

MANAGEMENT AND ACCOUNTABILITY



03

Management and accountability

The Department's three corporate areas, Corporate and Business Division, Legal Group and Finance and Budgets Group, provide operational and strategic support to the Department. These corporate areas include governance; whole-of-government policy coordination; parliamentary liaison; information technology, facilities and records management; regional network services; legal advice; freedom of information; resource management and budgeting; human resources; and public affairs.

Corporate governance

Overview

Major achievements in corporate governance included:

- + a revised Corporate Plan for 2007–08
- + the revision of the Department's key performance indicators
- + introduction of a Reconciliation Action Plan
- + the completion of a pandemic response plan which enhanced the Department's business continuity planning
- + the introduction of key performance indicators for strategic risks and the release of revised procedural rules on risk management and fraud control to improve the risk management framework
- + revised Fraud Control and Risk Management Plans for 2007–09.

To mark the 40th anniversary of the 1967 referendum, the Department developed its first Reconciliation Action Plan outlining its commitment to its Indigenous staff, clients and stakeholders. The reconciliation initiatives complement existing Indigenous programs and seek to positively influence the delivery and outcomes of our Indigenous programs and the Department's operations. The Executive Management Group will monitor the implementation of the plan and it will be reviewed each year to ensure it remains current.

Senior management and coordinating committees

Eight senior management and six cross-departmental coordinating committees operated during the year providing advice and support to the Secretary and to the Department's Executive on governance, compliance and future directions.

Figure 3.1 Senior management committees

Committee name	Role and activities	Membership as at 30 June
Executive Group (meets about every three weeks)	The Executive Group considers matters affecting the overall operation and strategic direction of the Department. In 2006–07, the group discussed a range of organisational development matters such as succession planning, learning and development opportunities for departmental staff, and improving ways of working together with other government agencies.	The Secretary (Chair), Deputy Secretaries and the Chief Operating Officer
Executive Management Group (meets weekly)	The Executive Management Group is the main forum in which the Department's governance and accountability needs are discussed. The group monitors the financial and non-financial performance of departmental and administered programs, shares information about major projects and activities in the Department, receives regular reports from the management sub-committees and contributes to the development of departmental policies and procedures.	The Secretary (Chair), Deputy Secretaries, General Counsel, all Chief General Managers, the Chief Operating Officer and the Chief Financial Officer
Audit, Risk and Evaluation Committee (five meetings held)	The Audit, Risk and Evaluation Committee, in accordance with the FMA Act, provides independent advice to the Secretary on the Department's control frameworks, externally published financial information, and on compliance with statutory obligations. The committee considered a range of issues during the year, including the Department's Internal Audit Plan, Fraud and Risk Plans, FMA Act compliance certificate, and oversight of the ANAO and internal audit report recommendations.	The Deputy Secretary Communications (Chair), Chief Operating Officer, Mr Peter Kennedy (external member until May 2007), Executive Director BroadbandNow, Chief General Manager Strategic Development and Regional Division, and General Manager Collections Branch Representatives from the ANAO, the Department's internal auditors (Protiviti), the Chief Financial Officer, General Counsel and Chief General Manager Old Parliament House and National Portrait Gallery attend committee meetings as observers

Figure 3.1 Senior management committees (continued)

Committee name	Role and activities	Membership as at 30 June
Workplace Consultative Committee (WCC) (meetings held quarterly)	The WCC is established under the Department's certified agreement (CA) as a direct consultative mechanism with staff. WCC staff representatives provide advice to management on workplace issues and help monitor the implementation of the CA and progress toward achieving the pre-conditional salary increase components specified in the CA. During the year the WCC considered a range of issues including the development of a Mature Age Employment Strategy, the restructure of the Department, development of the Department's new Collective Agreement, and working arrangements for executive level staff.	The Secretary (Chair), Chief Operating Officer, Chief Financial Officer, General Manager Human Resources and Communications, elected staff representatives from each division, Old Parliament House, the Regional Network, the Department's graduate program and relevant Union representation
Occupational Health and Safety (OH&S) Committee (meetings held quarterly)	The OH&S Committee reports to the WCC on the Department's progress in meeting its OH&S responsibilities. The Committee reviewed, discussed and made recommendations on a range of issues throughout the year. These included training for health and safety representatives, the conduct of the Department's annual Health Week, continued incident and accident reports and actions, the revision of a number of OH&S policies and the implications of changes to the OH&S legislation.	General Manager, Research, Statistics and Technology Branch (Chair), Manager HR Operations and elected health and safety representatives from each designated work group (currently 12)
Information Management Committee (IMC) (meetings held quarterly)	The Information Management Committee provides advice and strategic direction to the Executive Management Group on the Department's information technology needs. The committee considered a range of issues during the year including the electronic records management (TRIM) system, progress reports on departmental ICT projects, development of a budgeting and reporting tool and the website and intranet infrastructure.	Chief Operating Officer (Chair), General Manager, Information, Technology and Facilities Branch, senior executive representatives from each division and the Executive Coordinator

Figure 3.1 Senior management committees (continued)

