

CHAPTER 5

Management and Accountability



MANAGEMENT AND ACCOUNTABILITY

Consistent with the Australian Public Service Values, the *Public Service Act 1999*, the *Financial Management and Accountability Act 1997*, and a range of other legislation, the Department efficiently, effectively and ethically manages the resources entrusted to it.

This chapter describes how, in accordance with the Department's client service charter (available online at <www.dotars.gov.au/departement/dotars/charter.aspx>), we are:

- results oriented;
- honest, professional and accountable;
- client and stakeholder focused;
- committed to improving our skills; and
- diverse, trusting and respectful of each other.

Chapter 5 should be read in conjunction with appendices A, D, E and F, which respectively report on the Department's implementation of:

- the Australian Government's *Accessible government services for all strategy*;
- the Australian Government's *Commonwealth Disability Strategy*;
- ecologically sustainable development principles as set out in the *Environment Protection and Biodiversity Conservation Act 1999*; and
- the *Freedom of Information Act 1982*.

WE ARE RESULTS ORIENTED

We plan for and monitor performance at both organisational and individual levels.

Departmental outcomes and outputs framework

The Department publishes detailed plans in May each year as part of the Commonwealth budget papers. The Portfolio Budget Statements (PBS):

- describe the departmental outputs and administered programmes for which the Department will receive funding in the coming financial year;
- set the financial and other targets that will apply to each output and programme;
- detail the new policies and programmes (measures) and priorities that the Australian Government has asked the Department to deliver in the coming financial year; and
- present the Department's budgeted financial statements for the budget year and three out-years.

These plans are updated in the Portfolio Additional Estimates Statements (PAES), which for financial year 2006-07 were published in February 2007, and in the Portfolio Supplementary Additional Estimates Statement (PSAES), which for financial year 2006-07 were published in May 2007.

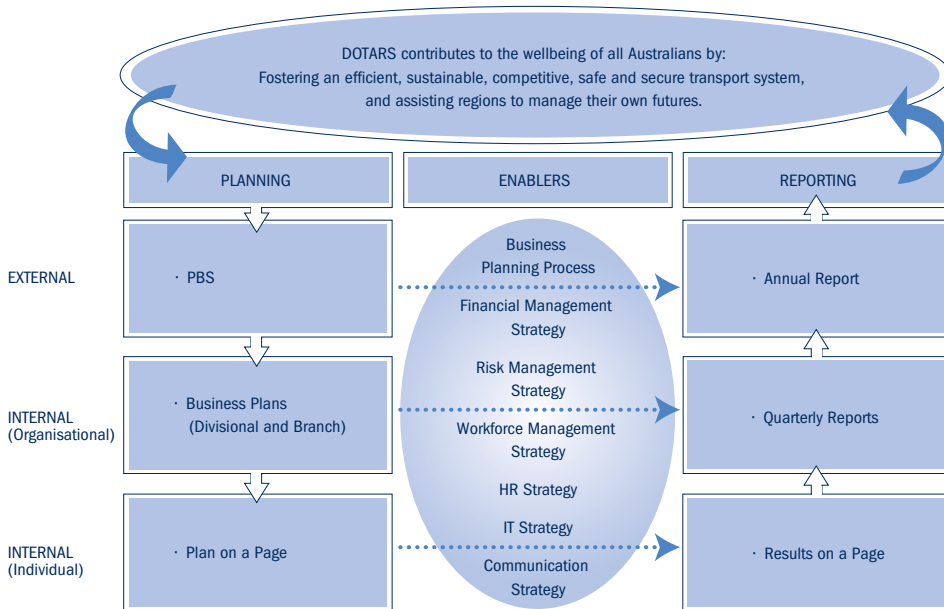
The Department reports to government on its financial performance, position and cash flows within 10 working days of the end of each month. This report explains any significant variations from budgets, which are also incorporated in the monthly analysis of the Australian Government's finances released by the Minister for Finance and Administration.



We provide an annual report to the parliament about how we have used the resources we manage on its behalf (this report), with Chapter 3 and Chapter 4 of the report focusing on results against the performance indicators previously published in the PBS and PAES.

Figure 5.1 shows the relationship between the Department’s planning and reporting frameworks.

