

MANAGEMENT AND ACCOUNTABILITY



CORPORATE GOVERNANCE



Leadership in my eyes involves a commitment to effective delivery, a bias for action, a spirit of collegiality and a capacity to motivate. It is about the quality of informed support that is given to the elected government of the day. It involves integrity of behaviour. Good governance depends in large measure upon those in positional authority being aware of the stewardship that is required of them.

Peter Shergold at the launch of

FOUNDATIONS OF GOVERNANCE IN THE AUSTRALIAN PUBLIC SERVICE
CANBERRA, 1 JUNE 2005

CORPORATE GOALS AND VALUES

As stated in the Overviews chapter of this report, the department shares a mission with the other agencies in the Prime Minister's portfolio:



to achieve well-coordinated, efficient and accountable public administration, supported by a values-based Australian Public Service.

The department's corporate goals, derived from that mission, are to provide:

- quality advice and information on those matters requiring the Prime Minister's attention as the head of government and the Chairman of Cabinet
- efficient and coordinated government administration
- effective administration of the programmes for which the Prime Minister has responsibility.

In support of those primary goals, the department promotes a corporate ethos which values the contribution of staff and the cost-effective and professional management of our people and resources.

As a central policy and coordinating agency responsible to the Prime Minister, the department promotes corporate values that, in particular, ensure:

- timely, responsive and high-quality service to the Prime Minister and to other ministers
- professionalism, commitment and excellence in the management of services, programmes and policy advice

- constructive and cooperative work relationships both within and outside the department
- adherence to the Australian Public Service (APS) Values and Code of Conduct
- broad career opportunities for staff
- a stimulating and caring work environment.

THE EXECUTIVE

The Executive comprises the Secretary and the three deputy secretaries.

Associate Secretary Andrew Podger headed the Health Taskforce that was convened to examine and improve the delivery of health services around Australia. Mr Podger concluded his work with the department on 30 June 2005.

In October 2004, Deputy Secretary Patricia Scott was appointed to the position of Secretary of the newly formed Department of Human Services. The vacant deputy secretary position was filled in an acting capacity by Joanna Davidson until April 2005, when Louise Morauta, from the Department of Health and Ageing, was appointed to the position.

THE SENIOR LEADERSHIP TEAM

As at 30 June 2005, the department's senior leadership team comprised the Secretary, three deputy secretaries, and nine first assistant secretaries each covering one of the department's nine divisions (see Figure 3). Those divisions were International Division, Government Division, Social Policy Division, People, Resources and Communications Division, Economic Division, Industry, Infrastructure and Environment Division, National Security Division, Cabinet Division, and the newly formed APEC 2007 Taskforce.

The Office of the Status of Women was relocated to the Department of Family and Community Services under a machinery of government change in November 2004.

SENIOR LEADERSHIP RESPONSIBILITIES

The Secretary, as the Chief Executive Officer, is responsible for providing the overall leadership of the department and shaping its future. He is responsible for determining priorities and appropriate resource allocations, delivering organisational performance and directing high-priority initiatives. He is also responsible for providing overall leadership to the APS.

In consultation with the deputy secretaries, the Secretary is responsible for guiding and monitoring corporate governance issues and providing strategic direction in the department. Together with division and branch heads, the Executive set the key targets for the 2004–05 financial year and provided the framework, through divisional and output workplans, within which the people and financial resources of the department were allocated.

Reporting arrangements for each of the deputy secretaries were as follows.

- Social Policy Division and People, Resources and Communications Division reported to Deputy Secretary Louise Morauta.
- International Division, National Security Division, Government Division and the APEC 2007 Taskforce reported to Deputy Secretary Andrew Metcalfe.

- Cabinet Division, Economic Division and Industry, Infrastructure and Environment Division reported to Deputy Secretary Jenny Goddard.

The responsibilities of the first assistant secretaries were as follows.

Ian Kemish, head of the International Division, supported the Prime Minister on international affairs, providing a whole-of-government perspective to advice on international issues coming before Cabinet, and coordinated advice to the Prime Minister on foreign affairs, trade and aid policies. In addition, the division was responsible for administering the state occasions and official visits programme.

Duncan Lewis, head of the National Security Division, provided whole-of-government advice to the Prime Minister and his office on national security issues and on defence and intelligence matters. In addition, the division provided secretariat and policy support to the National Counter-terrorism Committee and the Australian Government Counter-terrorism Policy Committee.

Barbara Belcher, head of the Government Division, provided policy advice on public administration, parliamentary and electoral matters; legal policy issues; the establishment of royal commissions; the implications of court decisions for the Commonwealth; matters relating to the arts, national collecting institutions and cultural heritage; and policy issues relating to Australian and foreign honours and the use of Australia's national symbols.

Ruth Pearce, head of the APEC 2007 Taskforce, provided advice to the Prime Minister and his office on developments in preparation for APEC 2007 events. These included issues associated with preparation for the 2007 APEC Economic Leaders' Meeting and related events in Sydney, confirmation of the involvement of all states and territories in the APEC 2007 ministerial and senior officials' meetings (to be held across Australia), finalisation of a memorandum of understanding with the New South Wales Government in relation to logistics and security arrangements, and finalisation of the taskforce governance arrangements.

Joanna Davidson, head of the Social Policy Division, provided whole-of-government advice to the Prime Minister and his office on social policy issues, including education; employment; families; income support; community services; health and ageing; immigration; indigenous policy; veterans' affairs; and women. The division also provided support to the secretaries' group supporting the Ministerial Taskforce on Indigenous Affairs.

Greg Williams, head of the People, Resources and Communications Division, provided advice and support to the Ministerial Committee on Government Communications, managed the Central Advertising System and oversaw photographic services through AUSPIC. In addition, the division provided the department's internal information services, covering information technology, library services, records management and ministerial correspondence. The division also provided support functions in regard to people management, finance, corporate governance, facilities, personnel and physical security. The division manages the Prime Minister's official residences through the Official Establishments Unit and provides support for the Official Establishments Trust.

Peter Hamburger, head of the Cabinet Division, provided support to the Prime Minister and the Cabinet on the full range of Cabinet and Cabinet committee business, as well as providing support for the Federal Executive Council and monitoring the implementation of government policy through the Cabinet Implementation Unit.

Paul Tilley, head of the Economic Division, provided whole-of-government advice to the Prime Minister on domestic and international economic conditions and prospects; developments in financial markets; financial sector policy; workplace relations and wages policy; fiscal policy and budget initiatives; taxation and superannuation policy; and Commonwealth–state financial relations.

