



Public Sector
Commission

GOVERNMENT OF
WESTERN AUSTRALIA

Agency Capability

Department of Mines, Industry
Regulation and Safety

Executive Summary



September 2022

Introduction

A review of the Department of Mines, Industry Regulation and Safety under the trial of the [Agency Capability Review Program](#) was carried out from November 2021 to June 2022.

The agency is responsible for complex industry and business regulation, industry and worker health and safety, and maintaining a fair trading environment for Western Australian consumers and traders.

These responsibilities have significant public and economic impact. It is critical that the agency has the capabilities required to manage an increasingly complex operating environment.

The findings of this review around increasing integration, enhancing workforce skills, strengthening regulatory understanding and ability and improving ICT are all valid and achievable.

The agency's good practices in many areas is a credit to employees and management of these teams over many years. While some of these excellent programs are well known, the understanding of how they came to be successful will be of great benefit to the entire sector.

About the Agency Capability Review Program

The Agency Capability Review Program takes a comprehensive, whole of sector approach to improvement, and sets standards based on a clear understanding of what constitutes a high performing public sector agency in Western Australia.

The program is being trialled over 2 years (2021-22 and 2022-23) in 8 government agencies. This review was one of 3 undertaken at the same time.

Reviews provide valuable insight into how agencies can improve and deliver the quality services expected of them. They also contribute to the development and improvement of the sector as a whole.

Reviews are conducted by independent lead reviewers with public administration expertise and experience. They are supported by senior executives from the government sector who are co-opted for each review as well as the Agency Capability Review team at the Public Sector Commission.

Each review is conducted against a standardised [Agency Capability Framework](#) of the 5 most significant areas of public sector management and administration. The framework is relevant and applicable to all agencies regardless of their remit, purpose, functions and services.

The framework supports agencies to ask 4 key questions:

- What are we meant to achieve?
- How well are we currently doing it?
- How do we know?
- Where can we do better?

Agency background

The agency was formed on 1 July 2017 when Machinery of Government changes amalgamated the Department of Mines and Petroleum and parts of the Department of Commerce.

The agency supports a safe, fair and responsible future for the Western Australian community, industry and resources sector by:

- regulating the building and resources industries as well as a range of other occupations and business activities
- promoting industry safety, worker health and safety, and resource industry environmental standards
- providing a fair trading environment for Western Australian consumers and traders to protect consumers in Western Australia.

The activities of the agency are wide ranging and highly diverse. They include functions such as mining and resource regulation; regulation of individual industries under various legislation; building and energy; consumer protection; industrial relations policy for the private and public sectors; workplace health and safety; and occupational licencing.

The agency operates several well known 'brands' recognised by the WA public and industry including FuelWatch, WA ScamNet, Geological Survey of Western Australia (GSWA), WorkSafe and Wageline.

The agency administers 144 different licence types and receives and processes approximately 120,000 licence applications each year.

It employs about 1,700 full time equivalent staff and has an annual budget of around \$295 million. It has offices in the Perth metropolitan area including Perth CBD, East Perth and Cannington and has a regional presence in the North West, Kimberley, Mid-West, Goldfields/Esperance, South West and Great Southern.

Future operating environment

Natural resources and associated environmental regulations, business regulation through occupational licences, and health and safety regulation are areas of particular significance to the WA economy.

The agency's mandate in these areas, and in the area of consumer protection, is vital in protecting communities and providing an environment of trust and certainty for industry.

Into the future, Western Australia needs to diversify the economy away from an over reliance on iron ore royalty income and job generation. There are also emerging new resources based industries such as hydrogen and ammonium, and increasing demands to respond to the challenges of climate change, extreme weather events and decarbonisation/net zero.

There is increasing use of big data, data analysis management and artificial intelligence both in the industries the agency regulates and in the agency itself that need to be considered. Along with this is the social license for industry to operate and government to be seen as credible.

A new standard of public service delivery emerged from the COVID-19 pandemic necessitating a prompt and more streamlined response to consumer and business needs. It is likely that citizens will expect these new standards to continue beyond the pandemic.

