

# 3

## SECTION 3

### MANAGEMENT AND ACCOUNTABILITY 77

- 79 Management and accountability
- 79 Corporate governance and performance
- 89 Our staff
- 99 Equipping our staff to do business
- 103 Caring for the environment



## MANAGEMENT AND ACCOUNTABILITY

The Department's three corporate areas—Corporate and Business Division, Legal Services Group and Finance and Budgets Group—provide strategic and operational support to the Department.

This section of the report provides an overview of the Department's governance arrangements and corporate performance in the following areas:

- > corporate governance and performance—reporting on the Department's management committees, corporate and operational plans, performance reporting and evaluation, internal audit, risk and financial management, fraud control, external scrutiny, legal services and support provided to our Minister
- > our staff—reporting on staff engagement and consultation, capability development, diversity and harassment, individual performance management, recognition and reward, workforce planning, occupational health and safety and terms of employment
- > equipping our staff to do business—reporting on information technology, asset management, facilities, security, administrative support and procurement
- > caring for the environment—reporting on ecologically sustainable development and environmental performance.

## CORPORATE GOVERNANCE AND PERFORMANCE

### STRATEGIC DIRECTIONS 2009–11

In June 2009, the Department published a new strategic directions document, *Strategic Directions 2009–11*, which better reflects the Department's priorities including implementation of decisions taken by Government in 2008–09 on the National Broadband Network and reform of telecommunications regulation. The document also outlines the Department's business improvement agenda for the next three years.

### MANAGEMENT COMMITTEES

Management committees are a key element of the Department's governance framework, providing cross-divisional senior executive oversight of strategy development and key operations.

#### Executive Management Group

The Executive Management Group has oversight of corporate governance, accountability, operational effectiveness and monitors the financial performance of the Department and its programs. At alternate meetings, the group holds a more strategically focused discussion on a subject of significance for the Department. Issues discussed in 2008–09 included the Department's strategic business

priorities, business improvements in information and communications technology services, staff survey results, individual performance management arrangements, information and records management, the Department's organisational structures, resourcing and reporting arrangements. During 2008–09, the Group met on 21 occasions.

The Group comprises the Secretary (Chair), all Deputy Secretaries and First Assistant Secretaries including the Chief Financial Officer and General Counsel.

### Audit Committee

The Audit Committee provides independent assurance and assistance to the Secretary in relation to governance within the Department. The Committee's objectives include the enhancement of the control framework within the Department to ensure it is robust and reliable and provides the Secretary with confidence that the Department complies with legislative and other obligations, particularly those that relate to the *Financial Management and Accountability Act 1997*.

The Secretary and the Executive Management Group is briefed regularly on matters arising at Committee meetings.

The Committee comprises the Deputy Secretary, Broadcasting and Digital Switchover (Chair); Mr Len Early (External Member); First Assistant Secretary, Corporate and Business (Deputy Chair); First Assistant Secretary, Digital Economy Services; Assistant Secretary, Research and Statistics; and the Assistant Secretary, Cyber-Safety and Trade. The Chief Financial Officer, General Counsel and a representative of the Australian National Audit Office attend meetings as observers.

The Committee's Charter was revised by the Secretary in December 2008 and again in June 2009 to provide for the appointment of a second external member. The Committee met on five occasions during 2008–09.

### Performance Reporting Committee

The Performance Reporting Committee oversees the performance of each of the Department's administered expense items and major departmental programs. The Committee meets monthly.

The Committee comprised the Secretary (Chair); Deputy Secretary, Digital Economy and Services (Deputy Chair); Chief Financial Officer; First Assistant Secretary, Corporate and Business; First Assistant Secretary, Digital Economy Services; First Assistant Secretary, Digital Economy Strategy; First Assistant Secretary, Broadcasting and Digital Switchover; First Assistant Secretary, National Broadband Network Implementation; and the Assistant Secretary, Research and Statistics.

### Human Resources Management Committee

The Human Resources Management Committee provides advice to the Secretary and the Executive Management Group in relation to the Department's human resource and workforce planning arrangements. During 2008–09, the Committee met on three occasions.

The Committee comprises the First Assistant Secretary, Corporate and Business (Chair); First Assistant Secretary, Broadcasting and Digital Switchover; First Assistant Secretary, Networks Policy and Regulation; First Assistant Secretary, Digital Economy Strategy; First Assistant Secretary, Digital Economy Services; First Assistant Secretary, National Broadband Network Implementation; Assistant Secretary, People and Procurement; Assistant Secretary, Australian Broadband Guarantee; Assistant Secretary, Finance; Manager, Human Resource Strategy and a Senior Executive Lawyer.

### Information Management Committee

The Information Management Committee oversees the Department's information technology and information management strategies and maintains a guiding hand in relation to all agreed information technology projects. During 2008–09, the Committee met on eight occasions.

A key project commenced during 2008–09, was the fundamental redevelopment of the Department's electronic documents and records management system. This project aims to enable staff to better capture, store and share information.

The Committee comprises the First Assistant Secretary, Corporate and Business (Chair); Chief Financial Officer; Assistant Secretary, Information, Technology and Support Services (Chief Information Officer); Assistant Secretary, Parliamentary Support, Corporate Strategy and Governance; Assistant Secretary, Digital Economy and the Assistant Secretary, Australian Broadband Guarantee.

Following the departmental restructure, a rebalancing of committee membership is planned. The aim of this rebalancing is to ensure that all groups are represented and have a voice in relation to the Department's information management and technology strategic direction.

### Senior Executive Service meetings

The Department's Senior Executive Service (SES) staff generally meet fortnightly to facilitate effective communication of key messages across the Department. The Senior Departmental Liaison Officer within the Minister's Office also attends these meetings. The meetings include standing agenda items such as the calendar of key dates, hot issues, updates on program and operational activities. Some of the topics canvassed during 2008–09 included business planning and budget processes, workforce planning, media management protocols and changes to guidance on spending public money.