Phillip Glyde, head of the Industry, Infrastructure and Environment Division, provided whole-of-government advice to the Prime Minister on a wide range of policy issues covering industry; national competition policy; sustainable development (with a particular focus on water); agriculture, fisheries and forestry; environment and heritage; regional services; transport; communications; information technology; sport; tourism; energy; and Council of Australian Governments' matters.

SENIOR LEADERSHIP GROUPS

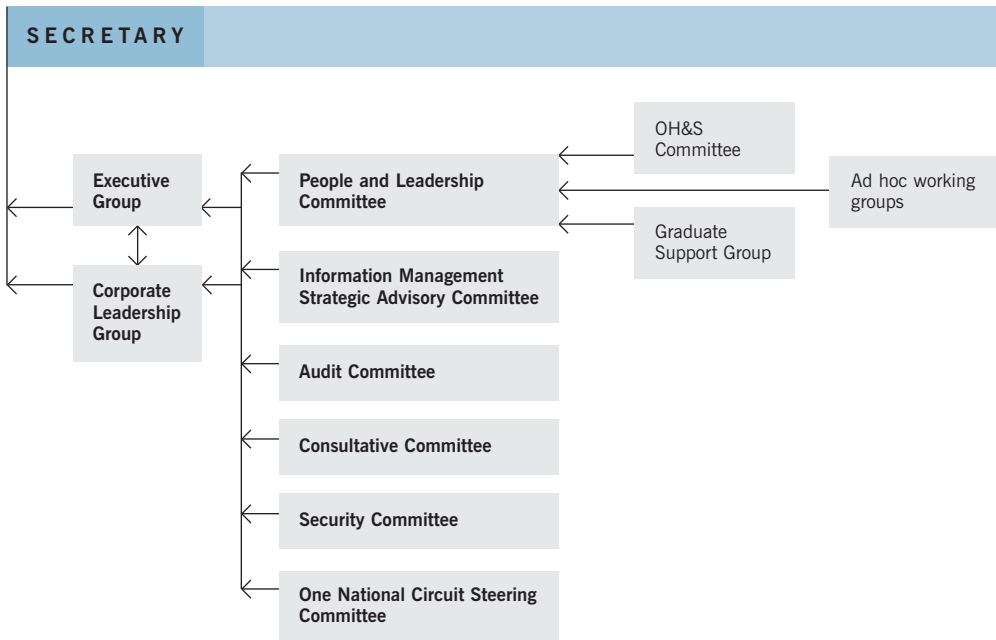
The Executive Group is made up of the Secretary and the three deputy secretaries. It assists the Secretary in meeting his obligations as agency head by managing high-level corporate strategy, determining internal resource allocation and coordinating the involvement of the Executive in the leadership of the department. The Executive Group is scheduled to meet fortnightly.

The Corporate Leadership Group is the key corporate forum. It is scheduled to meet fortnightly and is attended by the Secretary, the deputy secretaries, the first assistant secretaries and the Assistant Secretary, People and Resource Management Branch. Its role is to provide active and visible strategic leadership to the department. It is responsible for setting overall directions and ensuring the department's structure, culture and resources are aligned to meet its agreed outcomes, through:

- formulating and communicating the strategic directions and priorities for policy, program management, service delivery and performance
- allocating, reviewing and re-allocating (where necessary) resources, and developing plans to meet the department's current and future priorities
- sponsoring good governance and promoting the APS Values and Code of Conduct and departmental behaviours and values
- generating a workplace environment marked by practical commitment to developing and harnessing the diverse skills of people in the organisation, open communication, and high levels of collaboration.

The relationships between the two senior leadership groups and the other elements of the department's decision-making structure are shown in Figure 7.

FIGURE 7 Leadership and management committee structure



MANAGEMENT COMMITTEES

Six management committees assist the Secretary and play a vital role in the department's decision-making processes.

In response to the release by the Australian National Audit Office (ANAO) of its better practice guide on corporate governance in July 2003, the department's Audit Committee commissioned an evaluation of our corporate governance arrangements. As a result of the audit, the department's internal committee structures were tightened and a more clearly articulated role and purpose for each of the management committees was developed. This work continued during 2004–05, with the further revision of the charter for each committee, and the addition of an intranet page on committee details to ensure that staff are aware of committee activities and roles.

Members of the Executive chaired five of the department's high-level management committees—the Audit Committee, the People and Leadership Committee, the Consultative Committee, the Information Management Strategic Advisory Committee and the One National Circuit Steering Committee.

Collectively, these committees provided a continuous source of information and advice to the Executive and Corporate Leadership groups during 2004–05. Figure 8 shows the membership of each committee, while the committees' functions are described in more detail in the following section.

FIGURE 8 Management committee membership at 30 June 2005

People and Leadership Committee	Information Management Strategic Advisory Committee	Audit Committee ^a	Consultative Committee ^b	Security Committee	One National Circuit Steering Committee ^b
Chairman Secretary Deputy Chairman Louise Morauta	Chairman Andrew Metcalfe	Chairman Jenny Goddard	Chairman Louise Morauta	Chairman Greg Williams	Chairman Louise Morauta
MEMBERS	MEMBERS	MEMBERS	MEMBERS	MEMBERS	MEMBERS
Joanna Davidson	Alex Anderson	Phillip Glyde	Wendy Southern	Michelle Patterson	Greg Williams
Rebecca Irwin	Wendy Southern	David Macgill	Barry Sterland	Barbara Belcher	Margot McCarthy
Duncan Lewis	Peter Hamburger	Allaster Cox	Merrick Peisley	Margot McCarthy	Peter Hamburger
Paul Tilley	Jan Harris	Greg Williams	Jo Cantle	Myra Croke	Judy Costello (ex-officio)
Godwin Greech	Julie Yeend	Judy Costello (ex-officio)	Michael Graham	Catherine Stephenson	
Paul O'Neill	Susan Ball (ex-officio)	Fran Raymond (invited)	Staff representative	Liane Hinds	
Judy Costello (ex-officio)		External member	Judy Costello (ex-officio)	Judy Costello (ex-officio)	
				Susan Ball (ex-officio)	
				External member	

a Meetings are held quarterly.

b Meetings are held as required.

PEOPLE AND LEADERSHIP COMMITTEE

The People and Leadership Committee, a formal subcommittee of the Corporate Leadership Group, provides strategic advice and support on people and leadership matters.