The agency needs to be prepared by ensuring it has a future fit workforce, appropriate regulatory frameworks and suitable ICT infrastructure.

The review process

The review was undertaken by Dr Michael Schaper as the independent lead reviewer with support from Caron Irwin as senior reviewer co-opted from the Department of Communities and the Commission's Agency Capability Review team.

Dr Schaper has considerable experience working with governments in a number of Australian jurisdictions including roles akin to the functions delivered by the agency. He has written extensively on industry regulation and business issues and is an Adjunct Professor with the John Curtin Institute of Public Policy at Curtin University. He is a member of the WA Wagering and Gaming Commission, chair of the Australian Taxation Office Shadow Economy Advisory Forum, and member of the national board of the Australian Institute of Company Directors.

The review looked at all 21 capabilities and identified 4 lines of inquiry for in-depth investigation. This involved further engagement and investigation with the agency and research into how practices may be improved or capability gaps addressed.

The review also identified good practices that the agency and sector can build on and share.

The process involved 6 months of investigation and research, collecting information from the following:

- published and unpublished documents
- over 30 external stakeholder meetings and submissions
- 10 interviews and workshops with employees
- a self-assessment by corporate executive against the Agency Capability Framework
- a 2 day corporate executive workshop and several briefings and meetings with the executive team and Director General

- a comprehensive capability information questionnaire gauging staff perceptions of the agency's capabilities
- an iThink challenge inviting staff to share what they felt the agency did well, what could be improved and ideas for improvement.

What the review found

- The agency's key priorities align with government priorities, are reflective of their stated purpose and are evident in strategic planning. Further improvement is needed to ensure these are more clearly represented in operational planning and service delivery.
- There is an opportunity for the agency to clarify its more specific role and purpose as a multi-industry regulator, making it clear to those being regulated, the public and staff, what the agency's objectives, functions and powers are with regard to its regulatory functions.
- The agency may benefit from proactively translating their set of stated values into clear examples of specific behaviours within the workplace.
- The activity of regulation is designed to reduce risk and harm and as a result, innovation can be challenging for regulatory bodies due to fear of failure or enhanced risk. This was evident in the review of this agency.
- The agency's leadership is technically knowledgeable, representative of organisational values and supportive of employees. The work of the leadership group will be strengthened by taking a holistic view of strategy, operations and issues.
- While the agency believes its stakeholder engagement processes are strong, external perspectives seem to suggest that more early engagement would be useful to strengthen their approach. This is being reflected in the development of the agency's stakeholder engagement framework.
- While the agency has tended to focus on the 'here and now' and has lacked a big picture view of the workforce skills needed for the future, recent work has commenced to remediate this.
- The agency has a positive, effective approach to workplace health, safety and injury management and there is a high sense of belonging and inclusion among the agency's employees.
- The agency must continue to prioritise the delivery of its technology improvement projects.

Lines of inquiry

The 4 lines of inquiry summarise where the agency could focus improvement. By addressing these key areas, the agency can build capability as a best practice multi-industry regulator working towards continuous improvement with a mobile and skilled workforce. A strong digital presence will enable the agency in its delivery of key online services.

Line of inquiry 1: Establish itself as a best practice multi-industry regulator and embed generic regulatory skills

As one of the state's major regulatory agencies, the agency's responsibilities cover a number of areas of significance to the WA economy, and it strives to be a centre for multi-industry regulatory excellence and a leader in reform.

While the strategic plan outlines elements of risk based regulation, proactive education, promotion of good practice and a focus on strong relationships with stakeholders, the review found a disconnect between some of these high level strategies and the operations of the agency.

Executives are committed to establishing a statement of regulatory intent to promote a better understanding of the agency's purpose. They need to review the regulatory approach, priorities and desired outcomes from activities and services to ensure this statement aligns with the agency's strategic plan and goals, and the understanding of staff.