The meeting is chaired by a First Assistant Secretary appointed on a rotational basis.

## GOVERNANCE PROCESSES

### Business planning

During 2008–09, the Department better integrated its internal budgeting and business planning processes. The new processes were formally introduced on 11 June 2009 to improve the timeliness and consistency of planning and alignment of business plans with the Department's *Strategic Directions 2009–11*, Portfolio Budget Statements and *Risk Management Plan 2009–11*.

### Performance reporting

Program managers report the performance of administered and major departmental measures within their areas of responsibility to the Performance Reporting Committee through a monthly traffic light report outlining key deliverables and milestones, performance targets, risks and financial profiles. In May 2009, the Department revised its performance reporting arrangements for 2009–10. The new arrangements involve the preparation of a summary forward plan for each administered expense item, establishing the baseline against which the Committee will monitor performance and risk during 2009–10.

### Evaluation

In 2008–09 the Performance Reporting Committee agreed the Department's administered items would generally be evaluated on a four-yearly cycle. As part of the Department's restructure, a dedicated Evaluation Section was established on 1 June 2009 in Corporate and Business Division, to administer the Department's evaluation policy, conduct efficient and targeted evaluations and, where appropriate, assist in the procurement of independent evaluation services. During 2008–09, evaluations of the following administered programs were completed:

- > Australian Broadband Guarantee—external business systems review
- > Clever Networks—internal progress program review
- > Backing Indigenous Ability—internal review of training and online content elements
- > National Information and Communication Technology Centre of Excellence—external program review
- > E-security—external review of effectiveness and impact of awareness raising initiatives.

### Risk management

The Department conducted a major review of its strategic and divisional risks during 2008–09, and finalised and updated the Risk Management Plan for the period 1 July 2009 to 30 June 2011. The revised plan is consistent with the Australia/New Zealand standard on risk management (4360:2004).

In October 2008, the Department implemented a comprehensive compliance checking process, a component of which requires senior management to provide assurance to the Secretary on key governance obligations every six months.

The Department has continued to raise awareness of risk management principles through information sessions delivered to all teams throughout the organisation. Throughout the reporting period, risk management training was provided by Comcover and members of the Department's Governance and Compliance Reporting team. Assistance in some areas of this work was also provided by the Enterprise Risk team from Ernst and Young Consulting.

### Insurance

The Department participated in the Comcover Benchmarking Program 2009. Comcover assessed the Department's risk management capability as advanced. Comcover's assessment entitled the Department to a saving of 7.9 per cent on the 2009–10 renewal premium.

### Financial management

The Department has continued to improve its Financial Management Information System (SAP) and Budgeting and Reporting Tool. Enhancements include improved budget development and monitoring, improved management reporting to the Executive Management Group, the production of external financial statements, and the roll-out of online web-based executive financial reports and online training and help modules.

There was also considerable work done to integrate the Australian Broadband Guarantee grants management systems with the Department's Financial Management Information System. This work was aimed at improving efficiency in grants management.

Existing compliance, accountability and assurance processes were further streamlined and strengthened through:

- > the implementation of new software to ensure compliance questions are targeted at those best placed to provide compliance assurance, together with simplified roll-up and reporting of information to management and the executive
- > the implementation of an online delegation accreditation test for all holders of financial management, procurement and travel delegations. This process reinforced the Department's training program and familiarity with departmental and Commonwealth policies and guidelines including the *Financial Management and Accountability Act 1997* and Regulations, the Commonwealth Procurement Guidelines, Chief Executive's Instructions, and a range of supporting Practical Guides.

Following the simplification of the Chief Executive's Instructions in 2007–08, the Department continued to streamline its Practical Guides during the reporting period. Where appropriate, further devolution and more timely approvals are being reflected in the financial delegations.

## Fraud control

The Department's 2008–09 fraud control policy, guidelines and plan complied with the Commonwealth Fraud Control Guidelines. The Department has prepared fraud risk assessments and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes. In the lead-up to the end of the financial year, the Department reassessed its fraud risk and the effectiveness of the fraud control framework in accordance with the Commonwealth Fraud Control Guidelines, issuing a new *Fraud Control Plan 2009–11* on 30 June 2009.

During 2008–09, one incident of suspected fraud was referred to the Australian Federal Police, which was subsequently declined for further investigation. In August 2009, a further matter of suspected fraud against a program of the Department was referred to the Australian Federal Police.

The Department enhanced staff awareness of its fraud risks through Fraud Awareness Fortnight events in February 2009. These included fraud training facilitated by Comcover, an open invitation to staff to hear specialist fraud prevention speakers including the Managing Partner of KPMG Forensic and Principal Criminologist at the Australian Institute of Criminology (attended by 120 staff), and presentations on the Department's fraud control policy and procedures by the Governance and Compliance Reporting Section to branches throughout the Department.

## Business continuity planning

The Department maintains a Business Continuity Plan comprising a policy statement, action plan, pandemic response plan and a continuity of government plan as its core components. The Business Continuity Plan also links with the Department's Emergency Response Guide, Emergency Control Organisation and Information Technology Disaster Recovery Plan.

In March 2009, the Department signed a reciprocal Memorandum of Understanding with the Australian Communications and Media Authority providing a mutual undertaking to assist with the maintenance of business continuity in the event of an incident.

On 28 April 2009, the Department identified the outbreak of Pandemic (H1N1) 2009 as a business continuity event. The Department reviewed its pandemic response plan and liaised with the Australian Government Crisis Committee and relevant health authorities in relation to guiding the Department's response.