Figure 5.1 Planning and reporting frameworks



Individual performance management is a key element in helping to achieve high-quality outcomes; this is reflected in the *DOTARS Collective Agreement 2006–2009*. The Department’s individual performance management arrangements are discussed later in this chapter, in relation to our efforts to develop and maintain a strong performance management culture in the Department.

Continued progress on internal planning and reporting processes

Internal planning involves the development of an annual business plan for each of the Department’s seven business divisions, its two enabling divisions (Corporate Services, and Portfolio Strategic Policy and Projects), the Office of the Inspector of Transport Security, and the Governance Centre. Internal reporting occurs through formal quarterly review meetings between the senior staff of each division and the Department’s senior executives underpinned by an assessment of each division’s performance over the past quarter against performance indicators articulated in divisional business plans.

During 2006–07, internal planning and reporting processes were improved as follows:

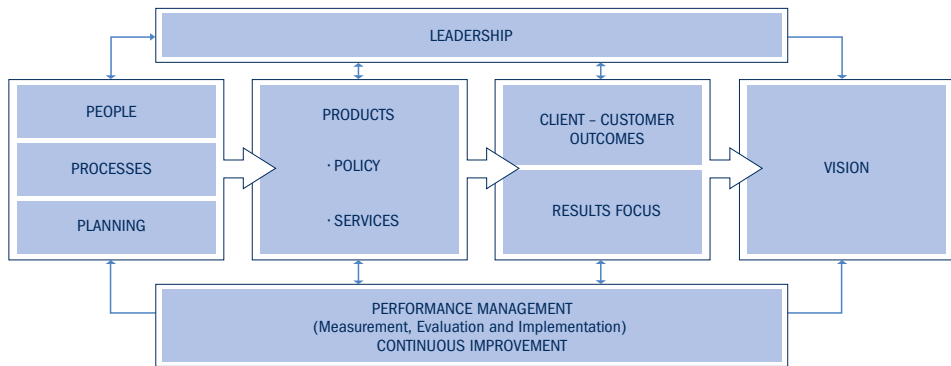
- new internal templates for annual divisional business plans were developed to better link the work of individual business divisions to the Department’s outcomes and outputs as published in the PBS; and
- a new electronic reporting template was implemented to assist business divisions to prepare for their quarterly performance reviews with the Executive.



During the year the Department published the *Organisational performance management framework* reference card, a companion document to the *Individual performance management framework*, to assist staff to better understand the links between their individual performance and the overall performance of the organisation.

The DOTARS Business Excellence Framework (see Figure 5.2) continues to provide a strong basis for ensuring that what we do and how we do it is aligned with government outcomes.

Figure 5.2 DOTARS Business Excellence Framework



WE ARE HONEST, PROFESSIONAL AND ACCOUNTABLE

Leadership, decision making and consultation

The leadership structure of the Department is summarised in Chapter 2 (see Figure 2.3).

The Secretary of the Department has specific responsibilities set out in legislation, including those described in the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*. The Secretary is also responsible for ensuring that the Department is able to deliver the outcomes of ‘fostering an efficient, sustainable, competitive, safe and secure transport system’ and ‘assisting regions to manage their own futures’, as agreed with the Minister.

The Department comprises seven business divisions, two enabling divisions, the Governance Centre and the Office of the Inspector of Transport Security, all of which are responsible for various aspects of delivering the outcomes. Each of the Department’s three Deputy Secretaries is responsible for a number of business divisions. The Secretary, Deputy Secretaries and Chief Operating Officer share responsibility for issues that relate to the Department as a whole or affect more than one division.

As outlined in Chapter 2 (page 31), the Deputy Secretaries, Chief Operating Officer and several senior management committees support the Secretary in determining how the Department can best deliver specified results. Chapter 2 also provides an overview of the Department’s governance structure, including the use of senior management committees.

Governance highlights

Reporting year 2006–07 was the second full year of operation of the Governance Centre, an area dedicated to developing and implementing sound governance arrangements by providing assurance that the Department:

- is appropriately directed, controlled and accountable;
- effectively manages risk, including through appropriate insurance arrangements; and
- conforms with legislative requirements.