While employees have regulation skills and knowledge specific to their work areas, generic regulatory skills are less evident. Embedding core or generic regulatory skills in the workforce will have a number of benefits such as improving regulatory efficiency, minimising regulatory burden on the community and industry, and enabling greater levels of flexibility and career progression of regulatory professionals.

While there are examples of positive relationships across its vast network of stakeholders, the review found that the agency needs to consistently provide for genuine and meaningful stakeholder engagement, with consultation offered in the earlier stages of a project. This would support a more transparent and predictable policy environment and greater support and compliance from stakeholders.

Effective engagement with Aboriginal stakeholders is an increasingly pertinent skill in regulation, particularly in the resources area. The agency has identified an important step in furthering its stakeholder engagement by committing to establishing an agency wide stakeholder engagement framework. Uplifting staff cultural capability along with general engagement skills in the regulatory context will be critical to improve service outcomes.

Line of inquiry 2: Structural reform to ensure the agency is an integrated cohesive entity

Since its establishment from 2 discrete agencies with distinct objectives and functions, the agency has made attempts to foster a sense of shared purpose. While there have been pockets of success in achieving this, the agency largely continues to operate in separate functional silos. Agency staff need to engage more in a joined up agency approach.

Integration and a unified approach are important to delivering government priorities and meeting both predictable and unforeseen challenges now and in the future. To achieve this, the agency needs to develop a vision as a multi-industry regulator that clearly articulates its shared aspirations and how employees' roles connect them to the agency's purpose. This needs to be supported by an organisation structure and corresponding operations that are aligned to the activities the agency considers most important to achieve its objectives and drive collaboration.

Building a more cohesive and integrated agency could be achieved through cultivating an all-embracing 'one agency' approach to the development and implementation of the agency's operations and projects. One mechanism for achieving this could be to set up a whole of agency consultative committee. At present, consultation with industry and consumer groups tends to be conducted by individual work areas rather than from a whole of agency strategic perspective. This would allow external stakeholders and the agency itself to deal with significant, strategic and macro issues across the whole department.

The agency has a large array of legislative responsibilities, enforcement priorities and regulatory tools to undertake its work as a regulator. Most of these are managed at the individual group level, with only occasional items being dealt with at a whole of agency level.

As a priority, the agency should implement a mechanism to integrate and prioritise its many different enforcement activities; a practice adopted by several major Australian Government regulators.

Building on its strong national reputation in some areas of its regulatory work such as Consumer Protection and WorkSafe, the agency should also create greater awareness of its broader roles as a regulator, including why regulations exist and the desired outcomes for industry and the community.

A customer service charter is one way the agency can ensure consistent high level service delivery. This would also enable the agency to explore organisational cultural factors impacting service consistency, efficiency and effectiveness, while outlining the customer service standards

that all citizens, customers and stakeholders should be able to expect in all aspects of the agency's work.

Oversight of the agency's entire program of works and a catalogue of high value projects is needed and setting up a Strategic Project Management Office would help develop effective agency wide collaboration and decision making. This approach would support a shift among leaders to work in a more cohesive way, ensuring alignment between the agency's proposed and approved projects, and its vision, purpose and strategy.

Line of inquiry 3: A highly skilled and agile workforce to meet future challenges

With an ageing workforce, the agency needs to urgently prepare for the impending loss of skills and knowledge as experienced staff retire. The agency has recognised this current issue and taken steps to address it by developing a talent pipeline with internal training and development opportunities. Reframing priorities to consider future objectives as well as fulfilling immediate needs is imperative to assist with the ageing staff profile, staff development and competition for talent with the private sector.

The agency has developed a comprehensive workforce planning framework, and work has commenced to implement it across the agency. There is a need for senior managers to see workforce planning as a priority. Key issues observed in the review provide compelling reasons to elevate the importance of workforce planning.

With rapid changes in technology, the agency must look to future challenges and identify the capabilities required to effectively respond to these. For example, the future of mining is likely to be high tech, less reliant on people and include a greater use of automated processes based on data and sensors. This suggests a greater focus on data analysis skills would benefit the agency. Workforce planning would enable the agency to identify these needs and make strategic decisions about workforce development to prepare for change and support the ongoing delivery of key objectives.