During the reporting period, the committee developed a set of ‘Working Smarter’ principles, which were launched by the Secretary on 29 October 2004. The Working Smarter principles were identified to help us achieve full commitment to our shared responsibility to examine our approaches to work, and devise new ways to deliver results, with a view to improving our individual and collective productivity in the medium to long term.

In February 2005, an inaugural gathering of the department’s entire Senior Executive Service (SES) leadership team was held to provide an opportunity to step away from the day-to-day working environment and reflect on broad management and leadership issues. We developed a shared understanding about what the department currently is, and arrived at a strong shared commitment to improve a number of areas of our business (strategic intent, leadership expectations of our people, improved working relationships, and refined decision-making processes). We have made a good start, and will continue to focus on improving how we operate as a department in the future. We agreed to have a minimum of three such gatherings each year.

Other key results achieved by the People and Leadership Committee during 2004–05 included the following:

- We conducted a review of the department's corporate management committees, refined the rules of their composition, and devised new communication approaches that require all committees to advise staff when they intend to meet and make their records of meetings accessible as soon as possible after each meeting.
- We continued to refine the quantitative demographic analysis and reporting framework in place, to help us better understand emerging workforce trends and issues.
- We made major progress in addressing staff concerns relating to the performance management system, as identified in the 2003 staff survey.
- We improved staff understanding and awareness through training sessions, delivered by external facilitators, in giving and receiving feedback and in coaching and mentoring.
- We revised the upwards appraisal process of the Performance Management and Development Scheme in October 2004, and evaluated the scheme in May and June 2005 to identify scope for any further improvement.

INFORMATION MANAGEMENT STRATEGIC ADVISORY COMMITTEE

The department's Information Management Strategic Advisory Committee continued to provide an important forum for generating advice to the departmental Executive on strategies and policy for the effective use of information resources and on the development of information infrastructure and services that support the department's business outcomes.

The Information Management Strategic Advisory Committee's objectives are to:

- ensure alignment between the department's business outcomes and information management strategies and people's day-to-day work
- consider the department's high-level strategic information management needs and make recommendations to the Executive Group for endorsement
- provide leadership and encouragement for cultural, process and organisational change as a result of information management initiatives.

During the year, the committee oversaw the development of a collection management and access policy for library information resources, and the development of a policy for the management of information and records that provides a framework for the effective creation, capture and management of information and records within the department.

AUDIT COMMITTEE

The Audit Committee meets quarterly and assists the department in meeting its corporate governance responsibilities.

The Audit Committee objectives are to:

- assist the Secretary and Executive Group in ensuring that the department meets its corporate objectives
- ensure that effective accountability and governance strategies, practices and policies are available to departmental staff, monitor the suitability and relevance of these elements, and decide on changes in consultation with the Executive Group

- promote an ethical climate in the department
- provide a forum for communication between the Executive, senior managers of the department and the department's internal and external auditors.

The audits overseen by the committee are detailed in the Internal audit and fraud control section of this chapter.

CONSULTATIVE COMMITTEE

The principal function of the Consultative Committee is to provide a forum for consultation between employees and managers on workplace relations matters and on issues of corporate significance, such as the departmental Certified Agreement and the associated policies and guidelines.

The key achievement for the Consultative Committee in 2004–05 was the successful negotiation of the department's new certified agreement, titled *Certified Agreement 2004–2007 Working Smarter to Achieve a Better Work/Life Balance*, which came into effect on 6 October 2004 and will continue until 30 September 2007.

As the title suggests, the focus of the committee in the development of the agreement was to increase and maintain productivity while creating a workplace that encourages employees to balance their work and personal lives.

SECURITY COMMITTEE

The Security Committee provides advice to the Executive Group on security matters, to support the department's business outcomes.

The role of the committee is to:

- facilitate alignment between the department's policies, procedures, security awareness and training and the Commonwealth Protective Security Manual 2005, the Australian Government Information and Communications Technology Security Manual and Commonwealth Security Bulletins
- facilitate a systematic, coordinated approach to security risk management across the department
- consider and make recommendations on the department's physical, personnel, information and information technology security policies and procedures
- provide leadership and actively support the implementation of physical, personnel, information and information technology security policies, procedures, education and awareness across the department.

As at 30 June 2005, the committee had implemented new document-handling guidelines; reviewed security passes; provided advice on security for the new building; and facilitated the purchase of equipment to allow onsite classified waste destruction.

ONE NATIONAL CIRCUIT STEERING COMMITTEE

The role of the One National Circuit Steering Committee is to provide strategic guidance to the team delivering new accommodation for the department at 1 National Circuit, Barton.

CORPORATE GOVERNANCE INITIATIVES

The Corporate Governance Unit, with responsibility for issues such as internal audit, fraud, risk management and contracts, continued and enhanced its previous corporate governance work. Achievements in 2004–05 included:

- updating the corporate governance framework to clearly articulate the roles and responsibilities within the departmental committee structure
- reviewing and amending departmental standard contracts to incorporate additional contract clauses relating to the new Commonwealth Procurement Framework
- providing practical advice and assistance to staff required to handle procurement and contracting issues
- initiating a major review of the Chief Executive Instructions (CEIs)
- initiating the development of new plans for fraud control and risk management.

On behalf of the department, the unit again took part in the Comcover Risk Management Benchmarking Survey, which is intended to assist agencies to develop and improve risk management techniques within their organisations.

The review of monthly Corporate Reports to the Secretary was concluded. The redesigned reports now provide the Secretary and the Executive with more targeted snapshots of progress on the specific issues of financial performance, human resource matters, departmental travel, security, parliamentary questions, freedom of information, and ministerial correspondence.

Monthly meetings of the department's Divisional Support Unit managers were continued, to encourage discussion on topical issues in relation to administrative procedures and processes pertinent to their divisional support role.

As in previous years, during 2004–05 the department's Business Continuity Plan, which draws on a broad range of other documents (including the Risk Management Plan, the Departmental Security Plan, the Fraud Control Plan and the Financial Management Information Systems Business Continuity Plan), was fully updated to ensure its continuing validity. The revised plan will be tested regularly through a variety of mechanisms and at meetings of the Corporate Leadership Group.

INTERNAL AUDIT AND FRAUD CONTROL

In 2004–05 the department's Audit Committee presented and considered eight internal audits, comprising a mix of compliance and assurance reviews that covered a wide range of internal administrative matters. Significant internal audits conducted during the year are summarised below.