Governance Centre functions cover the development and management of the internal audit programme; maintenance of the Chief Executive's Instructions and delegations; review of governance policy and support for key governance committees; enterprise-wide risk management (including insurance and fraud control); complaints handling; and the management of requests under the *Freedom of Information Act 1982*.

Key achievements of the Governance Centre during 2006–07 include:

- the integration of risk management into the Department's business planning and quarterly reporting processes—in 2006–07 the Department received the only award in the large agency category of Comcover's Awards for Excellence in Risk Management;
- the development of a risk-based internal audit programme and fraud control plan;
- a review of the Department's insurance arrangements, which resulted in significant savings in premiums for 2007–08;
- increased awareness-raising activities in relation to decision-making authority and responsibilities, including the introduction of a delegations management system; and
- a review of internal audit service provider arrangements.

An achievement of particular importance was that of educating departmental employees about financial accountability and compliance with the Australian Government's financial management framework. By managing the Department's responsibilities under these arrangements we provide better assurance to the Australian Government and to the broader community about the Department's management of public money and public property. The Department provided in-house training to approximately 650 employees on responsibilities relating to the handling and management of public resources.

Enterprise-wide risk management

The decision to develop and implement enterprise-wide risk management and embed it into the business planning process, along with structuring the internal audit work plan (based on the Department's risk register), has resulted in significant improvement in the way the Department manages its risks. Benefits resulting from the improved risk management framework are that:

- risk management is now closely aligned with business planning;
- risk is more consistently articulated and analysed across the Department;
- risk data is captured and recorded in a manner capable of analysis at departmental level; and
- there is a direct alignment of internal audit assurance activities with key risks.

A revised risk management policy encompassing the changes to the Department's risk management framework was endorsed by the Audit Committee in 2006–07.

Major risks

As required, the Department continued to disclose in the budget papers fiscal risks and contingent liabilities



with a large potential impact. None of the risks disclosed for 2006–07 materialised. They related to:

- compensation for Airservices Australia in the event it experiences any financial detriment as a result of complying with government directions about airspace control services;
- indemnities for Maritime Industry Finance Company Limited board members;
- tripartite deeds applying to 12 leased federal airports—these provide financiers with limited step-in rights when an airport lease is terminated, to enable them to correct the circumstances that triggered termination of the lease;
- an indemnity issued to Code Management Company against any loss or expense that occurred prior to the transfer of ownership from the Commonwealth relating to the correct use or application of the Code of Practice for the Defined Interstate Rail Network; and
- assumed residual liabilities of the Australian National Railways Commission.

Protective security and fraud control

The Department reviewed and upgraded security risk assessments, policies and infrastructure during 2006–07 to maintain the security of its employees, premises and assets.

- The Security Committee met regularly and provided the Secretary with strategic protective security advice and policy guidance. The Committee ensured an integrated approach to protective security in the Department, appropriate to localised risks and threats identified in the security risk assessments.
- Security vetting processes, information and forms were reviewed and amended to improve understanding and performance of the function.
- The *DOTARS Protective Security Manual* was updated and staff were trained in security awareness to ensure compliance with minimal standards and changes to the *Australian Government Protective Security Manual*.
- The intranet based tool *iReport* was used to provide a single point of access for employees to report on fraud, theft, security, occupational health and safety, and bullying and harassment incidents.

The Department had in place in 2006–07 processes and procedures to prevent, detect and investigate fraud, security and other risks.

- The Chief Executive's Instruction on fraud, and the associated practical guide, direct employees who become aware of or suspect a fraud to report the matter immediately to their section head, Internal Audit, or the Director of the Governance Centre.
- The *DOTARS Fraud Control Plan* outlines the Department's commitment to effective fraud management and control. It identifies fraud control measures, clearly defines responsibilities for their implementation and outlines the process to be followed in the event of alleged fraud.
- The *DOTARS Protective Security Policy* directs employees who become aware of a potential or actual security issue to report it to the agency security adviser or the Chief Operating Officer.
- The *DOTARS Whistleblowing Guidelines* are provided in the form of frequently asked questions with an internet link to the Public Service Commission internet site dealing with whistleblowing policy and procedures.

In 2006–07 the Department completed a review of the fraud control plan in accordance with the *Commonwealth Fraud Control Guidelines*. This review formed an integral part of the enterprise-wide risk management activity and significantly enhanced staff awareness of fraud risks in the organisation.



