

A year of exceptional events

The year 2001–02 was a demanding one for the department. While maintaining its important ongoing role in the coordination of domestic policy, the department faced several new challenges sparked by local and overseas events. The department was also instrumental in the smooth conduct of two important events in Australia: the commencement of the third Howard Government in November 2001, and the Commonwealth Heads of Government Meeting (CHOGM) in March 2002.

At times, the department's capacity to deliver the full range of services was put under great strain, especially in the latter part of 2001.

Election and administrative arrangements

The department had a busy period following the Prime Minister's announcement on 8 October 2001 that a federal election would be held on 10 November 2001. This required advising the Prime Minister and other departments and agencies about the 'caretaker' conventions applying from when the House of Representatives was dissolved; coordinating the preparation and provision of briefings to the Prime Minister after the election, on machinery of government and other matters; and preparing the new consolidated Administrative Arrangements Order.

The Prime Minister announced the new Australian Public Service appointments on 7 December 2001. Several portfolio Secretaries moved to new assignments and there were three new appointments: Jane Halton, Mark Paterson and Mark Sullivan. Ms Halton, who had been an Executive Coordinator in this department, became Secretary to the Department of Health and Ageing. Mr Paterson, formerly the Chief Executive of the Australian Chamber of Commerce and Industry, was appointed Secretary to the Department of Industry, Tourism and Resources. Mr Sullivan, formerly Chief Executive of the Aboriginal and Torres Strait Islander Commission, took up the position of Secretary to the Department of Family and Community Services.

Major domestic and international issues

Border protection

The department played a coordinating role early in the financial year when, in August 2001, a Norwegian ship, the MV *Tampa*, rescued more than 400 people from a crippled Indonesian vessel. The rescued people planned to seek asylum in Australia.

The department provided the key coordinating point for information and advice from the many Commonwealth agencies involved in developing options for Ministers to consider in relation to the people rescued. Once the Government had made its decision – that the rescuees should be transported to Nauru and New Zealand to have any refugee claims processed – the department oversaw the implementation of that decision, in particular facilitating the necessary coordination between agencies. The department continued to play this role in respect of a number of later vessels intercepted off Australia.

September 11

The following month, while the Prime Minister was on an official visit to the United States, terrorist attacks were made on the World Trade Centre in New York and on the Pentagon in Washington. Those terrible events curtailed the Prime Minister's last few overseas engagements and accelerated his return to Australia, as well as necessitating major changes in arrangements for CHOGM.

Ansett

The day after those attacks, on 12 September 2001, Air New Zealand announced that Ansett was being put into voluntary administration. It was crucial to Australia's long-term aviation interests that the consequences of Ansett's demise be managed carefully, particularly in the context of the sudden general decline in air travel precipitated by the events of 11 September. The department played a central role, by providing advice on ways of ensuring that stranded passengers were able to return home, the rapid re-provision of services to rural and regional Australia and protecting the interests of Ansett workers.

Throughout this series of extraordinary events, the department coordinated a whole-of-government response. The department had to marshal its resources and set up coordinating mechanisms with other agencies so as to provide timely and reliable advice and support for the Prime Minister and other Ministers on all relevant issues. At the same time, the Prime Minister had to be kept briefed on the full range of other economic, social, governmental and international issues in which he remained involved.

Commonwealth Heads of Government Meeting

As last year's report described, the department was centrally involved in organising the CHOGM that was planned to be held in Brisbane in October 2001. In light of security concerns raised by the events of 11 September 2001, the Prime Minister and the Commonwealth Secretary-General announced on 28 September 2001 that the October meeting would be postponed.

The rescheduling of the meeting placed a heavy workload on Commonwealth and state agencies, foreign missions and contractors. Nonetheless, the meeting was efficiently reorganised by the CHOGM Task Force – information about how that was achieved is presented in a special article, later in this report – and subsequently held, from 2–5 March 2002, in Coolum, Queensland. The meeting was a success, judged on the feedback received from participants. With Her Majesty The Queen and 35 Commonwealth leaders attending, the 2002 CHOGM was the largest senior-level international conference ever held in Australia.

Other international issues

As well as coordinating the Australian Government's response to the terrorist attacks of 11 September 2001, the department coordinated the ensuing review and upgrade of Australia's counter-terrorism measures. The department also provided ongoing policy advice to the Prime Minister on defence, intelligence and security issues, including the deployment of elements of the Australian Defence Force to Afghanistan.