Committee name	Role and activities	Membership as at 30 June
Human Resource Management Committee (HRMC) (meetings held quarterly)	The Human Resource Management Committee (HRMC) provides strategic advice and direction in the Department's human resource initiatives. The HRMC guides the development of HR strategies and is responsible for reporting to the Secretary and EMG on progress against the HR Strategic Directions 2006–10 and for monitoring the Department's progress against the Management Advisory Committee Report—Managing and Sustaining the APS Workforce. The Committee considered a range of issues including the development of a Mature Age Employment Strategy, development and implementation of a range of learning and development programs including a capability program for staff at the EL1 level, a suite of policy and analysis programs, management of the Department's compensation premium, the performance of the Department's payroll provider and consideration of workforce metrics and trends.	The Chief Operating Officer (Chair), General Manager Arts, Regional and Governance Branch, General Manager Broadband Infrastructure Branch, Chief General Manager Access and Consumer Division, Chief General Manager Content and Media, General Counsel Legal Group, General Manager Strategy Branch, Chief General Manager OPH and NPG, General Manager Corporate Finance, General Manager HR and Communications, Manager HR Strategy and the Executive Coordinator
Workplace Diversity and Harassment Committee (WDHC) (meetings held quarterly)	The WDHC promotes and supports the Department's commitments to workplace diversity and eliminating workplace harassment. The Committee monitors and reports on the implementation of the objectives of the Workplace Diversity and Eliminating Workplace Harassment (WD&H) plans. The Committee also reviewed, discussed and made recommendations on a range of issues throughout the year. These included development of the new Workplace Diversity Plan and activities associated with celebrating NAIDOC Week, Harmony Day and Reconciliation Week.	General Manager HR and Communications (Chair), Manager HR Operations, and General Manager Old Parliament House. There are also three staff representatives from the WDHC contact officers' network

Figure 3.2 Coordinating committees

Committee	Role and activities
Strategy and Research	Deals with longer term issues of significance to the Department as well as the Department's research and statistical requirements
International	Forward agenda and work to coordinate strategic aspects of the Department's profile
Connect Australia	Cross-department coordination of Connect Australia programs, <i>Broadband Blueprint</i> , 3G/CDMA and other regional programs
Indigenous	Whole-of-department coordination on Indigenous policy and program issues
Intellectual Property (IP)	Department-wide IP issues including legal deposit, Indigenous IP
Digital Content	Digital media, online and related content issues, film, digital content action agenda

Corporate planning

The 2005–08 Corporate Plan provided the broad strategic directions and key priorities for the Department relating to arts, sport, communications, information technology and the information economy.

The Corporate Plan is supported by divisional business plans detailing the key divisional outputs and activities. These plans are, in turn, linked to the Department's performance management system which guides the management of both individual and team performance.

A review of the Department's Corporate Plan was conducted during the year to reflect changes such as the Department's restructure and new policy directions including Connect Australia. A revised 2007–08 plan was produced and the Department's 2008–11 plan will be developed in 2007–08.

Audit, risk and evaluation

The Audit, Risk and Evaluation Committee met five times during the year and reported to the Secretary and the Executive Management Group after each

meeting. The Committee focused on a range of compliance issues during the year including:

- + ensuring that follow-up lessons from ANAO audits were applied across the Department
- + implementing the FMA Act Certificate of Compliance
- + the management structure for the implementation of audit recommendations
- + physical and personal security arrangements
- + monitoring the evaluation framework
- + implementing treatments identified in the fraud control and risk management plans.

Internal audit

The Department's internal audit services were provided by Protiviti and monitored by the Audit, Risk and Evaluation Committee. The 2006–07 Internal Audit Plan was based on the Department's Strategic Audit Plan 2006–09 and took into consideration the Department's strategic risks in the Risk

Management Plan and discussions with senior managers.

Internal audits conducted during the year included reviews of:

- + Indigenous Broadcasting Program management
- + asset management
- + the Public Lending Right Program
- + payroll processing
- + travel management.

The audit of the accounts payable function included in the 2005–06 internal audit plan, was finalised in 2006–07.

A number of recommendations were made in relation to the completed audits; however no serious control breaches were identified. The Department's Audit, Risk and Evaluation Committee monitored the implementation of report recommendations through six-monthly status reports.

Risk management

The Department undertook a major review of its risk management policy and guideline documents to incorporate the latest risk management standards and the outcomes from Comcover's benchmarking and risk profiling exercise. A new risk management procedural rule was released in April 2007 following the review.

A full risk review of all departmental activities was undertaken during the year, which led to a new Risk Management Plan 2007–09 released in June 2007.

The Department continued to educate and raise awareness of staff in relation to risk management as a vital element in the delivery of outcomes to the Australian Government. Discussions with Comcover were also held relating to the delivery

of specific risk management training in 2007.

The Department continued to participate in the annual Comcover benchmarking survey which measures performance in managing risk and assessing the extent of cultural change within agencies. The Department's overall results continued to improve when compared with previous years, reflecting the Department's competency in implementing an enterprise-wide risk management framework.

A pandemic response plan was also completed to enhance the Department's business continuity planning.

Fraud control

A new Fraud Control Plan for 2007–09 was completed in June 2007 that complies with the Commonwealth Fraud Control Guidelines. As part of this process the Department assessed the risk of fraud in its activities and reviewed the effectiveness of fraud control strategies.

In March 2007 the Department also revised the procedural rule on fraud control and included a fraud referral form to streamline reporting of suspected fraud incidents.

One suspected incidence of fraud was referred to the AFP during 2006–07. The investigation is ongoing. A matter referred to the AFP during 2005–06 was referred back to the Department for consideration.

Evaluation

The Department's three-year rolling evaluation program was implemented in 2005 and is updated each year. The program is currently being updated to identify future evaluations for 2008–10. The program focuses on management-initiated evaluations and takes account of evaluations undertaken by the

Australian National Audit Office (ANAO) and the Office of Evaluation and Audit (Indigenous Programs) in the Department of Finance and Administration.

The evaluation program is monitored by the Audit, Risk and Evaluation Committee. It ensures that regular program evaluations are undertaken and that the recommendations from these evaluations are implemented.

During 2006–07 the Department completed evaluations covering the following areas:

- + the Maintenance of Indigenous Languages and Records program
- + the Culture and Recreation Portal
- + Game Plan 2006
- + the National Communication Fund
- + the IT Training and Technical Support program
- + the Strategic Framework for the Information Economy
- + a review of the .au domain
- + a review of the E-security National Agenda.

External scrutiny

The ANAO issued a number of reports in 2006–07. Some involved the Department directly and others were of special or general interest to the Department. An audit was also completed by the Office of Evaluation and Audit (Indigenous Programs) (OEA) during the year. A key responsibility of the Audit, Risk and Evaluation Committee is to oversee the implementation of the recommendations contained in these reports. Details of ANAO and OEA audits, and their relationship to the Department, are at Appendix 3.