CABNET

Recommendations from the review of the CABNET secure document management system included implementing a more rigorous approach to change management and updating document management procedures.

PROCUREMENT MANAGEMENT

Recommendations from the review of procurement management included raising awareness of procurement risks, promoting training on procurement and encouraging the use of panels.

INTERNET SECURITY

Recommendations of the internet security review centred on ensuring policies and procedures, and their application, are documented.

INFORMATION TECHNOLOGY SECURITY

This review recommended that the department update its information technology business continuity plan, ensure adequate security training and awareness across the department, complete the information technology strategic plan, and document related procedures and policies.

CABINET IMPLEMENTATION UNIT

In a post-implementation review of the Cabinet Implementation Unit, stakeholders commented positively on the unit's work, particularly in relation to changes to the ways new policy proposals are developed and significant policy measures are tracked. The review recommended strategies to increase the unit's effectiveness, and these are being implemented.

CONTRACT MANAGEMENT FOR INFORMATION TECHNOLOGY SERVICES

The contract management review's recommendations centred on ensuring that information technology service provider staff are adequately trained, and adequate back-up and recovery services procedures are in place.

POST-PAYMENT CHECKING

The review of post-payment checking noted that, apart from a few minor administrative matters, there was no evidence that the department did not maintain, in all material respects, effective control procedures in relation to the processing of payments.

BUSINESS CONTINUITY AND DISASTER RECOVERY ARRANGEMENTS

This review recommended that the department continue to test its business continuity and disaster recovery plans and update them as issues arise.

ETHICAL STANDARDS

The department continued to promote the importance of maintaining the high ethical standards appropriate to APS employees. The APS Values and Code of Conduct, as specified in the *Public Service Act 1999*, assist in increasing employee commitment and performance and help shape an ethical culture. Departmental guidelines on working with the code of conduct and on understanding the APS values formed an integral part of the human resource framework and were readily accessible to staff via the intranet. Promotional material, such as the APS Commission's bookmark on the APS Values and Code of Conduct, continued to be regularly distributed and included in the department's kit for new starters. In addition, the department continued to highlight the importance of adherence to the APS Values and Code of Conduct in the wording of the Certified Agreement and during induction courses available to all new starters.

EXTERNAL SCRUTINY



Parliamentary questioning, the scrutiny of the Auditor-General, a framework of interwoven primary and secondary legislation and the judicial review of administrative decisions, together inform public-sector decision making. They provide the governance context within which values need to be turned from rhetoric into reality.

Peter Shergold at the launch of

PUBLIC SECTOR GOVERNANCE IN AUSTRALIA
CANBERRA, 5 AUGUST 2004

The legal actions, including matters before the Administrative Appeals Tribunal, that affected the Prime Minister and the department during 2004–05 are dealt with in the report on performance for Output 4.3.

The department participated in the Commonwealth Ombudsman's own motion investigation into the quality of freedom of information (FOI) processing by Australian Government agencies. The investigation involved a review of selected agencies' FOI guidelines and analysis of a sample of their FOI case files. The Ombudsman is expected to report on his investigation during 2005–06.

The department participated in the ANAO's cross-agency audit on the Senate Order on contracts, the outcome of which is yet to be finalised, and the ANAO's performance audit of legal services arrangements in the APS. The department also participated in the ANAO's cross-portfolio performance audit of the management and reporting of expenditure on consultants, the report of which is scheduled to be tabled in the Autumn 2006 sittings of parliament.

During the 2004–05 financial year, the department finalised its participation in the ANAO's business support process audit entitled *Superannuation Payments for Independent Contractors Working for the Australian Government*. This report was tabled on 28 October 2004.

The department participated in the ANAO's annual audit of financial controls and financial statements.

PEOPLE MANAGEMENT



... the recent changes in the machinery of government and leadership of public service are symptomatic of systematic regeneration. They are indicative not only of the intention progressively to build a more effective and productive public service but also to strengthen the important public service values set out in the Public Service Act—accountability, responsiveness, frankness, commitment, results orientation and merit-based equity of employment.

*And something else, less visible but even more profound is underway ... **Regeneration** ... The traditional values will need to be complemented by new qualities—courage of convictions, creativity of spirit, commitment to action and collegiality of approach—which will bespeak a new culture.*

Peter Shergold in a speech entitled

‘REGENERATION: NEW STRUCTURES, NEW LEADERS, NEW TRADITIONS’
DELIVERED AT THE INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
NATIONAL CONFERENCE
CANBERRA, 11 NOVEMBER 2004

STAFFING

At 30 June 2005, 370 staff were employed by the department under the *Public Service Act 1999*. This reflects a net decrease of 12 staff since 30 June 2004 (382), and includes the effects of the machinery of government change in November 2004, when the Office of the Status of Women was relocated to the Department of Family and Community Services. The total staffing figure includes all ongoing and non-ongoing employees working either full time or part time as at 30 June 2005, and staff on long-term paid leave.

Women comprised 57 per cent of all staff, 45 per cent of the SES, 49 per cent of Executive Level staff and 69 per cent of staff at APS levels 1 to 6.

Details of the department’s staffing profile in 2004–05 are provided in Appendix 1.

The department continued to produce regular staffing reports during the year. The reports included staffing figures and detailed commencement and separation profiles provided on a monthly basis to the Secretary, as a component of the comprehensive Corporate Reports, and on a quarterly basis to the People and Leadership Committee.

The staff age profile analysis for the year indicated that the department continued to maintain a relatively youthful workforce. Approximately 36 per cent of staff employed were in the 25 to 34 years age group and 27 per cent were in the 35 to 44 years age group. Staff in the 45 to 65 years age group accounted for 33 per cent of total staff. Staff aged 24 years or younger made up 3 per cent of staff, and less than 1 per cent of staff were over 65 years of age.

GRADUATE RECRUITMENT

The department's 2005 graduate recruitment campaign attracted a total of 751 applications. The 13 successful graduates (eight women and five men) started with the department on 31 January 2005. They were selected on the basis of their academic skills, demonstrated initiative, potential ability to contribute to effective policy development and understanding of contemporary issues.

The graduate recruits attended a two-week orientation programme on their commencement and have since been participating in a training and development programme, due to finish in November 2005. The programme includes a variety of on-the-job and formal learning and development activities.