The review identified that a comprehensive mobility strategy within and across the agency, as well as with broader industry, would help the agency to improve staff capability, encourage greater collaboration and a one-agency mindset, and engender a collective focus on agency goals. For example, external mobility and short term staff exchange with peak industry bodies and associations, tertiary institutions and consumer groups would increase individual and agency capability. Developing greater practical understanding of the industries the agency regulates has the potential to reduce the tension of regulatory burden and mitigate regulatory capture. Throughout the review, a number of external advocacy and industry bodies expressed an interest in participating in such a program.

The agency should also consider an initiative where staff participate in a 2 way exchange with other best practice regulatory bodies to increase regulatory skills and best practice knowledge.

Line of inquiry 4: Update ICT system to deliver efficient and streamlined regulatory services for consumers and businesses.

The review highlighted concerns in relation to the state of the agency's digital assets and technology environment and the capacity for these to support contemporary service delivery. Many ICT systems and customer services are disparate and designed around one particular branch or legislative responsibility. This has hindered the agency from executing some of their ICT improvement strategies. In recognising this need, the agency has developed a strategy to transform its digital assets, information and technology.

The review noted a need for the agency to revolutionise and integrate services through digital channels. The plan to shift the agency's technology to a cloud based environment involves a complicated set of digital assets. It is acknowledged that the level of customisation required and the interconnectedness of multiple applications in making the transition to cloud technology is significant but not beyond the challenge that other agencies have faced.

It was also noted that the agency's planning for and management of current asset and technology portfolios from procurement through to decommissioning must include sufficient lead time to plan and procure replacement solutions before current assets become unviable.

The agency's External Communications Strategy from February 2019 noted that the agency's public facing website is one of its primary communications channels, however the review noted that little progress has been made since this time. From the user's perspective, website information is sometimes confusing and is not as accessible as it could be. It was noted that the agency's websites continue to be hosted across 3 domains. Resolving this technology infrastructure will support the agency's capacity to present a unified agency image, communicate effectively with its customers and support the uptake of online services in the future.

With a large turnover of staff in the ICT area, the agency should assess whether it has sufficient internal capability to execute its cloud and re-hosting transition strategies and develop appropriate strategies to mitigate this risk.

The review noted that with the agency offering increasing levels of licensing functions online, there must be increased assurance that the agency's ICT systems are safe and secure. The agency must ensure its cybersecurity defences remain robust at all times and should consider an ongoing process of cybersecurity checking and verification to accompany the provision of more online services.

Good practices

The following 5 areas are examples of where the agency has demonstrated good practice that can contribute to learnings for other agencies:

Good practice 1: Geological Survey of Western Australia's mining exploration data

The Geological Survey of Western Australia (GSWA) has been recognised by key stakeholders as one of the agency's most visible and best performing brands particularly for its large collection of publicly available geological and mining exploration data. Its engaging web presence receives around 600 views a day and includes an eBookshop of almost 5,000 geological products. There are also several interactive online systems for geoscience and geophysical maps and datasets which have facilitated the discovery of many notable deposits.

GSWA's ability to deliver vast amounts of customer centric and modern information products is driven by strong and proactive relationships with stakeholders. It has established a number of mechanisms to keep customers informed and receive feedback. It has received a number of accolades from industry for its work.

Another element of excellence is GSWA's forward looking culture of continuous improvement. Its 10 year plan identifies future challenges, issues, needs and strategic priorities, identifying shifts in skillsets required to deliver on those future needs.

In continuing the improvement of its data use, GSWA has developed the Geoscience Data Transformation Strategy and is looking at artificial intelligence and machine learning. Its Stakeholder Engagement Strategy, completed in 2020, has increased the use and sharing of its geoscientific data to assist businesses in the resources and tourism sectors.

Good practice 2: Consumer Protection's citizen focus approach and genuine co-design of programs

The agency's Consumer Protection function has been commended for best practice regulation and strong stakeholder engagement by several external stakeholders. It has high public visibility and appears well skilled in external engagement and communication.