Internal audit programme

The Internal Audit unit within the Department's Governance Centre manages the internal audit work programme. In 2006–07 the audit programme applied 37 per cent of available audit resources on compliance-related activity, 53 per cent on performance aspects and 10 per cent on administration/management.

In 2006–07 Internal Audit was engaged in a whole-of-enterprise risk management activity, as well as addressing matters such as:

- legislative compliance;
- credit card compliance reviews;
- maritime security/aviation security identification card reviews;
- IT applications reviews;
- local government grants management;
- contract management associated within the Indian Ocean Territories; and
- reviews of *Financial Management and Accountability Act 1997* compliance and procurement activities.

Building capability in ethical decision making

The Department delivers a training programme specifically aimed at building capability in ethical decision making called 'Working Ethically and Professionally in the APS'.

The programme is compulsory for all staff and engages participants with real life case studies and activities that are underpinned by the APS Values, Code of Conduct and other relevant APS legislation.

In 2006–07, there were 76 programmes delivered to 764 employees. Participant's assessment conducted at the conclusion of each programme indicates an increase in knowledge and understanding of ethical behaviour and practices.



WE ARE CLIENT AND STAKEHOLDER FOCUSED

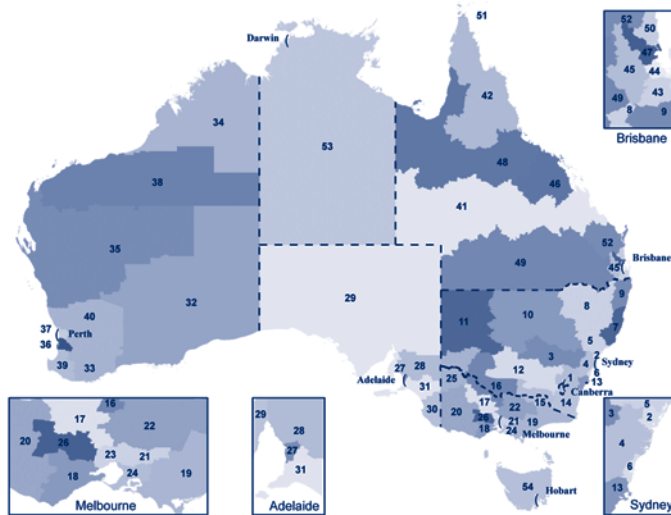
We value the views of our clients and stakeholders. We also recognise and respect the rights of stakeholders to scrutinise our actions.

Supporting our clients with better information

Over the past 12 months, the Department continued to expand its use of geospatial information across all its business activities.

For example, during the recent review of the Area Consultative Committee (ACC) boundaries, the Department created mapping products and digital geospatial data associated with the revised boundaries. The results of this work were the electronic and printed brochures of each state and territory and a national map (see Figure 5.3) used for the 2007 ACC national conference held in Canberra in May 2007.

Figure 5.3 Area Consultative Committee boundaries



Legend:

New South Wales and ACT

- 1 Capital Region ACC
- 2 Central Coast of NSW ACC
- 3 Central NSW ACC
- 4 GROW Sydney ACC
- 5 Hunter ACC
- 6 Illawarra ACC
- 7 Mid North Coast (NSW) ACC
- 8 New England North West ACC
- 9 Northern Rivers (NSW) ACC
- 10 Orana ACC
- 11 Outback NSW ACC
- 12 Riverina ACC
- 13 Shoalhaven ACC
- 14 South East NSW ACC

Victoria

- 15 Albury Wodonga ACC
- 16 Central Murray ACC
- 17 Central Victoria ACC
- 18 Geelong ACC
- 19 Gippsland ACC
- 20 Greater Green Triangle ACC
- 21 Melbourne East ACC
- 22 North East Victoria ACC
- 23 Melbourne North and West ACC
- 24 South East Development Melbourne ACC
- 25 Sunraysia ACC
- 26 VIC Central Highlands ACC