Following an adverse Commonwealth Observer Group Report on the Zimbabwean presidential elections, on 19 March 2002 the Prime Minister convened a meeting in London of the special leaders' troika on Zimbabwe established at the Coolum CHOGM. The troika agreed to suspend Zimbabwe from the councils of the Commonwealth.

Australia's broader strategic and economic interests were advanced by the Prime Minister's visits to China (including for the Asia Pacific Economic Cooperation leaders' meeting), to Japan and to the United States.

Council of Australian Governments

The department coordinated the holding of a meeting of the Council of Australian Governments (COAG) on 5 April 2002. The Commonwealth, the states and territories and the Australian Local Government Association agreed on significant initiatives on a range of important policy areas, including human cloning and stem cell research, reconciliation, and public liability insurance.

The department also followed through on previous COAG decisions. This included a lead role in relation to property rights for natural resources, a key role in the early stages of implementing the \$1.4 billion National Action Plan on Salinity and Water Quality agreed to by COAG in November 2000, and coordinating the Commonwealth's input to a progress report on implementing the reconciliation framework agreed to by COAG in November 2000. The Steering Committee for the Review of Commonwealth/State Service Provision was established, in line with the decision to produce a regular report against key indicators of indigenous disadvantage.

Budget 2002–03

International security developments provided particular challenges for the 2002–03 Budget. The department played a key role in advising the Prime Minister on those, as well as on fiscal policy and coordinating the budget process. The department was also involved in the development of the Government's *Intergenerational Report* and the associated development of policy frameworks to address the challenges presented by an ageing society.

Environment

The department played an important role in establishing and servicing the Sustainable Environment Committee of Cabinet (SEC), chaired by the Prime Minister. The SEC provides a strong whole-of-government framework in which to examine issues of environmental sustainability, including natural resource property rights, salinity and water quality, greenhouse gas emissions, and biodiversity. The department also led a task force of Commonwealth officials which prepared a report for the Prime Minister on Australia's natural gas industry, outlining a strategic framework for issues relating to the development of the industry.

Health

The department made a significant contribution to the considerations by the Council of Australian Governments which resulted in agreement to introduce nationally consistent legislation regulating research involving human embryos and the banning of human cloning and other unacceptable practices. The department's role also involved supporting and assisting the Prime Minister in introducing the bill drafted to give effect to this agreement.

Women

For the Office of the Status of Women (OSW) the highlights of 2001–02 included: development of a new executive search service; establishment of the Indigenous Women's Advisory Group; provision of capacity building workshops in regional centres across Australia; formation of a national rural women's secretariat; development of a women's data warehouse and a women's internet portal; and establishment of a national key centre on sexual assault and work to establish national data and research on sexual assault.

OSW also established four new major programme areas – Women's National Leadership Initiative, Women's Development Programme, Informed Choices for Australian Women, and the National Initiative to Combat Sexual Assault.

Corporate governance and employee relations

Despite the other demands placed on the department during 2001–02, there were several achievements in good corporate governance and employee relations, including a detailed and timely Output Pricing Review and an extensive staff survey.

Output Pricing Reviews are an important tool in assessing any agency's resourcing level and cost effectiveness under the accrual accounting framework. The department completed its first such review in 2001–02. The results were encouraging: they showed that the department's cost for delivering policy advice and coordination was well below the Commonwealth average, indicating that it is operating in a relatively cost-efficient manner.

The department conducted a staff survey in October 2001. The results showed that overall job satisfaction within the department was good: almost three-quarters of our employees were highly satisfied with their existing jobs, and two-thirds were highly satisfied with the department as an employer. The survey responses were also positive about the quality of the department's internal corporate support and information services.

Outlook

In 2002–03 the department expects to play a role in key whole-of-government issues, including:

- advising the Government on insurance policy issues
- advising the Government on a range of policy issues arising from the *Intergenerational Report*
- providing advice to the Government on national resource management issues, particularly in the context of water and vegetation resources
- advancing whole-of-government approaches to indigenous issues and the reconciliation agenda of the Council of Australian Governments
- assisting with policy development on the next steps of the welfare reform agenda (which include simplifying payments, enhancing the work capacities of people with disabilities, assisting mature-aged workers and building regional capacity)
- promoting strategic, defence and security policies that are forward-looking and focused, particularly protecting Australia from terrorism and people smuggling activity
- providing policy support for the Prime Minister in his international activity and overseas visits, including as Commonwealth Chairman in Office and in pursuit of an active whole-of-government international trade agenda.

I thank my colleagues in the department and also the Australian Public Service as a whole for their professional and dedicated approach to carrying out their duties in 2001–02.

M W Moore-Wilton
Secretary