of State Development under the Deputy Premier—the changes have been undertaken swiftly and without the jobs of public servants being spilled. Business has widely welcomed this approach and the community has welcomed our commitment to getting on with service delivery instead of fiddling with the structures of Government.

The Public Service has been deeply appreciative of our emphasis on continuity of employment and retaining jobs in all areas of the State. It is highlighted in the New Directions policy document for the Public Service which I released some months ago. The Government is committed to restoring a professional career Public Service. It will help provide job security and it will also help provide a stable working environment for public servants to get on with their major task, which is serving the community, delivering services and assisting business to create wealth for the community.

The Government is not in the business of backtracking, terminations without cause and mass redeployment of our skilled managers and public servants. We intend to restore respect by the Government of the day for the professionalism and skills of our public servants. We are negotiating with departments to find continuity of employment for the handful of managers who are temporarily displaced by organisational change. We are treating all these officers with respect and dignity regardless of whether they were appointed during the period of a coalition Government or a Labor Government.

We are demonstrating for the first time in recent Queensland political history that a Government can take a sensible, professional and non-partisan approach to public sector management. I will not be pulled down into a crude political approach by any members who are encouraging the view that politicisation of the senior positions is acceptable and inevitable. I want to see the development of a more mature, more bipartisan view of how we should respect the professionalism of senior managers. I want to reject the view that senior managers are part of the political baggage train of Government. I think this is insulting to the Public Service and impugns the integrity of career public servants. Why would highly skilled executives want to work for the Queensland Government if they are greeted with political intimidation and threats as they walk in the door? I want us to turn our backs on this short-sighted political approach and, instead, work towards a shared understanding and a long-term view with respect to public interests rather than partisan interests. To this end, I will shortly commission a green paper, or a discussion paper, setting out the main issues concerning the processes for protecting merit and professionalism at senior levels of the Public Service.

I turn now more specifically to the matter of chief executive appointments. The employment conditions of chief executives are matters that have to be addressed at the beginning of a Government's term of office in order to ensure that a team of managers is in place to get on with the business of delivering services to the community. In undertaking these tasks, Queensland's chief executives are administering a public sector with a turnover of \$16 billion and an assets base of over

\$50 billion. It is a very significant job. Chief executives have to be properly rewarded if we are to attract and retain top executives, and Queensland is entitled to the best top executives in Australia and, indeed, the world.

Let me talk about remuneration. The highest pay point available to chief executives in the Queensland Public Service is lower than in any other jurisdiction in Australia. This situation cannot be allowed to continue. It is widely recognised that we have to improve these pay levels to attract and retain highly skilled executives. The new pay levels will be published this week in the Gazette for all to see. There is no secrecy. The whole world will see these figures.

The top pay level will position Queensland clearly behind Victoria and New South Wales and probably alongside Western Australia and South Australia. So that is where we are with the pay rates. We are still behind New South Wales and Victoria, and we are broadly alongside Western Australia and South Australia. The top Queensland Public Service pay level will, of course, continue to be a long way behind private sector management positions and also behind the independent Government bodies like the QIC. I expect support from all sides of politics on this issue. Decent pay for Queensland CEOs should not be a political football. If we have the best people running our Public Service, it will save taxpayers' money.

I turn now to five-year contracts. I have said many times that five-year contracts are the norm in the Public Service throughout Australia. This applies in all States and also in the Commonwealth. Five-year contracts have applied around Australia no matter which was the party in office. Five-year contracts have also continued to be used in other States, such as South Australia and Tasmania, where a minority Government has been in office. This has been the normal approach—the sensible approach—ever since performance-based contracts replaced the old system of permanent heads of departments many years ago.

In Queensland, five-year contracts are also the approach envisaged by the Public Service Act, which was passed by this Parliament only 20 months ago by the previous Government. Five-year contracts have been the norm in Queensland for many years despite a handful of shorter contracts that were written under the unusual circumstances of mass sackings in 1996. I went into the election this year promising five-year contracts, because this is necessary for good government. Short contracts destroy the concept of a career Public Service. They inevitably politicise the senior Public Service. Top professional, non-partisan executives will not be attracted to a State which changes its managers whenever the political wind changes direction. Chief executives should not be turned into political gypsies.

I turn now to merit and performance. Merit, not politics, will continue to be the basis of my CEO appointments. The Public Service and the community at large expect that only the best will rise through the ranks to the top positions. I do not want a situation where chief executives are politically aligned, as happened in the recent past. Indeed, to the best of my knowledge, none of the current group of chief executives is a member of any political party. I believe that it is healthy to maintain a separation between a Minister's functions, which are clearly linked to the political process, and the relevant departmental functions led by the chief executive, which are concerned with efficient and effective delivery of agreed programs.

The chief executives who will serve this Government will soon all be in place. First, there are several chief executives already serving under longstanding contracts. They have good reason to expect that the Government will soon offer renewal of their five-year contracts subject to proper assessment of their past performance. Secondly, I have offered several positions of chief executive to distinguished public sector leaders who have previously won a position at CEO level in a nationally advertised recruitment process. I mention by way of example Mr Terry Moran, who since 1993 has been chief executive of the Australian National Training Authority, and Mr Gerard Bradley, who has been the Under Treasurer both in Queensland and in South Australia. Thirdly, several positions will be nationally advertised in the usual way. I expect this process will be completed over the next few months. The selection process will be as robust and independent as practical. It is obviously important to have the top management group in place as soon as possible. Business and the community expect us to get on with making decisions and delivering services.

To conclude, I wish to emphasise that all the aspects of public sector management I have outlined today are designed to enhance the stability of public sector employment, the quality of service delivery, the quality of our senior management, the proper separation of politics from the Public Service, and to allow our public servants to undertake their jobs with professionalism and integrity. With this Public Service leadership we are going to deliver for Queensland.

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