Judicial decisions and decisions of administrative tribunals affecting the operation of the Department

There were no judicial decisions or decisions of administrative tribunals that had a significant impact on the operations of the Department during 2006–07.

Commonwealth Ombudsman

During 2006–07, the Commonwealth Ombudsman received nine approaches regarding the Department, a 35.7 per cent decrease on the previous year. Five approaches were made by telephone, one in writing, one by email and two via the internet.

During the year, the Commonwealth Ombudsman closed 12 cases covering 15 issues. Of the cases closed, four cases covering five issues were investigated. There were no cases where a finding of administrative deficiency was recorded.

The Commonwealth Ombudsman made three enquiries to the Department during the year.

The first enquiry concerned a complaint by a creditor of an organisation previously funded by the Aboriginal and Torres Strait Islander Commission (ATSIC) claiming that the Department had failed to provide information to the liquidator of that organisation. ATSIC had been a creditor of this organisation. The matter was one for which the Commonwealth (as represented by the Department) was now the successor following the abolition of ATSIC. On 6 and 7 September 2006, the Department spoke by telephone with the Ombudsman's office to explain the background and status of the matter. On 12 September 2006 the Ombudsman's office confirmed by telephone that it would not pursue the matter formally.

The second enquiry related to a decision of the Department not to waive processing charges in relation to a request made under the *Freedom of Information Act 1982*. The Department provided advice to the Ombudsman's office about this matter on 5 October 2006. On 15 November 2006, the Ombudsman's office notified the Department, under section 12 of the *Ombudsman Act 1976*, that it had decided to cease their investigation of this matter.

The third enquiry related to the Broadband Connect high cost incentive program. The Department provided advice to the Ombudsman's office about this matter on 15 December 2006 and on that date the Ombudsman's office provided the Department with a verbal notification, under section 12 of the *Ombudsman Act 1976*, of its decision to cease investigating the matter.

The Department's *2005–06 Annual Report* mentioned that the Ombudsman's investigation of two matters was continuing.

The first matter related to whether the Department was responsible for the administration of the compensation and rehabilitation rights of two employees of the former ATSIIC and the Department of Aboriginal Affairs. On 13 April 2006, the Department advised the Ombudsman's office that it was not responsible for this administration as the individuals concerned had not been transferred to the Department. On 28 June 2007, the Ombudsman's office notified the Department, under section 12 of the *Ombudsman Act 1976*, of its decision to cease the investigation of this matter.

The second matter related to an initial failure of the Department, subsequently rectified, to locate the minutes of the July 2004 Ausfilm Board meeting in

response to an application under the *Freedom of Information Act 1982* (FOI). On 10 April 2006 and 18 May 2006 the Department wrote to the Ombudsman's office to explain its actions in relation to this matter and to outline its guidance on searching for documents as part of its FOI guidelines. On 5 July 2006 the Ombudsman's office notified the Department, under section 12 of the *Ombudsman Act 1976*, of its decision to cease the investigation of this matter.

Parliamentary Committees

During 2006–07, the Department was involved in 20 Parliamentary Committee inquiries compared with 23 in 2005–06.

The Department coordinated the Australian Government's response to two Parliamentary Committee inquiry reports and provided input to a further four Australian Government responses. The Department made written submissions or gave evidence to 14 Parliamentary Committee inquiries.

Details of the Department's involvement in these Parliamentary Committee inquiries are at Appendix 2.

Client Service Charter

The *Client Service Charter* outlines the Department's commitment to quality service. The charter explains the standards of service that clients can expect, outlines the rights and responsibilities of clients, and provides a formal feedback mechanism. The charter is available from the Department's website at www.dcita.gov.au, or on written request to:

Client Service Manager
Department of Communications,
Information Technology and the Arts
GPO Box 2154
Canberra ACT 2601

To measure client satisfaction, the Department conducts a Client Satisfaction Survey each year.

In February 2007 the Department conducted an open tender process for the consultancy to carry out the 2007–09 client satisfaction surveys. Wallis Consulting was the successful tenderer.

The objectives of the survey are to:

- + measure client satisfaction against the key performance indicators in the Department's *Client Service Charter*

- + help develop practices that will improve client service.

More than 3700 clients were identified by the Department for the 2007 survey and a sample of 2166 clients was mailed the survey questionnaire. A total of 1155 clients returned the survey representing a 53.3 per cent response rate. This is the highest response rate achieved by the Department, and it was boosted by the extended field work period and the telephone survey service offered to clients.

Figure 3.3: Outcomes of 2005–07 *Client Service Charter* satisfaction surveys

Survey category	<i>Client Service Charter</i> standard	Results (rated performance as satisfactory to excellent) %		
		2005	2006	2007
Communications with clients—quality	Courteousness	99	99	99
	Responsiveness	95	95	95
	Willingness to assist clients	98	97	95
	Fair treatment	97	97	97
	Advice that is clear, concise and complete	95	93	94
	Technical/professional competence in providing advice	96	94	95
	Sensitivity to diversity issues	96	94	95
	Overall rating	97	98	96
Telephone dealings with clients	Availability of staff to take telephone calls during the day	97	99	96
	Staff identify themselves by name and/or work area	98	99	97
	Ability of staff to deal with clients' enquiries	97	95	94
	Overall rating	97	98	96

Figure 3.3: Outcomes of 2005–07 *Client Service Charter* satisfaction surveys (continued)

Survey category	<i>Client Service Charter</i> standard	Results (rated performance as satisfactory to excellent) %		
		2005	2006	2007
Email dealings with clients	Responding to clients' enquiries as soon as possible	98	95	95
	Satisfactory responses to enquiries	97	94	95
	Overall rating	98	97	95
Written enquiries	Speed of responses to clients' enquiries	92	93	90
	Keeping clients informed of the progress of their enquiries	90	89	86
	Providing further contact details to follow up	95	95	94
	Overall rating	92	94	92
Administration of grants programs	Grant programs are adequately publicised	91	91	85
	Publicising how to apply for grants within programs	91	92	88
	Equitable access to grant programs	89	88	85
	Fair administration of grant programs in accordance with relevant guidelines, criteria regulations or legislation	89	91	91
	The speed of decision making in relation to grant applications	77	70	70
	Overall rating	88	88	89
Development and review of policy and legislation	Consultation with interested parties in good time	91	86	79
	Using appropriate processes to establish the lines of consultation	94	90	83
	Inclusion of those likely to be effected by changes in policy or legislation in the consultative process	90	85	80
	Breadth of the consultation process	85	85	79
	Overall rating	90	87	80
Total overall customer service rating		97	96	96

Management of human resources

This year has seen the continuing implementation of a number of key human resource initiatives introduced over the last two reporting periods.