WORKPLACE DIVERSITY

Valuing distinctive characteristics in every employee, and drawing on the diversity of our backgrounds, skills, talents, and views to enhance our working environment and the work of the department, form the basis of our Workplace Diversity Programme.

The aim of the programme is to create an environment where fairness and equity is encouraged and supported and where all forms of discrimination, harassment and bullying are eliminated. The following strategies are used to achieve this:

- raising awareness of and promoting workplace diversity in the department
- integrating the principles of workplace diversity into business and human resource management policies, practices and systems
- encouraging staff to identify and maximise use of their life skills and experiences in the workplace
- encouraging supervisors to recognise and draw on the diversity of their staff
- ensuring that staff are able to balance their work and personal lives
- ensuring that staff are not subjected to discrimination or unfair treatment in the workplace on grounds such as ethnicity, race, gender, age, physical or mental disability or personal lifestyle responsibilities
- upholding and promoting the APS Values and Code of Conduct
- ensuring that staff and those seeking employment with the department receive fair and equitable treatment in accessing employment opportunities, staff selection processes, career development opportunities and mobility arrangements.

The department provides workplace diversity data to the Public Service Commissioner at the end of each financial year for inclusion in the Commissioner's *State of the Service Report*.

In 2004–05 the department also implemented a number of family-friendly and work–life balance practices and facilities, including:

- a nursing mothers' and carers' room that provides employees with a fully equipped and National Breastfeeding Association–accredited facility for nursing mothers, as well as a safe and quiet workplace to enable employees to carry out aspects of their normal work while caring on site for dependants for whom other care is temporarily unavailable
- policy changes encouraging employees to take their 20 days leave each year and requiring employees to take a minimum of five days annual leave each calendar year, to ensure that all employees have the opportunity to take a reasonable break from work
- policy changes allowing employees to take up to ten days of paternity leave, via their personal leave credits, immediately following the birth of their child.

REMUNERATION, AUSTRALIAN WORKPLACE AGREEMENTS AND THE CERTIFIED AGREEMENT

The department's staff are employed under either its Certified Agreement or Australian Workplace Agreements (AWAs), as described below.

STAFF COVERED BY AUSTRALIAN WORKPLACE AGREEMENTS

As at 30 June 2005, 40 SES and 154 Executive Level staff were covered by AWAs. Remuneration arrangements for SES and Executive Level employees are based on the principles that remuneration:

- is fair and competitive
- is sufficiently flexible to reflect the particular skills, experience and work responsibilities of individual employees
- is clearly linked to performance in order to provide better rewards for better performance in achieving corporate priorities, upholding the APS Values and demonstrating leadership behaviours
- takes account of efficiency gains including any reductions in administrative complexity and cost achieved through the simplification of rules governing employment.

The salary ranges and median salaries paid for SES bands are set out in Table 4.

TABLE 4 Senior Executive Service salary ranges and median salaries

SES Band	Salary ranges (\$)	Median salaries (\$)
1	102,000–127,000	113,000
2	140,000–151,500	140,000
3	170,000–182,000	176,000

Information on SES staff members who received, or were due to receive, total remuneration of \$100,000 or more is set out in Note 20 to the Financial Statements in this report.

STAFF COVERED BY THE CERTIFIED AGREEMENT

Executive Level staff who elect not to be covered by an AWA and all APS-level employees are employed under the department's Certified Agreement. As at 30 June 2005, 176 staff were covered by the Certified Agreement 2004–2007.

The Consultative Committee successfully negotiated the department's fourth certified agreement, *Certified Agreement 2004–2007 Working Smarter to Achieve a Better Work/Life Balance*. It is a comprehensive agreement negotiated directly with staff under section 170LK of the *Workplace Relations Act 1996*, and covers the period from 6 October 2004 to 30 September 2007.

The prescribed salary ranges payable under the Certified Agreement are set out in Table 5.

TABLE 5 Non-Senior Executive Service indicative salary ranges

PMC Band level ^a	Salary ranges (\$)
1 (APS Levels 1–3)	31,215–43,307
2 (APS Levels 4–6)	44,713–63,836
3 (Executive Level 1)	68,616–76,491
4 (Executive Level 2)	79,865–95,051

a Refers to band levels defined in the Certified Agreement.

Subject to making suitable business cases, staff members may access a range of non-salary benefits such as mobile phones, airport lounge memberships and journal subscriptions.

PERFORMANCE MANAGEMENT

The Performance Management and Development Scheme provided an effective framework for performance management in the department, both through individual performance agreements, established at the start of each performance appraisal cycle, and through a process of regular reviews and feedback exchanges between employees and their managers during the year. The scheme ensured that all employees clearly understood their roles in the department and the standards of performance expected of them. The scheme provided a means of recognising individual contributions and achievements and of identifying and addressing learning and development needs. It also provided access to performance bonuses for those employed under AWAs.

In 2004–05, the department reviewed the upwards appraisal component of the scheme and implemented changes for use by all staff for the performance appraisal cycle ending 30 September 2004.

PERFORMANCE BONUSES

SES staff and Executive Level staff who were on AWAs for a minimum of three months during the appraisal cycle commencing 1 October 2004 were eligible for performance bonuses. Access to performance bonuses was subject to the outcomes of performance appraisal. SES performance bonuses were determined by the Secretary up to a maximum of 15 per cent of the employee's salary. Executive Level performance bonuses were based on individual performance ratings up to a maximum of 12 per cent of salary.

Total performance bonus payments made to SES and Executive Level staff are set out in Table 6.

TABLE 6 **Performance pay**

Level	Staff eligible	Staff paid	Amount paid (\$)	Average (\$)	Range (\$)
EL 1	66	61	234,647	3,847	660–8,826
EL 2	70	65	331,132	5,094	894–10,967
SES Band 1	28	28	223,144	7,969	1,792–16,500
SES Band 2	8	8	104,246	13,031	6,980–19,800
SES Band 3	4	4	93,883	23,471	— ^a
Total	176	166	987,052		

EL = Executive Level, SES = Senior Executive Service.

a Range not disclosed to protect privacy.

INDIVIDUAL DEVELOPMENT

The performance agreement developed each year between each staff member and his or her manager requires the parties to agree to a learning and development regime for the individual.