This area of the agency consistently demonstrates genuine consultative citizen focus and co-design with stakeholders, engaging them early in the policy development process. Consumer Protection regularly seeks public opinion on the review and development of both state and national legislation and keeps the public informed through its website and social media platforms.

Consumer Protection also educates and engages the public on consumer matters in an engaging and contemporary manner. An example is the Consumer Protection Twitter feed which has 7,339 followers and had published 16,500 tweets as at March 2022.

Good practice 3: Commitment to diversity and inclusion

The agency strives to ensure its workforce is reflective of the WA community and has worked to create a diverse and inclusive agency culture. Diversity and inclusion are reflected in its strategic plan and integrated into operational, workforce and performance management plans.

Following the launch of the agency's 5 year Diversity and Inclusion Plan in 2019, a Diversity and Inclusion Sub-Committee was created that reports to the corporate executive. It ensures diversity and inclusion are strategic priorities for the whole agency. Diversity and Inclusion Awards recognise business areas that achieve target outcomes.

A review of recruitment practices and implementation of a graduate program have furthered the agency's demonstrated success in building a diverse and inclusive workforce. The agency has increased the range of employment opportunities for Aboriginal and Torres Strait Islander employees and developed (as is committed to) practical actions in its Reconciliation Action Plan.

The Multicultural Plan supports the capacity and contribution of employees from culturally and linguistically diverse backgrounds. Key initiatives have included promoting women to leadership positions and implementing the Disability Access and Inclusion Plan.

The review recognises the agency's considerable work in making diversity and inclusion a part of core business. While this has allowed the agency to meet, and in some cases exceed diversity representation targets, work is continuing to increase the representation of youth and young professionals at the agency.

Good practice 4: Workplace safety, health and wellbeing initiatives

The agency is committed to setting an example as a leader in occupational safety and health as both the regulator for Western Australia and the functional leader for the public sector. Commitment to safety and health is deeply embedded in its purpose.

Since 2017, the agency has been delivering on the government commitment to modernise work health and safety laws for Western Australia. All workplaces now fall under the state's *Work Health and Safety Act 2020* which came into effect on 31 March 2022 and is regulated by the WorkSafe Commissioner.

The agency has partnered with Curtin University's Future of Work Institute to develop the Thrive at Work initiative. Decades of research underpin this world leading, evidence based framework which the agency hopes will create a more holistic approach to employee wellbeing.

A proactive approach to create a work environment that supports the health and wellbeing of employees is demonstrated by a commitment to the award winning wellness program Working on Wellness (WOW). The program strives to help employees achieve their health and wellness goals. A perception survey which included an audit of wellbeing practices revealed almost 90% of respondents believed the agency demonstrated a genuine commitment to the physical safety of employees.

Good practice 5: Graduate rotation program

The agency has partnered with the Department of Jobs, Tourism, Science and Industry to create an 18 month inter-agency graduate program. Each graduate rotates not only in their home agency but through other agencies, businesses, peak bodies, local government authorities and federal bodies.

These opportunities only allow graduates to experience both sides of services and processes from a range of sectors. They also create points of feedback and communication between stakeholders and the agency, leading to operational and service improvements.

The program, which has an 80% retention rate, has contributed to the agency's consistent recognition as one of Australia's top graduate employers. The program was ranked 27th in the 2022 Australian Association of Graduate Employers Top 75, which was the highest of all WA public sector programs.

The success of the program is driven by the support of a dedicated graduate coordinator as well as the corporate executive and senior leaders of each agency. This team ensures strategic and meaningful development of graduates through well placed rotations, learning and development programs and permanent positions on completion.

The rotation approach could provide a template for the agency to offer its other employees similar opportunities to gain experience from across the agency, government and industry.



We are proud to deliver our services from Whadjuk Noongar boodja. We acknowledge and pay respect to Elders, Traditional Owners and Custodians from the many land and language groups of Western Australia.

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