These include:

- + improvements to recruitment processes and practices
- + building the bench strength of staff through quality learning and development options, particularly capability development
- + investment in the induction of new staff to improve the understanding and pace of assimilation of new staff in the Department and the Australian Public Service.

Staff survey

In July 2006, Hinds Workforce Research was engaged to conduct a staff survey. The survey was conducted between 15 and 20 November 2006 and focused

primarily on human resource, internal communication and governance issues. A 68 per cent response rate was received.

Overall, the outcomes from the survey were positive, particularly in relation to staff:

- + understanding of the APS Values and the Code of Conduct
- + being aware and committed to working in a whole-of-government context
- + identifying their roles as stimulating, using their skills, and offering variety.

An action plan has been developed to address areas of concern for staff such as improved communication and recognition of staff achievements and contributions. Implementation of the plan is being overseen by the Executive Management Group. Surveys will be conducted every two years to provide the Department with feedback on the impact of the actions taken, and to provide longitudinal human resource information to complement existing workforce data.



Some of the members of the Graduate intake for 2007: (L–R) Amanda Wright, Susie Mathews, Ryan Webb, Kate D'Assumpcao, Amber O'Shea and Luke McWilliams.



Some of the 2007 School Leaver intake: (back, L-R) Nick Tandy and Emily Roe, (middle, L-R) Caitlyn Ellwood and Tara McDonough, (front) Damien Wright.

Workforce planning

The Department has continued to report against its Workforce Plan 2005–10 which identifies the key workforce supply issues facing the Department in the medium-term. Of the workforce supply issues identified, the stabilisation of the APS1–4 classification cohort and retaining capability at the Executive Level 1 were identified as high priorities. The continuation of a very tight labour market across Australia, and particularly in Canberra, has also led to challenges in attracting and retaining staff.

Important strategic human resource initiatives have been developed to address the identified workforce supply issues. These initiatives include:

- + increasing entry-level recruitment through the doubling of the graduate intake from 2007 and continuing the School Leaver program to stabilise recruitment at the APS1–4 levels

- + designing and implementing capability development programs to build capability and help the career development of current staff
- + developing a Mature Age Employment Strategy to provide options for existing staff approaching retirement and mature age staff seeking to join the Department.

Workforce planning reports are provided quarterly to the Executive Management Group detailing staff turnover, absenteeism, internal promotion rates, age profile and separation rates by classification. The introduction of an exit survey early in 2007–08 will further complement the Department's strategic information base and contribute to a better understanding of the major attraction and retention issues for our staff.

Online induction was reviewed and restructured during the year to

improve the induction of staff into the Department. Further development is being undertaken in 2007–08 which will include the implementation of online learning modules. The revised online induction will be a prerequisite for face-to-face induction sessions which will commence in November 2007.

Staffing overview

On 30 June 2007, the Department had 888 ongoing and non-ongoing staff, compared with 773 on 30 June 2006. This is a 14 per cent increase in the overall number of staff in the Department and reflects increased workload, such as from the expansion of the Connect Australia programs, and the establishment of the Gallery of Australian Democracy at Old Parliament House. This trend is shown in figure 3.4 below.

Detailed staffing statistics are provided in Appendix 5.

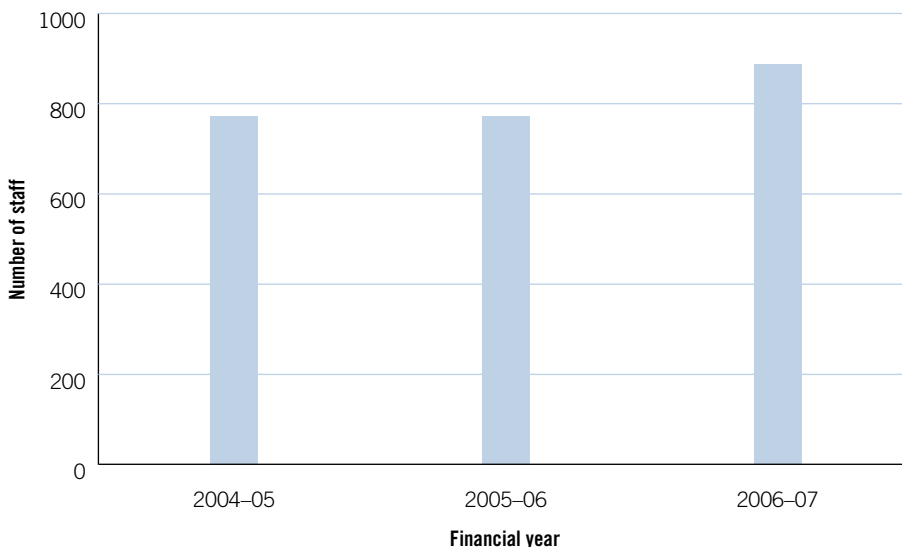
Staff numbers increased across nearly all classification levels. Part time staff numbers continued to increase during the period, showing a continuing support of flexible working arrangements. The Department continues to have staff located in Indigenous Coordination Centres in all states and territories.