On 21 May 2009, the Department's crisis team applied its business continuity framework to a fictional business continuity scenario. This closed meeting tested the effectiveness of the Department's policies and plans in guiding appropriate responses to a business continuity threat. The test confirmed that the Department could effectively respond to a crisis and enabled minor weaknesses in role and expectation clarity to be addressed.

The Department's Business Continuity Plan and its components are currently being reviewed to take into account experience acquired in managing the impact of Pandemic (H1N1) 2009 and updates to other components of the plan as appropriate.

### Internal audit

Internal audit services during 2008–09 were provided by KPMG and monitored by the Audit Committee. The *2008–09 Annual Internal Audit Plan* was developed to take account of the Department's strategic risks identified in the *Risk Management Plan 2007–09* and emerging issues based on consultation with senior managers. Internal audit reports are reviewed by the Audit Committee and Executive Management Group.

The following reviews were completed during the year including a number of projects completed by Protiviti outstanding from 2007–08:

- > Connect Australia Program Governance
- > Preliminary Study of the Protecting Australian Families Online Program
- > Protecting Australian Families Online Program: Pre-Performance Audit Review
- > National Filter Scheme—PC Filters Reconciliation, Acquittal and Auditing Process
- > Training and staff development
- > Implementation of the Recommendations of the Evaluation of the Community Phones Program
- > Australian Broadband Guarantee Program
- > Budgeting and Forecasting for the Australian Broadband Guarantee Program
- > Internal Financial Management Reporting
- > Cash management
- > Financial transactions
- > Review of audit recommendations.

### EXTERNAL SCRUTINY

The Department engaged with the Australian National Audit Office (ANAO) during 2008–09 on the audit of its financial arrangements.

The Department was a direct participant in the 2008 ANAO Audit Report Number 3, *2008–09 Establishment and Management of the Communications Fund*. Following the audit, the Department noted the importance of good record keeping, particularly in a whole-of-government environment, and also revised its internal audit protocols to manage such processes. The Department also participated in the cross portfolio follow-up audit on the *Management and Processing of Leave*. As at 30 June 2009, the leave audit was in progress.

During 2008–09, the Commonwealth Ombudsman received 11 approaches about the Department. Four were made by telephone, four in writing, one in person, one by email, and one via the internet.

During the reporting period, the Commonwealth Ombudsman closed 10 approaches covering 10 separate issues relating to the Department. Of the approaches closed, two approaches covering two issues were investigated. There were no investigations where a finding of administrative deficiency was recorded.

There were no judicial decisions or decision of administrative tribunals that had an impact on the operations of the Department during 2008–09.

An outline of Parliamentary Committees relevant to the Department is at Appendix 2.

## LEGAL SERVICES

During the year, the Legal Services Group provided a range of services to the Department including legal and legal policy advice on telecommunications, broadcasting, commercial, workplace relations, administrative law and legislation issues. Where necessary the provision of legal advice was supplemented by external providers under deeds of standing offer administered by the Group. These external providers included the Australian Government Solicitor, Blake Dawson, Clayton Utz, Corrs Chambers Westgarth, DLA Phillips Fox and Minter Ellison.

During 2008–09, the Legal Services Group provided significant input on five bills and one set of regulations and drafted 11 other legislative instruments. Appendix 4 provides further details about legislation.

Some of the significant matters on which the Legal Services Group provided legal and legal policy advice on during the year included:

- > the National Broadband Network Request for Proposals
- > the new National Broadband Network initiatives, including the establishment of NBN Co Limited
- > the Integrated Public Number Database—emergency warning system legislation
- > the Department's banking contract
- > Internet Service Provider filtering
- > the switchover to digital television
- > the Youth Advisory Group
- > the merit selection process for board members of national broadcasters
- > the Department's restructure
- > freedom of information requests.

The Legal Services Group also provided staff with legal awareness training and took on the role of coordinating the Department response to the Government's new deregulation agenda and the Department's input into the Productivity Commission's *Annual Review Of Regulatory Burdens On Business—Social And Economic Infrastructure Services*.

## SUPPORTING OUR MINISTER

The Department supports the Minister and his office by coordinating and quality assuring responses to Ministerial Correspondence and Questions on Notice, Senate Order reports, Ministerial Minutes and Briefings including Question Time and Senate Estimates briefings, and all matters requiring cross-portfolio input.

The Minister's participation in Community Cabinet is supported through comprehensive briefing and the attendance of the Secretary and other departmental officers as required.

The volume of correspondence, minutes, briefs and Questions on Notice handled by the Department is set out in Table 3.1.

**Table 3.1 Volume of advice provided to the Minister**

Type of Advice	2006–07	2007–08	2008–09
Ministerial Correspondence	5 432	7 637	6 456
Minutes	850	1283	640
Briefs	157	416	222
Question Time Briefs	969	241	270
Parliamentary Questions on Notice	44	38	48
Consumer campaign correspondence	N/A	N/A	10 932
Departmental Senate Estimates Questions on Notice <sup>††</sup>	135	149	230
Portfolio agency Senate Estimates Questions on Notice <sup>††</sup>	692	243	364

## MEDIA AND COMMUNICATIONS

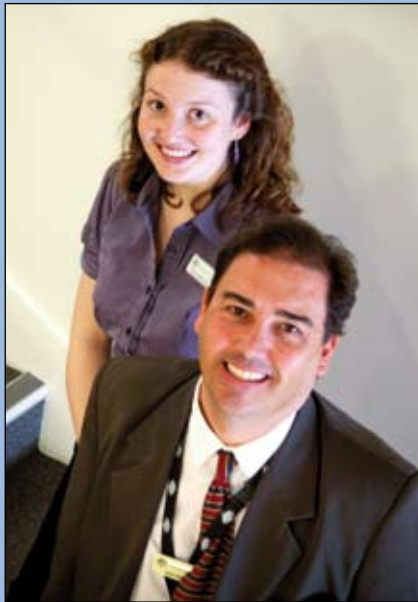
The Communication and Media Branch is integral to the Department's strategic directions by providing professional communication and media services and products to all areas. The branch produced more than 136 media releases and 94 speeches during the year and increased the Department's internal intranet news service to three stories a day.