South Australia

- 27 Adelaide Metropolitan ACC
 - 28 Sturt ACC
 - 29 Flinders Region ACC
 - 30 Limestone Coast ACC
 - 31 (SA) South Central ACC
- West Australia**
- 32 Goldfields Esperance ACC
 - 33 Great Southern WA ACC
 - 34 Kimberley ACC
 - 35 Mid West Gascoyne ACC
 - 36 Peel ACC
 - 37 Perth ACC
 - 38 Pilbara ACC
 - 39 WA's South West ACC
 - 40 Wheatbelt ACC

Queensland

- 41 Central Queensland ACC
- 42 Far North Queensland ACC
- 43 Gold Coast and Region ACC
- 44 Greater Brisbane ACC
- 45 Ipswich and Regional ACC
- 46 Mackay Region ACC
- 47 Moreton Bay Coast and Country ACC
- 48 North Queensland ACC
- 49 Southern Inland Queensland ACC
- 50 Sunshine Coast ACC
- 51 Torres/Northern Peninsula Area ACC
- 52 Wide Bay Burnett ACC

Northern Territory

- 53 Northern Territory ACC

Tasmania

- 54 ACC Tasmania

Serving the Australian people through our ministers

On average, the Department delivered more than 236 briefs, letters and other documents to the Minister for Transport and Regional Services and the Minister for Local Government, Territories and Roads, and their staff, each week. Table 5.1 shows the trend in ministerial work over the past five years.

Ministers and their staff rate the quality of the documents we prepare. The Department achieved a 90 per cent satisfaction level for all ministerial items, which is consistent with the previous year's rating. The fall in satisfaction level in comparison to the previous three years' highs is attributable to changed tracking system capabilities in *eWorks* introduced in 2005.

Table 5.1 Trend in ministerial work flows

| | 2002–03 | 2003–04 | 2004–05 | 2005–06 | 2006–07 |
|--|---------|---------|---------|---------|---------|
| Letters | 7,615 | 7,771 | 6,235 | 7,975 | 8,021 |
| Meeting briefs and speeches | 433 | 450 | 467 | 691 | 739 |
| Other briefs | 1,796 | 1,732 | 2,156 | 3,421 | 3,522 |
| Satisfaction with briefs and letters (%) | 97 | 97.9 | 94.2 | 90 | 90 |
| Cabinet submissions made | 9 | 10 | 11 | 13 | 9 |
| Cabinet submissions commented on | 167 | 114 | 99 | 156 | 131 |
| Cabinet briefings for the Minister | n/a | n/a | n/a | 201 | 76 |

The Department:

- monitored the progress of documents through *eWorks*, the parliamentary and ministerial papers tracking system;
- conducted 37 training sessions for *eWorks* users, and answered 1,374 phone calls and 1,636 email enquiries about *eWorks* from staff;
- delivered seven *Writing for Ministers* courses to familiarise staff with ministerial writing styles; and
- published several information booklets for staff, including the *Writing style guide*, *Writing for DOTARS: a ready reference* and the *Guide for consultation with ministers*.

The Department provided a range of support services to parliamentary offices, including four full-time departmental liaison officers: two for the Minister for Transport and Regional Services, one for the Minister for Local Government, Territories and Roads, and one for the Parliamentary Secretary to the Minister for Transport and Regional Services. In support of the ministers' broader portfolio responsibilities, the Department participated in regular meetings with other portfolio agencies.