STAFF SURVEY

In 2003–04, as a result of the staff survey conducted in October 2003, the Secretary announced a number of commitments to staff. The following initiatives have been implemented or undertaken since the announcement:

- provision was made for all staff to receive training on giving and receiving feedback, and for all supervisors to receive training on coaching and mentoring
- an external secondment scheme, the Development Opportunity Secondment Scheme (DOSS), was launched
- the Internal Rotations Scheme was launched
- the upwards appraisal component of the Performance Management and Development Scheme was revised, and the new approach was utilised for the end of the performance cycle in October 2004
- a work and life policy statement was developed
- principles for ‘Working Smarter’ were developed
- senior managers committed to focusing on process improvements.

LEARNING AND DEVELOPMENT

Each staff member participated in at least one structured training course during the year. The department offered a range of formal learning opportunities, as follows.

ORIENTATION PROGRAMME

The department conducts a comprehensive, multi-staged orientation programme to assist new staff to quickly become familiar and comfortable with the operations of the department. The programme incorporates the following stages:

- the distribution of a pre-commencement information pack
- a one-hour 'Fast Start' session covering training, information technology, security and facilities issues
- a half-day 'PM&C in Context' session, including a presentation from the Secretary on the role of the department, important relationships and individual responsibilities.

SECONDMENTS AND ROTATIONS

In 2004–05 the department continued to support the DOSS. Under the scheme, other departments are invited to nominate individuals between the APS Level 5 and Executive Level 2 levels to take up placements with the department for 12 to 18 months. The scheme provides individuals with the opportunity to:

- network and develop partnerships
- develop a stronger sense of what the department does
- gain a broader perspective, which will be useful for career development
- develop knowledge about policy coordination
- offer expert input from their own agency's perspective.

Five APS employees took up new placements with the department in 2004–05.

INTERNAL ROTATIONS SCHEME

The Internal Rotations Scheme is available to staff on a self-nomination basis, with nominations for the scheme sought in May and October each year. The scheme gives staff the opportunity to develop cross-functional knowledge and gain new skills and experience via rotation through other divisions within the department.

TARGETED TRAINING

The department ran a series of targeted training courses called 'Giving and Receiving Feedback' and 'Coaching and Mentoring'. Participation in 'Giving and Receiving Feedback' was mandatory for all staff. All staff at Executive Level 1 and above, and staff at APS Level 6 who have supervisory responsibilities, are required to participate in 'Coaching and Mentoring'.

OTHER OPPORTUNITIES

During 2004–05 the department conducted a series of lunchtime briefing sessions covering topics such as Cabinet processes, budget processes, performance management and caretaker conventions.

The department also offered a full-time study award and studies assistance, and continued with its graduate programme aimed at recruiting and developing future potential leaders.

AWARDS

The Australia Day Achievement Awards are part of the department's internal recognition system, acknowledging personal and distinctive contributions made by staff members during the course of the preceding year or over a longer period of time. The medallions are provided by the National Australia Day Council to promote the celebration of Australia Day. Staff honoured with Australia Day Achievement Awards in 2004–05 are listed in Figure 9.

FIGURE 9 Australia Day Achievement Awards

Award recipients		Reason
AUSTRALIA–US FREE TRADE AGREEMENT TEAM	Alex Anderson Barbara Belcher Gillian Bird Stephen Clively Natalie Cohen Allaster Cox Joanna Davidson Jacky Fogerty Glenn Gore Phillips Godwin Grech Cathy Harrison James Horne Tara Laan Jonas Mockunas Russell Phillips Stuart Sargent Perry Sperling Henry Thomson	For their contribution to the successful negotiation of the Australia–United States Free Trade Agreement.
TSUNAMIS RESPONSE TEAM	Vicki Heath Martin Bendeler Hugh Borrowman Fifine Cahill Sallyann Ducker Jan Harris Jordana Hunter Pablo Kang Ian Kemish Tara Laan Luise McCulloch Theresa Manning Andrew Metcalfe Jason Mundy Merrick Peisley Perry Sperling	For their contribution to the coordination of Australia’s response to the Indian Ocean tsunamis disaster.
INDIGENOUS POLICY TEAM	Michelle Patterson Stephanie Bennett Kate Campbell Jacqueline Malins Rachel Livingston Catherine Wildermuth Julia Thwaite	For their work in developing and implementing new arrangements for indigenous programmes and service delivery throughout 2004.
INFORMATION AND COMMUNICATIONS TECHNOLOGY TEAM	Susan Ball Ricardo Alberto Peter Walsh Michelle Janas Paul Newman	For their work in market testing and implementing the department’s standard operating environment for information and communications technology.
GCU INFORMATION CAMPAIGN TEAM	Greg Williams Chris Taylor Richard Davies Michael Graham Julie Campigli Jan Wootton	For their work in simultaneously facilitating a number of significant information campaigns by the GCU.

Award recipients	Reason
Sarah Chidgey and Geoff Both	For their work in relation to the Council of Australian Governments review of hazardous materials.
Gus Gilmore and Blen Rowley	For their contribution to the review and development of comprehensive continuity of government arrangements for national security emergencies.
Donna Hargreaves and Justin Jnani	For their work in producing and finalising the department's 2003–04 financial statements.
Judith Lachele	For her contribution to the publication <i>Protecting Australia Against Terrorism</i> .
Anna Topic	For her contribution to the organisation of the department's Australia Day Achievement Awards.

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Committee, which meets quarterly, is the department's forum on occupational health and safety (OH&S) matters. The department is committed to OH&S principles, and continued to protect the health of staff and the safety of our working environment in 2004–05.

During 2004–05:

- 18 general area inspections were undertaken
- there were 26 workplace incidents which were not required to be reported to Comcare and two incidents which were reported to Comcare under the reporting requirements of section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*
- 282 workstation assessments were undertaken to ensure that new starters and staff who had moved to a new environment were accommodated according to health and safety standards
- approximately 40 per cent of staff received flu vaccinations during April and May
- onsite yoga, tai chi and Pilates classes were offered during lunchtime and after work
- a new OH&S adviser and rehabilitation case manager was appointed.

The department also ran a 'health week' programme in November 2004, offering a range of activities, including seated massage, tai chi, circuit classes and health screening of eyes, skin, ears and breasts. An information session was provided to address the topic of stress management, along with an information kiosk displaying a range of pamphlets, and a fruit and water stand.

DISABILITY STRATEGY

The department is committed to its responsibilities as an employer, regulator and policy adviser under the *Disability Discrimination Act 1992*. The department's level of performance for 2004–05 is recorded against the performance indicators and measures identified in the Department of Family and Community Services' implementation guide and is set out at Appendix 5.