Other key tasks and roles during the year include coordination and management of the Digital Economy stakeholder forums, discussion blog and Future Directions discussion paper, and managing the national Digital Get Ready communications campaign for the Digital Switchover Taskforce. This communication campaign will cover all areas of the nation up to the digital switchover in 2013. The branch is also assisting the Infrastructure Group in supporting the roll-out of the National Broadband Network.

<sup>††</sup> There were no Estimates hearings in October 2007 as the Government was in a Caretaker period.

## MEDIA AND ISSUES MANAGEMENT TEAM

Every morning the Media and Issues Management team collates portfolio clips for the Minister and Leader of the Opposition, the Secretary and the Department. The team, which consists of two people, search through up to 400 media clips to create a summary document of the most relevant portfolio news stories. The team then brief the Secretary and, on sitting weeks, the Minister's Office. Press, radio, television (both regional and metropolitan) and other forms of social media are also included where appropriate. The team continues to monitor the media throughout the day to relay any breaking stories the Department should be aware of. The Department monitors the media seven days a week.



John Noble and Emma Beltrame,  
Media and Issues Management Team

## OUR STAFF

The Department strives to provide a safe environment in which staff are able to perform to a high standard. The Department aims to build its staff into a well-equipped and cohesive group that values diversity and has a clear sense of organisational direction and priorities.

## ENGAGEMENT

### Consultative arrangements

The Department's Collective Agreement provides for a Workplace Consultative Committee to provide a forum for information sharing and to enable staff and union input in relation to the implementation of the Agreement. The Committee was actively involved in discussing matters such as the Department's non-smoking policy and initiatives, the organisational restructure, occupational health and safety and changes to any human resource related policies. During 2008–09 the Committee met on six occasions.

The Committee comprised: the Secretary (Chair); First Assistant Secretary, Corporate and Business; Chief Financial Officer; Assistant Secretary, People and Procurement; Manager, Workplace Relations; eight elected staff representatives from across the Department; and union organisers from the Community and Public Sector Union and the Media, Entertainment and Arts Alliance.

Following the Department's restructure the Committee was rebalanced to ensure all divisions were represented.

### Staff survey

The Department conducted its staff survey in December 2008. More than 88 per cent of staff participated in the survey, compared with 68 per cent from the 2006 survey.

The survey measured staff motivation, satisfaction, interest and commitment across seven motivational drivers including job, employer, development, influence, alignment, leadership and manager. The Department achieved higher motivational scores across all drivers of motivation when compared with the mean for other Commonwealth agencies who use the same survey methodology.

Based on consultation with staff and following an SES planning day, the Secretary distributed the Department's Staff Survey Action Plan to all staff, requiring the Plan be discussed in branch meetings and implemented across the Department. The Plan targets five areas of focus for monitoring and reporting, including:

- > SES leadership
- > motivation and productivity within branches and teams
- > executive level staff engagement
- > performance management
- > access by staff to information

Implementation of a range of initiatives and process improvements in these areas will be undertaken during the next reporting period.

### Staff engagement

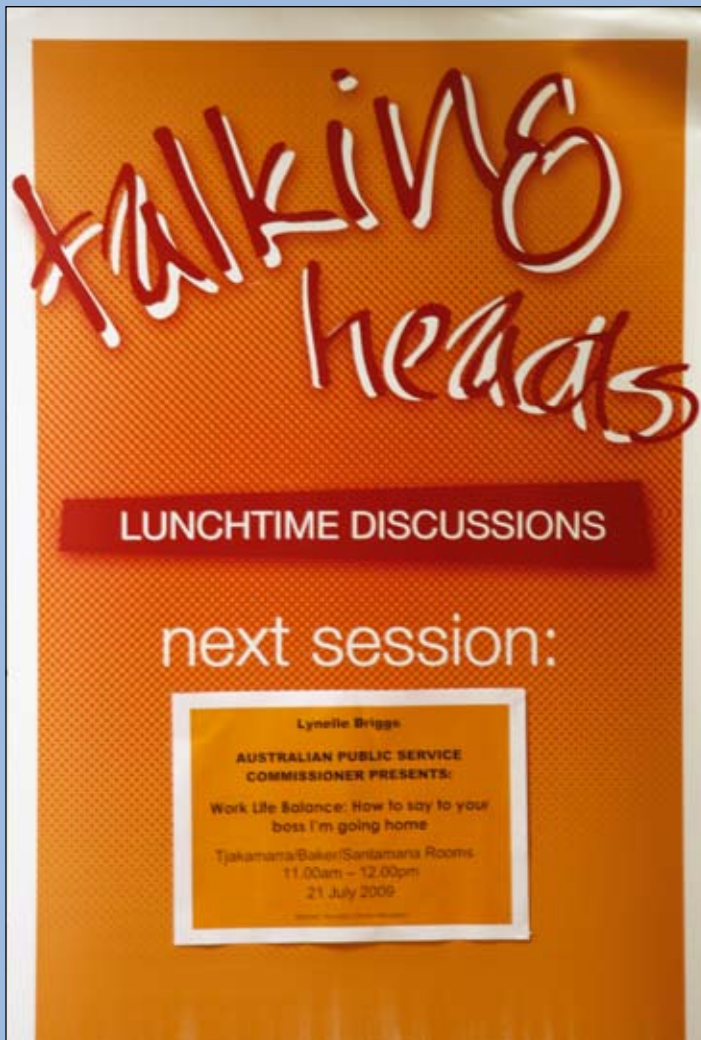
*Talking Heads* is the Department's guest speaker program drawing on APS and industry speakers to stimulate discussion, increase staff awareness of topical issues and enhance our capacity to work effectively with stakeholders. Some of the topics canvassed during the reporting period included: reconciliation; the relationship between industry and government; the ACCC's role in telecommunications; a range of wellbeing related topics; future directions in the Digital Economy; leadership in the APS; the digital switchover—experience from overseas; and regulatory pressures in the communications sector among others.