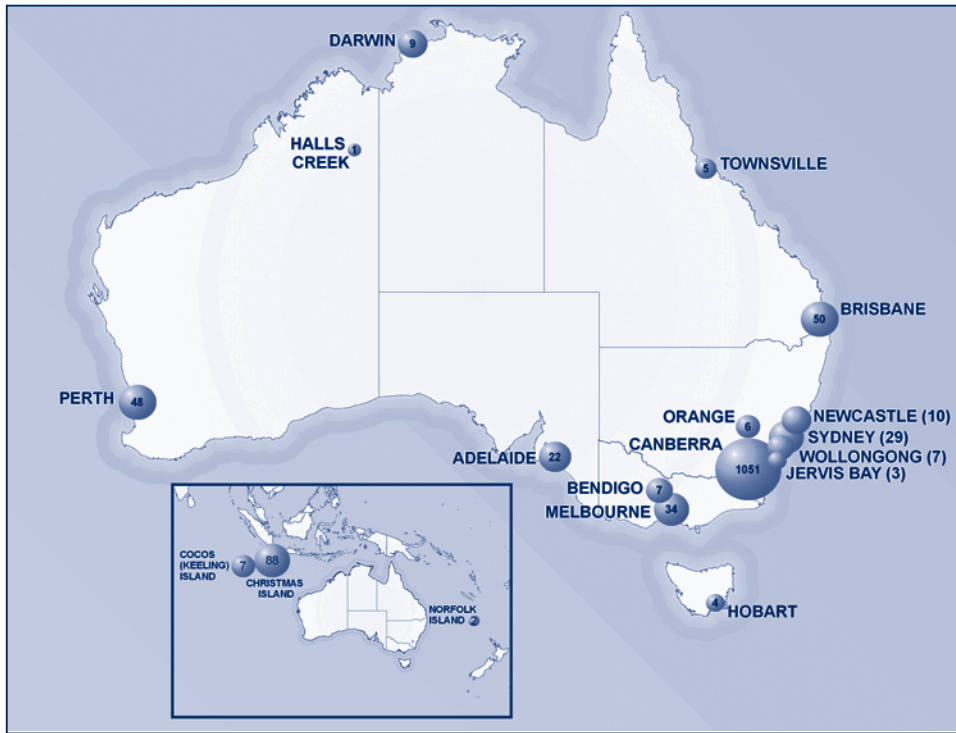
Expanding our regional presence

More than 18 per cent of the Department's staff were located in regional offices during 2006–07, up from 17 per cent in 2005–06. The increase reflected the expansion of the Department's transport security audit and compliance functions. In addition, small numbers of departmental staff were located overseas, in the Philippines, Papua New Guinea, Indonesia, Singapore and Canada.

Figure 5.4 shows how the Department's staff members were distributed across Australia and its offshore territories. Eighty-six staff on Christmas Island and seven staff on Cocos (Keeling) Islands, are employed under administrative ordinances made under the *Christmas Island Act 1958* and the *Cocos (Keeling) Islands Act 1955* rather than the *Public Service Act 1999*. However, they are included in this figure for completeness.



Figure 5.4 Distribution of departmental staff at 30 June 2007



Assessing the quality of our service

In 2006-07 the Department continued to ask its clients to rate the quality of service provided. This included:

- stage 2 evaluations of the Regional Partnerships and Sustainable Regions Programmes; and
- a follow-up survey with airline operators about the administration of the payment scheme for Airservices Australia's en route charges.

The Department continued to work with the Australian Bureau of Statistics to minimise the impact of surveys on business, and registered all surveys involving 50 or more businesses on the Australian Business Surveys Register. The Register is available online through the Statistical Clearing House at the National Statistical Service website, <www.nss.gov.au>. For details of the Department's surveys, search by agency.

Customer feedback is encouraged as issues arise. The Department's client service charter, which can be found online at <www.dotars.gov.au/departments/dotars/charter.aspx>, expresses the Department's commitment to providing clients with a high level of service, and explains how customers can provide feedback. In addition to the departmental charter, specific charters apply to motor vehicle compliance and to services the Department provides to non-self governing territories.

Improving our communications

In 2006-07 a key focus was to improve the Department's communications, a key element of which was the development of a departmental communications framework to ensure that our communications activities are connected with our business.

Client feedback and complaints procedures

Complaints made directly to the Department

As well as inviting clients to provide feedback on how the Department meets its service commitments, the client service charter provides information on how clients can make a complaint if they are not satisfied with the Department's service.

Clients are encouraged to resolve their complaints directly with the areas they have been dealing with. They can also choose to lodge a complaint centrally with the Department, by telephone during business hours (1-800-075-001); by email (ClientService@dotars.gov.au); or by mail (Director, Governance Centre, Department of Transport and Regional Services, GPO Box 594, Canberra ACT 2601).

In 2006–07 all issues raised by clients were resolved without formal complaints being made under the client service charter.

Complaints made through external bodies

Clients with concerns about the Department's service are asked to talk to the Department first to see what can be done to resolve their issues. If clients are not satisfied through this process, the Department advises them to contact the Commonwealth Ombudsman. Complaints can be lodged directly with the Ombudsman's office.

