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24 October 2024

The Hon Dr Jim Chalmers MP  
Treasurer  
Australian Parliament House  
Canberra ACT 2600

Dear Treasurer

I am writing to you to report on the progress made by the Productivity Commission (PC) towards implementing the recommendations of the [Independent Review of Workplace Culture of the PC](#) (the Independent Review).

The review provided an opportunity for the PC to examine its culture. We recognise a strong culture is an integral pillar in achieving operational excellence.

In response to the Independent Review, the PC commenced a reform program that aims to exceed the review's recommendations and our minimum obligations. We have established new practices and ways of working to build a positive workplace culture. Our focus has been ensuring a workplace that is truly safe and respectful to all, is actively inclusive and uses best practice to deal with unacceptable behaviour swiftly and effectively.

I am proud and thankful for the contributions of all staff, leadership and Commissioners for their ongoing engagement, hard work and shared commitment in improving the PC and creating a positive place to work.

Our action plan to implement all recommendations is expected to finalise in the first half of 2025. To date, 11 of 23 (48%) recommendations are fully implemented, and work is in progress to implement the remaining recommendations and embed our new ways of working.

Please find attached a summary of our progress and work underway, with supporting action plan and status of each recommendation.

I am happy to discuss or provide further information on request.

Yours sincerely,

A handwritten signature in blue ink that reads "Danielle Wood".

Danielle Wood  
Chair of the Productivity Commission

# Independent Review of Workplace Culture of the PC – update on progress after 12 months

24 October 2024

## Background

Throughout 2023, the Productivity Commission (PC) participated in an Independent Review of Workplace Culture which culminated in a report from Intersection Pty Ltd with 23 recommendations, received in October 2023. The Commission agreed to implement all recommendations.

The Government's Statement of Expectations for the PC, in turn, set out expectations for the PC to invest in 'a positive, collaborative internal culture and a more diverse set of skills, experiences and backgrounds across its workforce. As part of this the PC should implement all the recommendations of the Independent Review of Workplace Culture and report on progress after 12 months.'

## The PC's commitment and plan to implement the recommendations

In October 2023, Alex Robson (A/g Chair and Commissioner) and Lisa Studdert (Head of Office) confirmed the PC's commitment to providing a safe, respectful and inclusive workplace and making a plan to implement all recommendations outlined in the report. A dedicated full-time resource (Senior Adviser, Workplace Culture Reform) was appointed immediately to lead the work program, and Danielle Wood was briefed on the report prior to commencement as Chair in November 2023. The PC's commitment to the culture reform was reiterated in the PC's Statement of Intent.

Informed by consultation with all staff and leadership, a Workplace Culture Reform (WCR) Program was endorsed by Management Committee in December 2023, comprising of an:

- Action Plan
- Risk Management Plan
- Engagement Plan, and
- Reporting Framework.

The work program involves several workplace policy and strategy reviews, training programs, uplifting leadership capability and accountability, establishing organisational values, improving reporting and governance arrangements, and refreshing resources and guidance to support staff wellbeing, managing inappropriate behaviour and promoting a positive culture.

Engagement, consultation and participation from all staff and Commissioners to implement this work program and broader organisational transformation is ongoing. The Head of Office provides regular updates to all staff on progress of implementing the recommendations and invites ongoing feedback.

## Leadership and culture (recommendations 1–6)

Culture discussions occur quarterly at all senior leadership meetings (SES, Commissioners and Management Committee), and extends to relevant Committees, in line with the roll out of our Workplace Culture Reporting Framework (WCRF).

The PC focused on leadership and behavioural skills development in 2023 and 2024, including opportunities for EL2 and SES staff to undertake intensive leadership programs, short courses and coaching. All staff received an individual professional development budget of \$3,000 to support their performance agreement and development plans, which could be used on leadership development.

Cohort development days were arranged for Commissioners, SES and Executive Level 2 employees – with Commissioners and SES coming together for part of the day. Leadership behaviours and cultivating a positive workplace culture were covered on the agenda.

In the last 12 months, training for all staff (including leaders) was provided on giving and receiving feedback, bystander intervention, managing unconscious bias, cultural capability, building respectful working relationships, emotional intelligence and managing difficult conversations.

Our Manager's Toolkit was improved to help leaders at all levels understand their role and obligations to reinforce a positive workplace culture. This includes clearer guidance and support for managing the performance, development, safety and wellbeing of their team members. New guidance for leaders on complaints procedures and WHS obligations was added.

In April 2024, staff consultation informed the launch of our new PC Values (Inclusive, Collaborative, Influential, Respectful and Supportive). This paved the way to aligning and finalising key workplace strategy and policy reviews on the agenda.

The *PC Inclusion and Diversity Strategy 2024-28* was prioritised and finalised in July 2024, following substantial staff consultation in the preceding 12 months. A Workplace Improvement and Culture Committee (WICC) was formed in August 2024, tasked with developing the operational plan that will sit under the strategy.

A Commissioners' Charter was launched in August 2024, to clarify the role, authority and responsibilities of Commissioners and Associate Commissioners as leaders in the PC. This includes a commitment to supporting a positive workplace culture by demonstrating their support for the PC values and APS values, adhering to the APS Code of Conduct and WHS Act, and working to ensure the PC is free from bullying and harassment, discrimination, and other forms of unacceptable behaviour. It will be underpinned by annual performance discussions, including staff feedback, for Commissioners.

Our Workplace Behaviour Policy and Procedures (WBPP), Work Health and Safety (WHS) Policy and Management System (WHSMS) were revised in October 2024, articulating roles and responsibilities for all workers, including managers and Commissioners.