*Insight* is a monthly internal newsletter aimed at sharing information about activities in the Department and providing the Secretary with a forum for discussion of topical issues of importance to the Department. *Insight* also profiles individual staff to highlight the diversity of experience, talents and interests of staff.

## TALKING HEADS

The Talking Heads guest speaker sessions continued with 21 presentations held in 2008–09.

Audience numbers for Talking Heads have been consistently high during the period (averaging 101 staff or 17 per cent of staff based in Canberra). Attendance peaked at 170 for a session on the National Broadband Network presented by Ms Pip Spence, First Assistant Secretary, Networks Policy and Regulation Division. The presentation by Dr Wendy Southern, First Assistant Secretary, Cabinet Division, the Department of the Prime Minister and Cabinet (PM&C), provided insight into the challenges facing PM&C attracted 163 staff.



Other sessions held in 2008–09 that featured external speakers were:

- > Karen Curtis, Privacy Commissioner, *Managing privacy issues at work*
- > Chris Chapman, Chairman/CEO, Australian Communications and Media Authority (ACMA), *New landscapes: are new technologies and markets outstripping legislation?*
- > Martin Stewart-Weeks, Asia Pacific Public Sector Director, CISCO, *Digital economy futures: regional reflections*
- > Professor Robin Eckermann, Principal of Eckermann and Associates, *Going green gracefully: green ICT*
- > Catherine Livingstone, Member of the expert panel that conducted the Review of the National Innovation System and associated report *Venturous Australia—building strength in innovation*
- > Shaun Brown, Managing Director, SBS, *Challenges and opportunities facing the public broadcasters*
- > Roger Wilkins, Secretary, Attorney-General's Department, *Lessons for young players in New South Wales and Commonwealth Governments*
- > Professor John McMillan, Commonwealth Ombudsman, *Lessons in public administration*
- > David Van Homrigh, Managing Partner, KPMG; and Dr Russell Smith, Criminologist, Australian Institute of Criminology, *Fraud awareness forum*
- > John Butterworth, CEO, Australian Interactive Media Industry Association (AIMIA), *The digital media landscape in Australia—2009 and beyond*
- > Alison Frame, Area Manager, Centrelink, *Leadership in the APS*
- > Harold Mitchell, Executive Chairman, Mitchell Communications Group, *Digital Australia: an advertising perspective*
- > Michael Cosgrave, General Manager, Communications Group, Australian Competition and Consumer Commission (ACCC), *The ACCC's role in telecommunications regulation*
- > Bruce McQualter, Head of Indigenous Employment and Training, Australia and New Zealand Banking Group Limited; and Jo Gaha, National Manager, Indigenous Services Branch, Centrelink, *Retaining Indigenous employees*

Audience satisfaction with the Talking Heads program as a whole was consistently high during 2008–09 with sessions achieving an average rating of 'very good' or 'excellent' by staff.

## INSIGHT

The purpose of the Department's internal newsletter *Insight* is to make staff aware of key priorities and developments in the Department and portfolio. The newsletter also helps connect and educate staff as well as build morale.

*Insight* continued to be published monthly during 2008–09. Edition 15 (June 2009) was delivered to staff on 1 June 2009.

The newsletter has established regular features (staff profiles, a message from the Secretary and a diary of events) to give it some structure. In particular the staff profiles motivate and build morale by recognising the contributions and accomplishments of individual staff as well as exposing staff to the diversity of their colleagues.

Each edition has contributions from staff throughout the Department. This provides the newsletter with a variety of voices and viewpoints, and helps staff feel involved, making them more likely to read it.

The newsletter is a high-quality but cost effective internal communication channel that is well received by staff. Comments from staff have included:

- > 'Fantastic, can't wait to get it each month.'
- > 'The staff profiles are great. They are always interesting.'
- > 'I think it has been good and the slightly more light-hearted approach is always good for staff morale.'

*Insight* is published on recycled paper and is made available in an accessible format on the Department's intranet for staff with a visual disability.



## CAPABILITY DEVELOPMENT

The Department is committed to the development of leadership capability and the job specific skills of all staff.

### Core skills

Core skills training programs are provided for all staff and range from induction programs, to topics such as the APS Values and Code of Conduct, ethics, policy development and financial management. During the reporting period, the Department delivered 49 core training programs with 733 participants. These figures represent multiple attendances by individual staff, in particular the Year 12 and university graduate cohorts who are offered significant skill development opportunities, especially during their initial year.

### Leadership potential

Capability development programs are available to staff at the APS1–4, APS5–6, EL1 and EL2 levels. These extended programs are tailored to the Department's requirements and focus on developing management and leadership skills. Programs for Executive Level staff, in particular, are challenging and designed to build leadership capability in the feeder group to the senior executive. Seven programs were delivered during the reporting period—one program for APS1–4 levels and two programs for each of the APS5–6, EL1 and EL2 levels. Capability development programs run for between five and seven days and were attended by 125 staff.

As part of the suite of core training programs, the Department delivers a program on understanding the APS Values and the Code of Conduct and a program for managers on leading ethically. The programs form a key component of a comprehensive induction package, which comprises face-to-face information sessions, online resources and key skills training. Over the reporting period, a total of 102 staff completed this training. Values and ethics issues are also addressed as part of other core training courses and capability development programs.

Formal training is complemented by participation in networking events such as *Talking Heads* and EL-led forums and opportunities for short-term reassignments through the Department's staff rotation program.