Workplace diversity

The Department is committed to creating an inclusive work environment that is free from harassment and that enables staff to contribute to their full potential. The Department's Workplace Diversity and Eliminating Workplace Harassment plans outline complementary initiatives that assist the Department to build a harmonious, productive and rewarding workplace.

The Workplace Diversity and Harassment Committee continued to monitor the implementation of the objectives and

Figure 3.4 Number of departmental staff



strategies outlined in the plans. A key outcome was the approval of the Workplace Diversity Plan 2007–10 and the new Eliminating Workplace Harassment Plan to be released early in 2007–08.

The Department's workplace diversity and harassment contact officers continued to contribute to the promotion of workplace diversity principles and to provide advice and support to management and staff. There were two formal harassment complaints in the year and four informal matters. In contrast, the organisational survey indicated that 21 per cent of staff surveyed had experienced harassment and 29 per cent of staff surveyed had witnessed harassment.

Full details of the Department's workplace diversity statistics are provided in Appendix 5.

Women represented 60.9 per cent of total staff at 30 June 2007. This is consistent with the previous reporting year and remains higher than the APS average of 55.8 per cent¹. Of the Department's SES, 27 per cent are women. This represents a decrease of one per cent from the last reporting period and is 7.8 per cent less than the APS average of 34.8 per cent².

Eighty-five per cent of staff volunteered diversity data, representing an increase from 71 per cent in 2005–06.

Of the staff who volunteered diversity data, 15.3 per cent identified themselves as being from diverse cultural and linguistic backgrounds. The percentage identifying themselves as being from an Aboriginal or Torres Strait Islander (ATSI) background was 3.7 per cent,

representing an actual decrease of four staff from the last reporting period. The percentage of staff identifying themselves as having a disability was 1.2 per cent, which is an increase of four staff from the previous reporting period.

In comparison with average APS statistics, the Department compares well in relation to staff from an ATSI background. The decrease in ATSI identified staff is in line with the APS wide trend in this area.

The Department does not compare as well in relation to people with a disability (PWD). This comparison is shown in figure 3.5³. Action will be taken in 2007–08 to address this.

Certified agreement

The Department's certified agreement expired on 30 June 2007. Negotiations for a new certified agreement began in November 2006 and agreement was reached in June 2007. Of eligible staff, 58 per cent participated in the ballot and a 94 per cent 'yes' vote was achieved.

The new agreement offers pay rises of 4.1 per cent over the three years of the agreement, and 1.5 per cent of the pay rise is linked to completion of performance management discussions and attendance at core learning and development programs and courses. There were also some improvements in conditions of service such as 14 weeks maternity leave and adoption leave, both with pay.

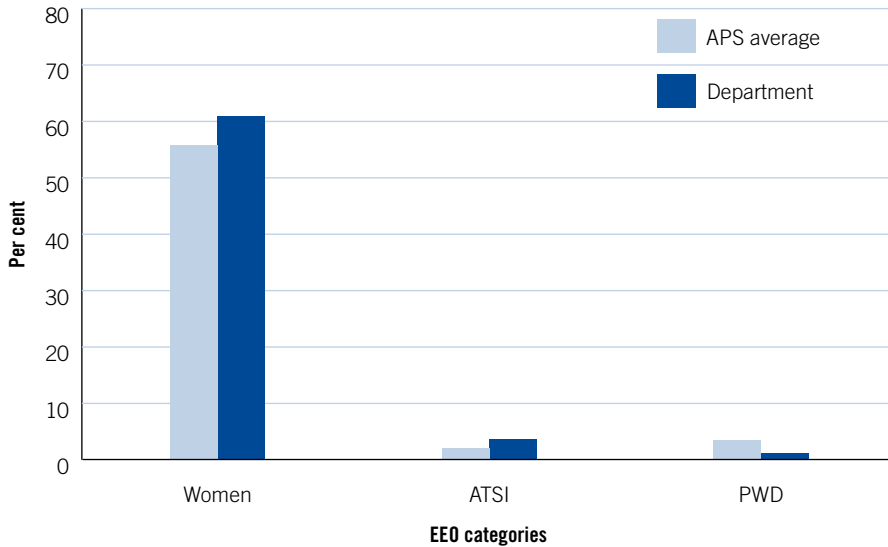
All commitments under the previous certified agreement were met, including a review of the Department's performance

1 Australian Public Service Commission, *State of the Service Report 2005–06*, p.25.

2 Ibid, p.32.

3 No comparison could be provided under DCLB 1&2 with the *State of the Service Report* as it provides information on 1 only. (DCLB 1 & 2 refer to people from diverse cultural and linguistic backgrounds, first and second generation)

Figure 3.5 Comparison of workplace diversity figures with APS average



management system, the introduction of executive level working arrangements, and the development of a Mature Age Employment Strategy.

Australian Workplace Agreements (AWAs)

Senior Executive Service (SES) AWAs and remuneration

All SES in the Department are covered by comprehensive AWAs that set remuneration, including superannuation, performance based pay and general conditions of service, including the executive vehicle scheme.

Non-SES AWAs

Non-SES AWAs provide a range of benefits including access to performance-based pay, individual salary, skill/responsibility components and/or non-salary items.

While the majority of AWAs apply to executive level staff, AWAs are in place for some APS5 and APS6 levels. All non-SES are able to ask for an AWA.

Performance payments

One-off performance bonus payments are available only to staff who are party to an AWA. Provision of a bonus is dependent on an individual performance assessment outcome of ‘very good’ or ‘outstanding’. Bonus payments are determined from the performance outcome and the sliding scale of payment outcomes provided through the AWA.

Movement through the non-SES salary ranges for each classification is also dependent on performance. Staff are not eligible for advancement unless a performance agreement has been developed and their performance has been assessed as being ‘good’ or higher.



Participants of the third Manager Development Program celebrated their graduation on 12 April 2007. The graduation involved the group presenting their team's findings on a nominated topic and the presentation of certificates by Lynn Bean, Acting Deputy Secretary, Arts and Sport. Also pictured (back left) is Lindsay Barton, who supported participants throughout the program as the SES sponsor.