In 2006–07 the Ombudsman received 41 approaches about the Department, representing a 23 per cent decrease on the result for the previous year. The Ombudsman's office elected to investigate 14 of the matters raised. Vehicle safety issues and processing delays were the main issues investigated by the Ombudsman's office.

Clients also have rights of complaint to the Federal Privacy Commissioner and the Human Rights and Equal Opportunity Commission (HREOC). In 2006–07, neither the Privacy Commissioner nor HREOC received any complaints about the Department. Table 5.2 gives trend information for external complaints and scrutiny.

Table 5.2 Trends in external complaints and scrutiny

| | 2002–03 | 2003–04 | 2004–05 | 2005–06 | 2006–07 |
|--|--------------|---------|---------|---------|---------|
| Complaints recorded by the Commonwealth Ombudsman | | | | | |
| Complaints received | 50 | 104 | 35 | 53 | 41 |
| Finding of defective administration | 7 | 3 | - | - | - |
| Formal reports to the Minister under the <i>Ombudsman Act 1976</i> | - | - | - | - | - |
| Complaints recorded by other external bodies | | | | | |
| Complaints to the Human Rights and Equal Opportunity Commission | not reported | - | - | 2 | - |
| Complaints to the Privacy Commissioner | - | - | - | - | - |

Table 5.2 continued.

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|--|-----------|-----------|-----------|-----------|-----------|
| Freedom of information (FOI) requests | | | | | |
| Volume of FOI requests handled | | | | | |
| Requests on hand at 1 July (A) | 20 | 9 | 15 | 13 | 11 |
| New requests received (B) | 53 | 68 | 69 | 74 | 39 |
| Requests withdrawn (C) | 21 | 24 | 21 | 38 | 11 |
| Requests on hand at 30 June (D) | 9 | 15 | 13 | 11 | 12 |
| Total FOI requests resolved (A+B-C-D) | 43 | 38 | 50 | 38 | 27 |
| Timeliness of responses to FOI requests^a | | | | | |
| Resolved in < 30 days | 12 | 9 | 10 | 15 | 10 |
| Resolved in 31-60 days | 14 | 13 | 27 | 13 | 6 |
| Resolved in 61-90 days | 11 | 8 | 8 | 5 | 5 |
| Resolved in > 90 days | 6 | 8 | 5 | 5 | 6 |
| Total FOI requests resolved | 43 | 38 | 50 | 38 | 27 |

a These statistics cannot be compared with the deadlines set in the *Freedom of Information Act 1982* as the Act allows for extensions of time to allow for consultation with third parties, negotiation of fees and other issues. Resolved requests include transfers to other agencies.

Other forms of scrutiny

The Department recognises the need for transparent and open government, and works with other parties that wish to scrutinise its actions and records, including:

- individuals or entities applying for access to specific records under the *Freedom of Information Act 1982* (FOI Act);
- courts and tribunals;
- the Auditor-General; and
- the Parliament of Australia.

Freedom of Information requests

The FOI Act provides a right for members of the Australian community to access departmental records. The majority of departmental activities and records relate to business rather than personal matters. Details are provided at Appendix F.

The number of FOI requests fell below previous levels in 2006-07, with only 39 requests received, a reduction of 47 per cent in comparison to 2005-06. Requests continued to be for access to documents concerning business rather than personal information. Table 5.2 provides a summary of trends in FOI requests to the Department.

Details regarding the operation of the FOI Act are reported in detail in a whole-of-government annual report, published by the Attorney-General's Department and available online through that department's website, <www.ag.gov.au>.

Courts and tribunals

In 2006–07 the Department was involved in a range of matters before Australian courts and tribunals. The matters related to issues such as motor vehicle imports, refusals of applications to be registered under the Registered Automotive Workshop Scheme, airport issues, personal injury claims, refusal to issue aviation security identity cards, debt recovery, airport curfew breach, breach of contract, and coronial inquests. Some of the matters were ongoing at 30 June 2007.

A significant matter decided during the year was *Bennett and others v Commonwealth of Australia*, in which various residents of Norfolk Island brought proceedings in the High Court challenging the validity of Commonwealth legislation requiring voters and candidates in Norfolk Island elections to be Australian citizens.