SES staff are encouraged to participate in service-wide programs and opportunities for broader engagement within the wider APS.

## DIVERSITY AND HARASSMENT

The Department is committed to workplace diversity and recognises the value of individual differences and creating an environment that utilises the experience of people with different perspectives and from different backgrounds.

The *Dealing with harassment and bullying 2008–11 Plan* was developed and implemented during the reporting period. In the second half of 2009,

the Department will offer staff training in the management and prevention of harassment and bullying.

During the year, the Diversity and Harassment Committee consulted with staff on the development of the Department's Disability Strategy. The Committee also continued to monitor the ongoing implementation of the *Workplace Diversity Plan 2007–10*.

The number of Diversity and Harassment Contact Officers was increased from three to five to better reflect the demographics of the Department. These contact officers continued their work to promote workplace diversity principles and to provide information and support to managers and staff.

During the reporting period there were seven formal complaints lodged and 13 matters informally discussed with Harassment Contact Officers.

## INDIVIDUAL PERFORMANCE MANAGEMENT

The Department's performance management system provides a robust basis for evaluating individual performance, identifying development needs and addressing areas of underperformance.


The system provides a structured format for managers and staff to develop and record a shared and clear understanding of performance expectations and required work outcomes. All ongoing staff and non-ongoing staff employed for three months or more are required to participate in the performance management process.

The process provides a framework for aligning the expectations of staff and managers with the Department's strategic directions and the objectives and commitments outlined in the Portfolio Budget Statements. The process also ensures developmental needs are assessed.

In June 2009, the Department implemented a more streamlined form to be completed by staff in the development of their performance management plan with their supervisor. The design of the new form has received very positive feedback.

The Department also commenced an examination of its arrangements for managing staff underperformance and where possible assisting them to return to fully effective performance. In the coming year the Department will introduce a new initiative, *Improving performance—a fair outcome for all*. The aim of the initiative is to create an environment where managers have the support and confidence they need to tackle underperformance issues.

The Department's terms of employment link part of the annual salary increase to the achievement of pre-conditions. These include payment of a 0.5 per cent increase of annual salary on 95 per cent of staff completing a mid-cycle performance review on time and a further 0.5 per cent increase on 95 per cent of staff completing the end-of-cycle performance assessment. In 2008–09, both pre-conditions were met.



One-off performance bonus payments are available to non-SES staff party to a pre-existing AWA or Common Law contract and to all SES staff. Payment of a bonus is dependent on an individual performance assessment outcome of 'very good' or 'outstanding'. Bonus payments are determined from the performance rating and the sliding scale of payment outcomes provided through the AWA, Common Law contract or a determination under subsection 24(1) of the *Public Service Act 1999*.

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 'fully effective' or higher.

## REWARD AND RECOGNITION PROGRAM

The Department celebrates and recognises the exceptional contribution of staff through the Reward and Recognition Program, which includes Australia Day Awards and Secretary and Divisional Awards. The awards aim to foster a more productive and engaged workplace which values staff achievement.

Secretary Awards were presented in July, October and December 2008 and April 2009 and included a total of seven individual awards and eight team awards. A majority of the individual awards were presented for outstanding client service, with the exception of three awards which were presented for outstanding contributions to projects. Team awards were presented for modelling the APS Values, leadership and outstanding client service.

The Department presented two team and three individual Australia Day Awards in 2009. Both team and one of the individual awards were presented for improving the services they provide and the two other individual awards were presented for outstanding contribution to the APS.

## WORKFORCE PLANNING

Workforce metrics were extracted and analysed on a quarterly basis throughout the year. Potential risks and key trends are addressed through appropriate human resource strategies to ensure future capability and resourcing, continuity of corporate knowledge and to cope with staff turnover.

As at 30 June 2009, the Department had 638 ongoing and non-ongoing staff compared with 626 at 30 June 2008. The proportion of non-ongoing staff decreased over the 12-month period from 11.5 per cent to six per cent through the substantive filling of vacancies. Detailed staffing statistics are provided in Appendix 5.

## OCCUPATIONAL HEALTH AND SAFETY

The Health and Safety Committee reports to the Executive Management Group and to the Workplace Consultative Committee. The primary role of the Committee is to facilitate communications and consultation between management and employees with regard to health, safety and wellbeing matters.

The Committee is chaired by a member of the Department's Senior Executive Service with the Chair's position rotated on a two-yearly cycle. The Chairperson for this reporting period was the Assistant Secretary, Broadcasting and Switchover Policy. The Committee met on four occasions during the reporting period.

The Department's Health and Safety Management Arrangements were reviewed by the Committee and updated in consultation with staff.

In consultation with the Committee, the Department has developed and implemented a Health, Safety and Wellbeing Framework. During the year, a carer's room was established in the Canberra office and Automated External Defibrillators were installed in all buildings occupied by the Department. An Employee Assistance Program continues to be provided and promoted to staff with a number of information sessions held throughout the year.

During the year, 208 staff attended Occupational Health and Safety workshops including most SES and EL2 officers. Strongly supported by the Secretary, the aim of the workshops was to raise awareness of the role and responsibilities of managers in the prevention of workplace injury and illness, including early intervention for psychological and overuse injuries.

One notifiable incident relating to serious personal injury was reported to Comcare during 2008–09.

### Compensation

Relatively few work-related injuries were reported in 2008–09. Most injuries were reported under the Comcare category of body stressing. Comcare accepted seven claims in 2008–09, a slight decrease from the 10 claims accepted in 2007–08. The Department's claim frequency is 0.13 claims per \$ million payroll.

The continuation of effective rehabilitation and compensation claim management has seen a continuing reduction in the Department's compensation premium.