The department is revising its Disability Action Plan, which was last updated in 2002. The review of the plan was completed in 2004–05 and a new plan is to be implemented in 2005–06.

The revised plan is being developed in consultation with representatives of peak disability organisations and staff members with disabilities. The revised plan will build on and endorse the department's commitment to the principles of workplace diversity and equality of access.

CLIENT SERVICE CHARTER

The review of the department's internal client service charter for the delivery of corporate services was delayed in favour of more pressing priorities and will be completed in 2005–06.

RESOURCE MANAGEMENT



Devolution of decision-making authority to the agency level has had a highly beneficial impact on management. CEOs and senior executives have been given clear authority for the management of human, financial, property and IT resources in their agency, for the negotiation of their workplace relations and for the management of organisational and individual performance.

The impact has been largely beneficial. Productivity has risen progressively. Public servants now do more, better, with less.

Peter Shergold in a speech entitled

'REGENERATION: NEW STRUCTURES, NEW LEADERS, NEW TRADITIONS'
DELIVERED AT THE INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA
NATIONAL CONFERENCE
CANBERRA, 11 NOVEMBER 2004

FINANCIAL MANAGEMENT

Following the establishment of the new Corporate Governance Unit referred to earlier in this report, a stronger focus was provided for the Financial Management Branch to:

- manage the department's internal and external financial and budgetary processes
- prepare budget submissions, Portfolio Budget Statements and Portfolio Additional Estimates Statements
- liaise with the Department of Finance and Administration, the ANAO and portfolio agencies
- manage the department's financial management information system, including the general ledger and the chart of accounts
- develop management reports that meet the needs of the departmental Executive
- prepare monthly reports and the annual financial statements
- develop policies in relation to financial management and budgeting
- maintain various internal controls
- manage the department's banking arrangements

- manage administered and special account cash requirements
- meet relevant statutory requirements, including requirements for fringe benefits tax and goods and services tax returns
- assist divisional financial decision-making processes.

PURCHASING

All procurement and purchasing activities conducted by the department were in accordance with the Commonwealth Procurement Guidelines.

GRANTS

In 2004–05 the Office of the Status of Women delivered discretionary grants under the Women’s Development Programme and grants to national women’s secretariats. These and the grant-in-aid for the Australiana Fund were the only discretionary grants administered by the department during the year.

In addition to the discretionary grants, the department also made a one-off non-discretionary grant of \$10 million dollars to the Australia and New Zealand School of Government, provided funding under the Research Support for Counter-terrorism programme, and a grant to the National Australia Day Council.

PROPERTY MANAGEMENT

On 18 June 2004 the Secretary signed an agreement with the Industry Superannuation Property Trust for the construction of a purpose-built building at 1 National Circuit, in the Canberra suburb of Barton, to accommodate the department.

On 6 August 2004 the department presented its proposed \$23 million budget for the fit-out of the new accommodation for approval by the Parliamentary Standing Committee on Public Works. The committee approved the budget by way of an expediency motion in the House of Representatives on 8 December 2004.

Another significant event in the construction of our new home was the sod-turning ceremony attended by the Secretary at the construction site on 28 April 2005. On 11 May 2005 the Secretary signed the agreement to lease, committing the department to a 15-year lease, and construction of the building began in earnest. More recently, planning for the fit-out has commenced. Consultation sessions have been held for staff generally, and specific consultation forums have been established in relation to particular facilities. Staff consultations will continue as the fit-out design takes shape.

ENERGY-SAVING MEASURES

The department continues to purchase ‘green power’ through an agreement with its electricity provider, ActewAGL. This energy constitutes 5 per cent of the total power used by the department, which, according to ActewAGL estimates, reduces the quantity of carbon dioxide produced in order to supply the department’s annual needs by approximately 26 tonnes.

The department continues to monitor energy-saving measures introduced over recent years. These measures include the installation of energy-efficient boiling and chilling units for drinking water and light sensors in kitchens and storerooms, and the reduction of lighting levels to the Australian Standard.

Paper recycling is encouraged by the department, and around 95 per cent of paper in the department is collected by a paper-recycling company. Double-sided printing and photocopying are also encouraged.

An Environmental Management System has been developed for implementation when the department relocates to its new premises in November 2006. The new building is being designed to comply with Department of the Environment and Heritage standards for a four-and-a-half-star energy rating.

The department introduced recyclable-rubbish collections at The Lodge and implemented measures at both the Prime Minister's residences to improve the efficiency of irrigation systems and reduce water consumption. Further information can be found in the report on performance for Output 4.5.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

The department continued to seek and adopt in-house energy-saving programmes designed to improve efficiency in the workplace environment, as described above.

The department also continued to provide advice to the Prime Minister on environmental issues with a much wider perspective. As well as providing secretariat support for the Sustainable Environment Committee of Cabinet, the department advised the Prime Minister and the departmental Executive on natural resource management and environmental policy. During 2004–05, two major items were water reform and the Tasmanian Community Forest Agreement. The Industry, Infrastructure and Environment Division also advised on various environmental matters, such as domestic climate change policy; marine conservation, including the protection of whales; the implementation of ocean policy; regional marine planning; and fisheries management. Work on these items is detailed under Output 1.1.

INFORMATION MANAGEMENT



Sometimes I talk about public service values and ethics. Sometimes about the structures of governance. But, on occasion, I emphasise the fact that we turn information into knowledge which can inform decision making by elected government.

The challenge is that the amount of information available to us is growing exponentially ... (and it needs to be well managed and capably provided) in helping us find what we need to do our jobs.

Peter Shergold

IN 'SECRETARY'S SAY', IN CODDSWALLOP THE DEPARTMENT'S
STAFF NEWSLETTER JUNE 2005

INFORMATION INFRASTRUCTURE

Following a competitive tender process in 2003–04, the department finalised its transition to new information and communications technology outsourcing arrangements in July 2005. ASG Group (formerly Exceed Systems Integration) now provides information technology (IT) service desk, server support and database administration services. Macquarie Telecom (formerly Macquarie Corporate Telecommunications) provides secure internet access and web-hosting services, and Optus provides voice and switchboard telephony services.

An IT client satisfaction survey commissioned in June 2005 found the highest levels of satisfaction and perceived service quality since the biannual surveys were introduced in 1999. The survey found that 78 per cent of staff were satisfied or very satisfied with the quality of IT services delivered by the department's outsourced IT service provider, while only 5 per cent of staff were dissatisfied with the services. The main area of concern identified by staff was the department's parliamentary correspondence management system.