Key staff development strategies

The design and rollout of capability development programs continued to be the focus this year. Completion of the design and development of the Senior Management Capability Program for Executive Level 1 staff was achieved. The two programs run during the year received excellent feedback. Delivery of capability development programs for APS1–4 and APS5–6 level staff continued throughout the year. Design of the Executive Level 2 program will be finalised early in 2007–08.

Tailored core training courses addressing key business skills were delivered during the year. Courses included ministerial writing, legal awareness and APS Values and the Code of Conduct training for

APS 1–6 staff, leading ethically training for executive level staff and Indigenous cultural awareness programs for all staff.

Two programs were designed and delivered specifically for the needs of the regional network: a writing program and a course developed to aid understanding of financial statements. Legal and Indigenous cultural awareness programs were delivered to the network during July 2007.

Occupational Health and Safety

The Occupational Health and Safety Committee has continued to drive occupational health and safety issues, particularly the Department's Health Week, workplace hazard inspections and

the ongoing training of new Health and Safety Representatives.

The Department's fourth Health Week was held in March 2007 and again proved successful. The theme for the week was Eat Well + Play Well = Live Well and the activities emphasised more active participation and healthy eating.

There were relatively few work-related injuries reported. The majority of the Department's injuries in 2006–07 came under the Comcare categories of 'falls, trips and slips' and 'body stressing'. The average lifetime claim cost for 2006–07 claims was estimated at \$8810 (a decrease of \$8982 from the revised estimate for the previous year) and compared favourably to the all-agencies estimated average for 2006–07 of \$23 581. The number of accepted claims in 2006–07 was 12, the same as for the previous year. The Department's claim frequency (claims per \$million payroll) was 0.25 compared to the all-agencies average of 0.39.

The continuation of effective rehabilitation and compensation claim management has seen a further reduction in the Department's compensation premium. The premium was reduced by 0.16 per cent over the year to 0.95 per cent, which is lower than the all-agencies rate of 1.55 per cent. This represents a total reduction of 0.61 per cent since 2004.

There were five incidents reported to Comcare under section 68 of the *Occupational Health and Safety Act 1991*. There was one investigation conducted and one notice issued under section 47 of the *Occupational Health and Safety Act 1991* but no directions or notices issued under sections 29, 45 or 46.

Information technology and facilities

In September 2006, 900 new voice over internet protocol (VoIP) based phones were deployed to all staff. The new phones were selected following the completion of an open tender process in June 2006. The system allows for the consolidation of voice, data and email services.

To further tie together communication media, the Department also implemented desktop facsimile functionality which allows staff to efficiently access their external communications from a single desktop interface.

A new system for managing the entry and exiting of staff to the Department was successfully implemented over this reporting period. The system is now used as a critical corporate application, and assists the Department in ensuring the security of the physical and information environments is maintained and managed. Complementary to the deployment of the entry and exit system, the Department has upgraded its electronic access control system to further enhance building security.

The Department's website underwent a graphical redesign and a restructure of its underlying information architecture. This provided a more user-friendly environment for access to the Department's information and services on the internet and a more flexible structure for future change and enhancement. The website is continually being reviewed based on user feedback, through processes such as the annual client survey, and changing requirements.

The Information Management Committee met on three occasions where it provided oversight of ICT projects underway

and reviewed ICT bids for the next budget period.

Two capital works projects were commenced during the reporting period. The first was a refurbishment of the front foyer of the Department's main premises at 38 Sydney Avenue, Canberra to provide enhanced conference facilities, library and service areas and security controlled entry to the building. The second was the fit-out of premises for the Digital Australia Division located at 31 Market Street, Sydney. The foyer refurbishment is due for completion in October 2007 and the Digital Australia office was completed in mid-August 2007.

Regional network

The regional network, which is located throughout Australia in the Indigenous Coordination Centres (ICCs), continued to focus on cross-government program delivery and identifying opportunities to participate in Shared Responsibility Agreements under the broadcasting, sport and recreation, language and arts and culture Indigenous programs. This network was also responsible for monitoring more than 500 activities and participating in 25 Shared Responsibility Agreements during the reporting period. Approximately 70 staff were employed in the network during the year located in 20 of the 30 ICCs and the Canberra Office.

The network structure was regularly reviewed during the year as positions became vacant with the aim of strengthening the staffing structure and aligning the structure with the Department's program activity. The ongoing restructuring is allowing the Department to consolidate staffing resources in key ICCs which will facilitate improved service to clients.

Legal services

During the year, internal legal advice for the Department was provided by the Legal Group and supplemented by advice from external sources including the Australian Government Solicitor, Blake Dawson Waldron, Clayton Utz, Sparke Helmore, Corrs Chambers Westgarth, Minter Ellison and DLA Phillips Fox, under deeds of standing offer administered by the Legal Group.

Legislation and statutory instruments

The Legal Group worked on 16 bills which were passed or introduced, and six regulations which were made during the year. The Legal Group drafted 22 other subordinate statutory instruments and a number of appointment instruments. Appendix 4 sets out full details of major legislation that required significant input from the Legal Group during the year.

Other legal services

During the year, the Legal Group provided advice, together with external legal providers, concerning the Connect Australia package. The Legal Group also assisted with the preparation and review of guidelines for the Australian Broadband Guarantee program.

In addition, the Legal Group advised on the development of policy and legislative schemes for:

- + digital radio
- + regulation of content on convergent mobile devices.

The Legal Group also advised on:

- + the Do Not Call Register scheme
- + the allocation of Channel A and Channel B datacasting transmitter licences
- + the Protecting Australian Families Online project

- + the Australian Law Reform Commission's review of the *Privacy Act 1988*
- + a broad range of procurement and contracting activities
- + the longer term investment strategy for the Communications Fund Special Account
- + the establishment of the Regional Telecommunications Independent Review Committee.