The premium over the year was 0.57 per cent, which is significantly lower than the 2007–08 premium of 0.9 per cent and the all agencies rate of 1.25 per cent.

### Wellbeing

The Department promotes physical and mental health and achieving work/life balance through its ongoing wellbeing program, *Live, Life, Well*.

In March 2009, the Secretary launched the program which focuses on the physical, mental and social wellbeing of staff. The program includes activities and initiatives that range from user pays meditation courses to Heart Foundation

walking groups and cooking demonstrations. There have also been a range of health seminars covering issues such as Sleep and Fatigue, Quit Smoking and Prostate Cancer awareness.

With the support of the Workplace Consultative Committee the Department promoted its Smoke Free Workplace Policy and introduced a Quit Smoking Assistance program. The program included financial assistance for staff and their immediate family to help with the cost of quit smoking activities such as courses and seminars, nicotine replacement therapies, hypnotherapy and acupuncture. The program was accessed by 16 staff members and three family members from which five employees and one family member had reported as having successfully quit smoking by the end of the reporting period.

A highlight of the *Live, Life, Well* program was a presentation by Mr Jeff Kennett AC, Chair of *beyondblue* who spoke to 300 staff on the impact of depression and the role of the organisation. Following this discussion two Mental Health First Aid courses were offered to staff. Thirty five staff attended the two courses.

## OUR TERMS OF EMPLOYMENT

### Collective Agreement

The former Department of Communications, Information Technology and the Arts (DCITA) was abolished on 3 December 2007 in an administrative rearrangement. Employee terms and conditions previously provided by the DCITA Collective Agreement (CA) 2007–10 are preserved by a Determination made by the Public Service Minister on 13 March 2008, under subsection 24(3) of the *Public Service Act 1999*.

The preserved conditions provide salary increases of 4.1 per cent per annum over the three years of the agreement. Of the salary increase, 1.5 per cent is linked to the achievement of pre-conditions including completion of performance management processes and attendance at core training programs. These pre-conditions were met in the reporting period and the salary increase has since been paid to staff effective 1 July 2009.

In order to remain competitive, it is the Department's intention to have a new enterprise bargaining agreement with staff in place prior to 30 June 2010. The new agreement will be negotiated in line with the recently released bargaining framework.

### Determinations under Section 24(1) Public Service Act and Other Agreements

#### Senior Executive Service (SES) conditions and remuneration

Previously, all SES employees in the Department were covered by comprehensive Australian Workplace Agreements (AWAs) that set remuneration, superannuation, performance-based pay and general conditions of service, including executive vehicle arrangements.

In accordance with the Government's policy, AWAs are no longer offered in the Department. Existing AWAs continue in effect until they are replaced or terminated under the *Workplace Relations Act 1996*. SES employees new to the Department or new to the SES level now have their terms and conditions of employment set by individual Determinations made under subsection 24(1) of the *Public Service Act 1999*.

### Individual non-SES terms and conditions

Non-SES employees previously also had the option of entering into an AWA to provide a range of benefits including access to individualised salary arrangements, performance based pay and a range of non-salary components. These include an allowance for time off in lieu (TOIL) and other individually focused benefits such as a laptop computer and work-related mobile phone.

As is the case for SES employees, AWAs are no longer offered to non-SES employees. Pre-existing AWAs continue in effect until they are replaced or terminated under the *Workplace Relations Act 1996*.

Where appropriate, special terms and conditions of employment are currently provided to non-SES employees through the use of Common Law Contracts (CLCs). The CLCs are intended only to supplement the conditions of the Collective Agreement and provide access to non-salary items such as TOIL and higher levels of salary packaging than are available under the Collective Agreement. As at 30 June 2009, 212 non-SES staff were on individual agreements.

The majority of non-SES AWAs and Common Law contracts are at the executive levels.

## EQUIPPING OUR STAFF TO DO BUSINESS

There are a range of activities that we undertake to ensure staff are well equipped to deliver our outcome and programs.

### INFORMATION, SECURITY, TECHNOLOGY, FACILITIES AND SUPPORT

The Department's information technology environment continued to be reliable in servicing the requirements of the Minister and the Department. A number of key information technology initiatives were undertaken to further improve services. Among these were the new electronic document management system, the review of the Minister's and the Department's websites, the virtualisation of the Department's information technology server fleet, the expansion of desktop video conferencing, and the addition of other communications tools to the desktop. A number of these projects have been successfully completed with others due for completion in the next reporting period.

A secure and separate network was commissioned for use by the National Broadband Network team as they worked in support of the Prime Minister's announcement of future broadband arrangements for Australia.

The Department also upgraded its Masthead Amplifier Television (MATV) distribution system to ensure the Department was able to take advantage of high definition digital television.

The Department's Web Services team worked closely with line divisions to support the public consultation processes in relation to the ABC and SBS triennial funding submissions and the development of the *ABC and SBS: Towards a Digital Future* discussion paper. In support of this work, the team also hosted a blog to facilitate public input. In addition, the team managed and maintained 12 websites. During the reporting period all of these were audited by an independent company to assess the Department's level of compliance to the current accessibility standards. A Statement of Accessibility Conformance has been published on the help page of each audited website.

### Asset management

The Department manages non-financial assets in accordance with guidelines set out in the Australian Accounting Standards, Finance Minister's Orders, Chief Executive's Instructions and associated Practical Guides.

The Department prepares a capital plan reflecting Government priorities and ongoing business requirements, ensuring compliance with the Government's financial management framework. Asset acquisitions and disposals are monitored against this plan.

All assets owned by the Department are subject to an annual stocktake. This process is used to update and verify the accuracy of asset records as well as an opportunity to review the condition and ongoing utility of the assets held. Measures to streamline the Department's asset management systems and processes are being implemented.

Assets, including those leased under contract from our various service providers, are maintained through specific maintenance programs. Additional information on the value, acquisition and disposal of assets can be found in the financial statements in this report.