During the year, the department implemented the Information Technology Infrastructure Library (ITIL) service management process to establish sound practices in incident and problem management and other key disciplines, such as change and configuration management. New operational tools have been introduced to support the ITIL process and Prince2 project management methodology.

A new remote access service was implemented to coincide with the transition to a new secure

internet access provider in July 2004. To ensure security, staff access the department's network using digital certificates and a virtual private network connection, and can connect using broadband or standard dial-up services.

The department developed new policies to deal with the introduction of new technologies, in particular the use of personal digital assistants (PDAs), smartphones and USB (universal serial bus) devices.

During the year the department conducted a number of open request for tender processes to procure:

- IT security review services
- application development support services to maintain the department's Microsoft Access databases
- software management and procurement services.

A panel arrangement was established for procuring ad hoc voice and data cabling services. IT procurement processes, procedures and templates were reviewed and updated to reflect the introduction of the Australia–United States Free Trade Agreement in January 2005.

This year saw increased effort in establishing IT facilities for taskforces. The department's IT infrastructure was extended to support APEC 2007 Taskforce officers and new IT infrastructure was established for the taskforce's office in Sydney. Support was also provided to assist the National Water Commission in developing its own IT and communications infrastructure and support services.

Other infrastructure projects completed in 2004–05 included:

- the replacement of server hardware such as the intranet, parliamentary correspondence management system, minister's diary and proxy servers
- the development of the IT Disaster Recovery Plan
- the upgrading of the top secret system server and desktop hardware and implementation of a new standard operating environment for that system
- the review of the department's IT security policies, plans and procedures.

INFORMATION MANAGEMENT STRATEGY

This year the department focused on updating and improving the policies and practices which support the management of the department's information resources, and consolidating enhancements to the department's online information services.

An increase in the number of publications produced within the department this year presented an opportunity to diversify the approach to online and print publishing and to develop improved practices to support the delivery, usability and accessibility of publications. This included the development of a compact-disc version of the Federal Executive Council Handbook, including a toolkit, for use within government agencies. We also produced online versions of key public documents such as the *Report of the Inquiry into Australian Intelligence Agencies*.

Several major enhancement projects were undertaken during the year to improve the content, design and accessibility of the department's websites, with significant enhancements due for release early in the 2005–06 financial year.

LIBRARY SERVICES

The Library provided a comprehensive reference and research service and developed, managed and maintained appropriate resources to support the business information needs of the department.

The Library's key achievements in 2004–05 included:

- the development and implementation of the collection management and access policy
- the development of the InfoKNOW Programme (a departmental information audit)
- the commencement of the first phase of the Prime Ministers' Transcripts Project, which includes the scanning, optical character recognition (OCR) and basic metadata processing of existing paper transcripts
- the upgrading of the Horizon online library management system and the web-based catalogue to the latest versions
- the increased provision of desktop access to electronic publications and services
- the redesign of the Library's pages on the departmental intranet
- the delivery of training programs to assist clients to better identify, access, evaluate and use work-related information
- the delivery of a weekly newsletter, *InfoBytes*, and regular email alerts to clients
- the transfer of the former Office of the Status of Women library collection to the Department of Family and Community Services Library.

RECORDS MANAGEMENT

The Records Management Unit created and administered the department's records in accordance with relevant legislation and the best practice record-keeping requirements of the National Archives of Australia.

The department's key achievements in records management during 2004–05 included:

- the successful upgrade and rollout of the TRIM Context records management software, with associated online search facilities (known as WebDrawer) and an updated electronic file action request form
- the development of a records management training needs survey and education strategy to be delivered across the department
- the production of a procedures manual that provides instructions and performance standards for all tasks involved in the delivery of records management services
- the development of records management competency standards and skills requirements for records management staff.

USE OF CONSULTANTS AND SERVICE CONTRACTORS



... the private and community sectors now play an increasing role, not only in implementing programmes but in advocating policy, lobbying government and contributing their experience to public sector advisory boards. They, too, need to ensure that they fully appreciate the particular qualities of due process, perceived conflict of interest, risk management, performance reporting, community service obligations and competitive neutrality that appropriately apply when it is public funds that are being spent.

Peter Shergold at the launch of

PUBLIC SECTOR GOVERNANCE IN AUSTRALIA
CANBERRA, 5 AUGUST 2004

The policies and procedures for selecting consultants, and approving expenditure for them, are set out in the department's Chief Executive Instructions (CEIs). The procurement method is determined having regard to the nature of the work involved and the broad cost thresholds set out in the CEIs.

During 2004–05, 15 new consultancy contracts were entered into, involving total expenditure of \$203,620. In addition, five ongoing consultancy contracts were active during the 2004–05 financial year. Those contracts involved total expenditure of \$300,769 in 2004–05.

Table 7 shows total expenditure on all consultancy services, covering both payments made on new contracts let in 2004–05 and payments made on contracts let in previous years. The larger consultancy contracts—those to the value of \$10,000 or more—are detailed in Appendix 4 to this report, along with brief notes on the procurement methods used.

TABLE 7 Expenditure on consultancies by financial year

Area utilising consultancy services	2004–05		2003–04		2002–03	
	No. let	Total expenditure on new and existing consultancies (\$)	No. let	Total expenditure on new and existing consultancies (\$)	No. let	Total expenditure on new and existing consultancies (\$)
Policy advice and government support services	7	207,941	39	1,151,948	28	4,475,337
Women's policy ^a	0	0	35	11,445,945	40	4,744,300
People and resources management	8	296,448	4	358,303	12	371,767
Total	15	504,389	78	12,956,196	80	9,591,404

a Office of the Status of Women funding was transferred to the Department of Family and Community Services in 2004–05.

In 2004–05 the department let two contracts within the definition of 'competitive tendering and contracting'. Under Output 4.4, contracts were awarded to Optus, to provide voice and switchboard services, at a cost of \$745,000 (\$305,584 was spent in 2004–05); and to Acumen Alliance, to assess and update information technology security policies and procedures, at a cost of \$146,597 (\$139,942 in 2004–05). In addition, during the year Macquarie Telecom was paid \$612,472 for secure internet and web hosting, as part of a contract of \$1,414,243 let for the period April 2004 to March 2007; and Exceed Systems Integration Pty Ltd was paid \$2,239,044 for information and communication technology support services, as part of a contract of \$5,804,52 let for the period 2004–05 to 2006–07.