The Legal Group also participated in the Working Group on Telstra's CDMA to 3G transition and in the management of the Department's T3 due diligence obligations in relation to the sale of most of the Commonwealth's remaining equity in Telstra.

The Legal Group was closely involved in the preparation of amended drawing rights in relation to the investment of money standing to the credit of the Communications Fund Special Account, which came into effect on 30 March 2007 and in the preparation of updates to the Chief Executive's Instructions and Financial Delegations setting out financial management responsibilities in the Department, and a number of procedural rules.

Administration and liaison functions

The Legal Group also performed a departmental coordination and liaison role in relation to legislation bids, regulation impact statements, implementation of the *Legislative Instruments Act 2003* and registration of legislative instruments on the Federal Register of Legislative Instruments, Freedom of Information (FOI) requests and privacy issues. A total of 32 FOI requests were received during the year.

Procurement advice and contracts reporting

Provision of procurement advice to the Department and reporting on contracts is the responsibility of the Procurement Advisory Unit in the Legal Group.

During the year, the Procurement Advisory Unit provided procedural advice about the calling of tenders and contract documents used by the Department and coordinated the Department's reporting on contracts to meet various accountability requirements.

Further development of the intranet site, which provides a higher, more focused level of support to departmental staff, has been undertaken including a comprehensive review of the current content and extensive improvements to both content and workflow.

The Exari Smart Document project is nearing completion. The project enables the inclusion of internal documents, including standard agreements and market approach documents, within an online document development software toolset. All the primary procurement documents have been completed and are currently in use in MS Word format. Final modification to the online documents is underway and expected to be completed shortly. Once finalised, the online system will be available to the Legal Group with a view to implementation in the line areas at a later date.

Mandatory reporting of all contracts over \$2000 within the Department's Central Contracts Register (CCR) is undertaken. The procedural rules relating to procurement were revised in August 2006 and May 2007, producing a higher level of clarity for departmental staff dealing with procurement.

Changes to the gazettal process with the implementation of AusTender II (the Australian Government's online

tender system) from 1 July 2007 has necessitated a further review of the Department's internal processes and rules regarding procurement and procurement reporting.

Purchasing

The Department seeks to achieve value for money in all procurement processes and to ensure that the processes are consistent with the requirements of the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration and amended from time to time.

Consultants

The Department's policies on the selection and engagement of consultants are based on the Commonwealth Procurement Guidelines, the Chief Executive Instructions, and Australian Government policies. The Department complies with all Australian Government legislation, policies and guidelines relating to procurement.

The Department's internal policies are flexible and are based on a relatively decentralised model. Greater responsibility and accountability is achieved by giving divisions responsibility for developing requirements and managing contracts. However, important checking and control mechanisms are in place. A senior officer in the relevant division must approve any consultancy contract, and the Legal Group provides, on request, advisory and administrative support to project officers who are involved in contracting.

The Department's selection procedures are based on contract value, market conditions, and the nature of the particular requirement. Procurements of \$80 000 or greater are offered publicly

in accordance with the mandatory procurement requirements by advertising on the AusTender website and in the press, or through the use of established panels. For consultancies of a lower value, or where market conditions or other special circumstances make it appropriate, the Department may use alternate methods including the various forms of select tender process.

Consultants are engaged for a wide variety of purposes in the Department. They are typically engaged to provide complex professional services that the Department does not have the ability to perform in-house. These services include matters such as technical advice, financial advice and specialised information technology services.

Figures 3.6 and 3.7 outline the Department's expenditure on consultancy contracts over the three most recent financial years.

Further details are provided in the consultancy list available on the Department's website www.dcita.gov.au. Information on expenditure on contracts and consultancies is also available on the AusTender website www.tenders.gov.au

Competitive tendering and contracting

There are no competitive tendering and contracting contracts let of \$100 000 or more (inclusive of GST) that do not provide access to the contractor's premises for the Auditor-General.

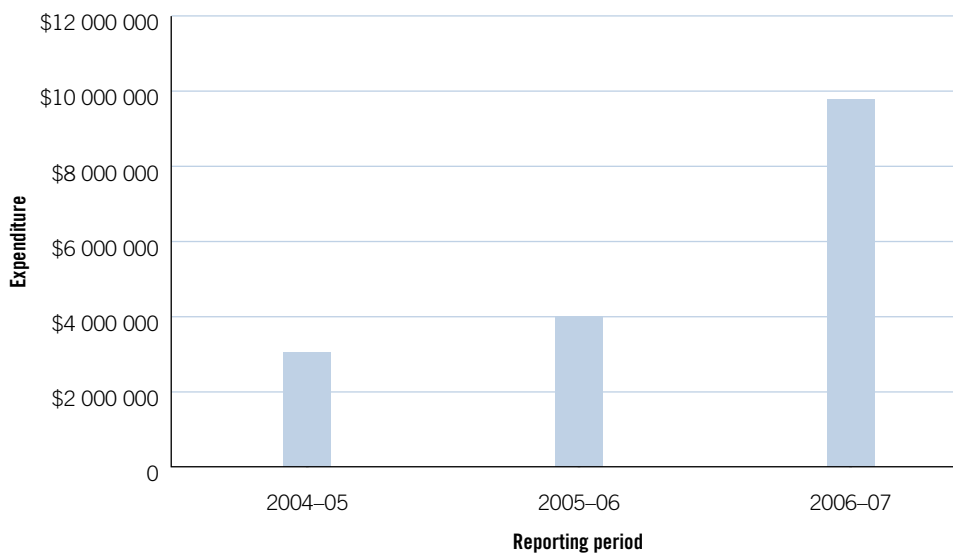
Exempt contracts

There are no current contracts or standing offers that have been exempted by the Secretary from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Figure 3.6 Expenditure on consultancy contracts over the three most recent financial years

A.	New consultancy contracts let during period	271
B.	Total expenditure on new consultancy contracts let during period	\$9 771 562.44
C.	Number of ongoing (pre-existing) consultancy contracts active during the period	41
D.	Total expenditure on ongoing (pre-existing) consultancy contracts during period	\$1 407 824.29

Figure 3.7 Expenditure on consultancy contracts 2004–05 to 2006–07



Financial management

The Department has continued to focus on enhancing its financial and budgetary management practices and processes during the year. The Department decided in 2005–06 to replace the multiple systems (mainly Microsoft Excel and Access) currently used to support the Department’s budgeting and reporting with an integrated Budgeting and Reporting Tool to streamline the existing processes.

