

**Submission
No 10**

**A FRAMEWORK FOR PERFORMANCE REPORTING AND DRIVING
WELLBEING OUTCOMES IN NSW**

Organisation: Public Service Association of NSW

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Public Service Association of NSW

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24 July 2024

Mr Jason Li MLA
Chair, Legislative Assembly Public Accounts Committee
Parliament House
Macquarie St
Sydney NSW 2000.

Dear Mr Li,

Inquiry into a framework for performance reporting and driving wellbeing outcomes in NSW.

Thank you for the opportunity to submit to this Inquiry.

The Public Service Association (PSA) represents state public servants from across all government Clusters, Departments and State-Owned Corporations, inclusive of the tertiary education sector within NSW. In total we represent all public servants in New South Wales and have in excess of 40,000 members.

As an organisation we recognise and support the pursuit of wellbeing as a policy objective which should be a central tenet in public policy. We note that this is not a new initiative to government budgeting, or indeed to New South Wales. As such we make the following comments based on our understanding of how these initiatives have operated in the past and our experiences with them:

- A significant portion of the NSW government budget which is specifically defined to be used in enhancing wellbeing in the social services policy arena is annually expended on the procurement of public services from external providers. Any attempt at pursuing a whole of government approach to wellbeing is severely limited using external third parties for service delivery. As an example, the PSA has been speaking to the government concerning the Domestic and Family Violence crisis affecting our state. A key issue in addressing this problem is the number of service delivery providers that are non-government sector organisations. This means there is an inability of government to manage an industry of vital importance to societal wellbeing.
- It is our considered view that from both a moral and financial perspective, these outsourced public services should be returned to direct public provision and be delivered by public servants employed by the NSW Government. Any attempt at pursuing wellbeing when you have a fragmented, unco-ordinated mechanism for service deliver is a fallacy. Fragmented services with multiple agencies each with its own agenda can only lead to one outcome – policy failure. By insourcing services, the NSW Government can have control over the linkages to expenditure and wellbeing policy outcomes.
- A key means to enhance the collective wellbeing of the population of NSW is through the provision of public services directly provided by public servants. Any public services provided by either private sector providers or non-governmental

entities -such as faith-based organisations – have, by default, objectives other than that of selfless public service and public service provision.

- Where, as a last resort, it becomes impossible to return services to direct in-house NSW Government provision, and external organisations continue to be involved in direct service provision, then it is imperative that the NSW Audit Office have the powers to audit the accounts of these organisation to ensure that public funds are being spent appropriately and outcomes are being delivered according to government policy. Currently there is minimal oversight of public funding passed onto third parties for service provision. Given the opaque way in which many (if not all) of these organisations proffer up annual reports and accounts, this scrutiny is essential if we are to ensure the provision of effective public services.
- Finally, the use of wellbeing budgeting in NZ by the Ardern Government which focused on climate and environment, productive work, Māori and Pacific opportunities, child wellbeing, and mental and physical health received considerable interest. Ultimately, the way in which the concepts were implemented in practice and incorporated into the budgetary and wider policy making processes were deemed to have failed. This failure was primarily because of a lack of cohesion between expenditure and policy objectives. We would therefore argue that the New Zealand experience be analysed as an example of how not to embrace the wellbeing concept in the government policy making process.
- We need to ensure that in NSW we have both well-coordinated joined-up-government whereby expenditure is linked to clearly definable policy outcomes. In this situation, we would suggest that the example from Wales may well inform the New South Wales government. The Welsh legislation, passed in 2015, has seven legally binding wellbeing goals including social cohesion, resilience, and health. The Minister for each of the public bodies included in the Act must set themselves targets, then report on those targets. Accountability therefore is built into the system and tied to the delivery Agencies.

The PSA is supportive of budget measures that recognise the role of the budget as more than just the management of finances. Government should be a force for good and strive to build a sustainable, healthy society for all citizens. We look forward to the positive outcomes envisaged from the successful introduction of well-being measures into the NSW Budget process.

Please do not hesitate to contact 

Yours faithfully


Stewart Little
General Secretary.