### Facilities

During the reporting period, significant efforts were made by the Facilities team to support the general operations of the Department. Departmental buildings were maintained to a high standard, conference and meeting rooms were configured and reconfigured for the various meetings that occurred and office and workpoint relocations were implemented with minimal disruption. The team continued to monitor aspects of the Department's environmental performance and manage the vehicle fleet and the many other services that support the Department.

## Security

During 2008–09, the Department's Security team effectively managed the process of acquiring or re-evaluating security clearances for 225 staff. The Department improved its executive oversight of the security clearance process by introducing quarterly reporting of security clearance activity and details of uncleared employees to the Executive Management Group (EMG). The reports enabled the EMG to ensure all employees had appropriate security clearance, had a security clearance process underway or were validly exempted from requiring a security clearance.

Security breaches were monitored carefully by the Secretary and the EMG. During the reporting period, in all instances where a staff member breached the Department's security policy, they were counselled by their branch head. In cases where an individual breached the policy on more than one occasion, the division head counselled the individual and notified the Agency Security Advisor of remedial action taken.

## Corporate administrative support

The Department's internal administrative support arrangements changed on 1 June 2009 as part of the organisation restructure. The Department moved to an arrangement where administrative support is provided at a group level rather than a division level. The changed arrangements realised economies of scale savings and enabled resources to be directed to higher priority tasks.

A review of the arrangements will occur in the new reporting period to ensure the new arrangements are operating effectively and continue to be efficient.

## PROCUREMENT

During the reporting period the Department continued its efforts to strengthen its procurement and contract management capabilities. As a component of the Department's restructure, a Procurement and Contract Management team was established on 1 June 2009. The new team is tasked with responsibility for ensuring contract management and procurement activity across the Department is undertaken in an efficient, effective and non-discriminatory manner that supports competition and achieves value for money outcomes for the Commonwealth.

Continuing enhancements and process improvements to the Department's online contract document management system (Exari), enhanced the Department's reporting capability and ensures that the Procurement team delivers the latest compliant documents to divisions, including agreements and correspondence.

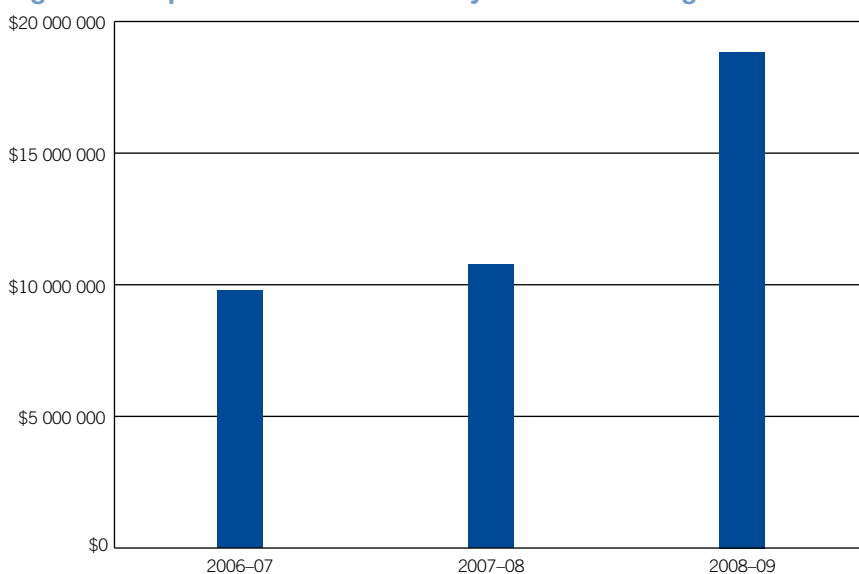
## Consultants

Consultants are engaged by the Department to provide specialised professional services either where the Department does not have the capability or capacity to perform in-house or where there is a requirement for independent advice.

During the reporting period 103 new consultancy contracts were entered into involving total actual expenditure of \$7.530 million. In addition, 38 ongoing consultancy contracts were active during the 2008–09 year, involving total actual expenditure of \$11.461 million.

Figure 3.1 presents the Department's expenditure on consultancy contracts over the three most recent financial years. Increased expenditure is as a result of existing contracts delivering the major components of their outcomes during this period and commencement of new contracts of high value.

**Figure 3.1 Expenditure on consultancy contracts during 2006 to 2009**



#### Auditor-General access to contractor's premises

In 2008–09, all competitively tendered contracts of \$100 000 or more (inclusive of GST) made provision for the Auditor-General to access the contractor's premises.

#### Exempt contracts

In 2008–09, there were no contracts or standing offers 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*.

#### Intellectual property

The Department prepared an Intellectual Property Policy in support of the Commonwealth Intellectual Property Principles for Australian Government Agencies which was approved by the Secretary in December 2008.

## CARING FOR THE ENVIRONMENT

The Department has continued its commitment to ecologically sustainable development and environmental performance. In the reporting period, the Department engaged its graduate staff to refresh and improve the internal marketing of its environmental management program. The resultant program, *DBCDE Goes Green*, aims to minimise the adverse impact of the Department's operations on the environment by:

- > reusing and recycling waste and materials consumed by its activities
- > complying with relevant legislation, Government initiatives and policies
- > effectively communicating environmental responsibilities, initiatives and programs
- > encouraging participation in the workplace and promoting awareness of environmental opportunities
- > applying the principles of ecologically sustainable development to capital works projects.

The Department reports its energy consumption annually to the Department of the Environment, Water, Heritage and the Arts for independent assessment, as is the requirement.

Further details of the Department's environmental initiatives and achievements are set out in Appendix 9.



The Department's waste recycling strategy in action.

Departmental organic waste in...

... valuable organic fertiliser out!