### Risk identification and mitigation (recommendations 7–10)

A WCR Risk Management Plan was established and reported quarterly to the PC's Management Committee for monitoring, discussion and evaluation. The Audit and Risk Committee also receives a quarterly update under the Culture Reporting Framework.

Terrace Services was engaged to assist the PC to uplift its project management capability and better support team and staff-wellbeing, workloads management, and ongoing skills development. New project management methodologies were rolled out to all teams and Asana was adopted as the agency's project management tool. A Change Management Framework was also established to assist staff to implement change consistently and effectively. The Framework includes documents, templates and ongoing tools to use when delivering change initiatives.

The Chair, Commissioners and senior leaders are committed to ensuring respectful challenge and contestability processes with inappropriate and disrespectful behaviours being actively called out and addressed, in accordance with the WBPP and WHS Policy. A Project Management Oversight Committee (PMOC) was formed – comprising of Senior Management members who also have oversight for performance management and conduct, to ensure a consistent and effective adoption of the uplift and to improve governance for project oversight.

TMS Consulting was engaged to undertake a workforce planning review during 2023-24, looking at the PC's skills matrix, leadership capabilities and emerging needs. This project will deliver our first Workforce Strategy in early 2025. Following this, the Commission's recruitment procedures will be revised to align with the strategy and prioritise people and

leadership management skills and experience, for leadership positions. The current recruitment procedures ensure candidates are assessed on technical, behavioural and leadership skills in line with our capability framework, and an independent recruitment audit in 2023 found the process meets all APS requirements.

### Policies and support (recommendations 11–14)

The role of the Harassment Contact Officer (HCO) was clarified and communicated to all staff, and further training provided. Resources and information for the Employee Assistance Program (EAP) were refreshed, and ongoing engagement with the EAP provider to promote the range of support services available has taken place. Additional counselling support for employees who have experienced significant psychological impacts in the workplace is available on a case-by-case basis, through high quality case management and early intervention support. Mental Health First Aid training was also offered in late 2023 to staff who expressed interest.

All HR and relevant Corporate Services personnel received trauma-informed, victim centred response training for HR practitioners. Our WBPP, WHS Policy and WHSMS updates strive for best practice, and are consistent with WHS and related legislation, including psychosocial safety and positive duty requirements.

### Reporting and accountability (recommendations 15–20)

Our WCRF provides a transparent and consistent way for the PC to monitor and assess performance in areas that influence culture, including workplace behaviours and workforce wellbeing, engagement, capability and development. A quarterly report is developed by the HR team and shared with all staff, leaders and Committees.

Throughout the year, intranet pages relating to complaints procedures and reporting avenues were updated and promoted to all-staff, including through our 'Speak up' Hub, to increase awareness of available avenues and responsibilities to report inappropriate behaviour to ensure they are dealt with appropriately and sensitively, and recorded on the central workplace behaviour register. In August 2024, the PC has provided all staff with an external complaint handling service that provides an option to remain anonymous, in addition to internal avenues, including an anonymous reporting form.

Our internal HR practices and WBPP ensure that:

- Complainants are appropriately and sensitively supported through the complaint process – noting dedicated resourcing has been allocated to WHS and case management, and regular training and upskilling is provided to HR personnel, senior leaders, managers and HCO's.
- Complainants are kept informed of the process, its progress, and the outcomes of their complaint – noting the agency must balance the right to privacy of the person about whom the complaint was made, with the complainant's legitimate interest, in knowing that the agency has dealt properly with the matter (consistent with the APS Conduct Framework)
- Proportionate action is taken – which may include, for example, group/team/individual level training and discussion about behavioural expectations, and
- All outcomes and proportionate actions taken are recorded on the central workplace behaviour register and reported quarterly under our WCRF.

### Measuring and transparency (recommendations 21–23)

A PC Culture Survey was established with the procured services of a third-party provider. It was open to all staff and Commissioners in July 2024 and had a 61% completion rate. The results were shared with all staff alongside the APS Employee Census results for discussion and feedback. The survey will run annually from November 2024.

The WCRF captures de-identified data on complaints and WHS data, including actions taken to address complaints and hazards. Culture reporting updates are shared quarterly with leaders, Committees and all staff to generate discussion and improve transparency, accountability and staff confidence in reporting processes. Two updates have been produced for the quarterly reporting periods from 1 January to 30 June 2024, and the next quarterly report for 1 July – 30 September 2024 will be finalised in November 2024.

### Key actions outstanding

To implement the remaining recommendations, we plan to:

- Roll out the updated WBPP with training sessions for all staff, leaders and contact officers, to embed the policy in practice.
- Provide trauma-informed, victim-centred approach training to Commissioners, SES and EL2 staff and an additional bystander intervention training to Commissioners and SES yet to attend (including new starters).
- Revise the SES Performance Management Policy and Procedures to adopt the [APS-wide SES Performance Leadership Framework](#) by 1 January 2025 – improving the way behavioural indicators and accountabilities for setting and reinforcing a positive workplace culture are included in performance agreements, feedback discussions, and assessment process.
- Release our PC Workforce Strategy for staff consultation in early 2025. The Strategy will outline the key skills and behaviours required by all staff across work groups and classification levels to meet the Government's expectations as a modern, high-performing, and world-class institution.
- Update the performance policy and capability framework for non-SES employees to align with our updated workforce policies and strategies, the PC Values and relevant APS requirements – including the APS Values, Code of Conduct, Employment Principles and Work Level Standards.