Significant progress has been made towards the design and development of the Budgeting and Reporting Tool and elements are expected to be progressively rolled out to the Department during 2007–08.

The Department has also continued to implement improvements to the Financial

Management Information System (SAP) that will improve the underlying data for the Budgeting and Reporting Tool.

To support the new Certificate of Compliance requirements of the Department of Finance and Administration, the Department developed and implemented an integrated Compliance, Accountability and Assurance Sign-Off (CAAS) document and process. This provides a more structured framework and improves managers’ understanding of the compliance requirements including the *Financial Management and Accountability Act 1997*, the Chief Executive Instructions, procedural rules and corporate and legal responsibilities. Improvements to the document will be an ongoing process.

Case Study

Improving budgetary and reporting information

Financial and budgetary systems need to be robust and responsive to evolving organisational and business requirements. In 2005–06 the Department began planning a new Budgeting and Reporting Tool (BART). BART will replace the existing processes and data storage which relies on Excel spreadsheets with a more robust and integrated database.

The project began in 2006 and was broken into five modules: internal and external reporting, internal and external budgeting, and financial statements. The project is governed by a Steering Committee which provides regular updates to the Department’s Information Management Committee and Executive Management Group.

Detailed functional design documents have been completed for each module, and the internal budgeting and reporting prototypes have been developed and are being tested.

BART will be progressively rolled out during 2007–08 and training will be provided to staff before each module goes live.

The Finance and Budgets Group provides advice to program areas and portfolio agencies on budgetary and financial matters. During the year, financial management training sessions were provided to departmental staff in the areas of taxation, budget preparation, operational accounting, chart of accounts and financial reporting.

The Department monitors ANAO audit reports and implements recommendations where appropriate to the Department.

The Department received an unqualified audit report for its financial statements for the 2006–07 financial year. The ANAO noted that supporting working papers prepared by DCITA were of a very high quality. In addition, the ANAO noted that this is the fourth consecutive year that all matters raised at interim audit have been satisfactorily cleared by the Department and there are no ANAO audit findings to report.

The Department's income for 2006–07 totalled \$155.745 million. Details of revenue categories are listed in figure 3.8 below.

At the end of 2006–07 the Department recorded a \$25.364 million surplus predominantly due to delays in the NetAlert—Protecting Australian Families Online media campaign, the set up of the Digital Australia office, expenditure on projects and increased donations in revenue for the National Portrait Gallery Special Account.

Asset management

Departmental

The Department manages both current and non-current assets in accordance with guidelines set out in the Chief Executive Instructions and Australian Accounting Standards.

Artbank

Artbank's assets comprise more than 9600 works valued at over \$30 million. Artbank operates from leased premises in Sydney and Melbourne.

As part of the national art rental scheme, more than 69 per cent of Artbank's collection is on display with clients

Figure 3.8: Departmental income

Income item	2006–07 result \$m	% of total income
Revenue from Government	146.552	94.09
Sale of goods and rendering of services	3.170	2.04
Rent	0.865	0.56
Royalties	0.016	0.01
Other revenue	4.724	3.03
Sale of assets	0.007	0.01
Other gains	0.411	0.26
Total	155.745	100.00

throughout Australia and overseas at Australian embassies and high commissions. The Artbank collection is managed through an ongoing conservation strategy.

National Portrait Gallery

The National Portrait Gallery, which is located within Old Parliament House and has a temporary display facility at Commonwealth Place in Canberra, has a permanent collection valued at \$17.2 million. The collection is housed on the Old Parliament House site and items not on display are stored in climate and humidity controlled facilities.

Other assets

The Department has leasehold improvements and furniture and fittings valued at \$6.1 million.

The Department also has software and computer and office equipment valued at \$5.2 million. These assets are managed in accordance with the Department's Information and Communications Technology Strategic Plan 2006–08.

Administered

Old Parliament House

Asset management is integral to the operation of Old Parliament House. The building has a depreciated replacement cost of \$50.9 million, and on the basis of reinstatement with new value for insurance purposes of \$139.6 million. It has a significant collection of furniture associated with the building's history valued at \$4.3 million and mostly housed on-site.

As Old Parliament House is on both the Commonwealth Heritage List and National Heritage List, it is conserved according to the *Environment Protection*

and *Biodiversity Conservation Act 1999*. Specific policies and strategies are outlined in the Old Parliament House Conservation Plan 2000 and specific heritage studies are undertaken for major projects. A new Heritage Management Plan, which will replace the existing Conservation Management Plan, was being developed during 2006–07 and will be released in 2007–08. These plans ensure that the heritage value of the building is preserved, even though the public can enter and use the site. Old Parliament House is also being refurbished and maintained in accordance with its long-term capital works plan.

National Institute of Dramatic Art

The National Institute of Dramatic Art's facilities are owned by the Commonwealth. Stage 1, completed in 1988, has two theatres, five rehearsal rooms, costume and property workshops, teaching spaces and administration offices. Stage 2, an award-winning building funded under the Federation Fund and opened by the Prime Minister in October 2001, includes a 730-seat theatre, 120-seat studio, soundstage, library, scenery workshop and four additional rehearsal rooms. The building has a depreciated replacement cost of \$36.6 million, and on the basis of reinstatement with new value for insurance purposes of \$65.1 million. The Institute manages the building on the Australian Government's behalf and a 10-year asset management plan for the site was completed in December 2003.