Norfolk Island is a self-governing territory of Australia which was a British penal settlement, later set aside by British authorities for occupation by the inhabitants of Pitcairn Island, including the mutineers from HMS *Bounty*. The plaintiffs unsuccessfully argued that the legislative power of the Commonwealth under section 122 of the Constitution did not extend to making laws for the government of Norfolk Island, because of the special historical circumstances of Norfolk Island, and that Norfolk Island was not 'part of the Commonwealth'. The High Court rejected this argument and held that in relation to the electoral provisions in question there was no relevant qualification on the legislative power of the Commonwealth.

Legal services expenditure

Table 5.3 is a statement of legal services expenditure by the Department for the 2006–07 financial year, published in compliance with paragraph 11.1(ba) of the Legal Services Directions 2005.

Table 5.3 Legal services expenditure

| Reportable item | 2006–07 result |
|---|--------------------|
| Agency's total legal services expenditure | \$5,233,561 |
| Agency's total external legal services expenditure | \$3,887,069 |
| External expenditure on solicitors | \$3,526,089 |
| External expenditure on counsel | \$360,981 |
| Number of male counsel briefed | 10 |
| Value of briefs to male counsel | \$274,400 |
| Number of female counsel briefed | 7 |
| Value of briefs to female counsel | \$86,581 |
| Agency's total internal legal services expenditure | \$1,346,492 |

Note: All amounts are GST exclusive.

Audit office and parliamentary scrutiny

Reports on matters relating to the Department are released by the Australian National Audit Office (ANAO), parliament and other public bodies from time to time. Reports released by such bodies in 2006–07 are listed in Table 5.4.

The Department formally responds to ANAO reports in writing, and the ANAO includes the Department's responses in its reports. The ANAO makes its reports available online at <www.anao.gov.au>.

The Australian Government tables its responses to parliamentary inquiries and other reports in the parliament. For details of the government responses to specific parliamentary inquiries visit <www.aph.gov.au/committee>.

Table 5.4 External inquiries involving the Department in 2006–07

| Type/author | Report details |
|---|--|
| ANAO reports | |
| Financial audits | <i>Audits of financial statements of Australian Government entities for the period ended 30 June 2006</i> : Report 15 of 2006–07 <i>Interim phase of the audit of financial statements of general government sector agencies for the year ending 30 June 2007</i> : Report No. 51 of 2006–07 |
| Other audits | <i>Airservices Australia's upper airspace management contracts with the Solomon Islands Government</i> : Report No. 8 of 2006–07 <i>Management of federal airport leases—Follow-up</i> : Report No. 25 of 2006–07 <i>The national black spot programme</i> : Report No. 45 of 2006–07 <i>Non-APS workers</i> : Report No. 49 of 2006–07 |
| Parliamentary inquiries | |
| House of Representatives Standing Committee on Legal and Constitutional Affairs | <i>The long road to statehood: Report of the inquiry into the federal implications of statehood for the Northern Territory</i> , tabled 28 May 2007 |
| Senate Standing Committee on Rural and Regional Affairs and Transport | <i>Airports Amendment Bill 2006 (Provisions)</i> , tabled 28 February 2007 <i>Airspace Bill 2006 (Provisions) and Airspace (Consequential and Other Measures) Bill 2006 (Provisions)</i> , tabled 28 February 2007 |
| Joint Committee of Public Accounts and Audit | <i>Report 409: Inquiry into developments in aviation security since the Committee's June 2004 Report 400: Review of Aviation Security in Australia</i> , tabled 4 December 2006 |

Senior Executive Service (SES) staff of the Department, in addition to attending specific parliamentary enquiries, attend Senate estimates committee hearings to answer questions about the Department's activities. In 2006–07 a total of 573 Senate estimates questions on notice were received, a decrease compared to 1,032 in 2005–06.

The Department received 532 parliamentary questions on notice for 2006–07, an increase compared to 222 in 2005–06. The largest proportion of parliamentary questions on notice related to Airservices Australia’s management of airspace, Australian search and rescue, and Civil Aviation Safety Authority issues.

Table 5.5 provides a summary of trends in questions on notice.

Table 5.5 Parliamentary and Senate Estimates questions on notice

| | 2002–03 | 2003–04 | 2004–05 | 2005–06 | 2006–07 |
|-----------------------------------|------------|------------|------------|--------------|--------------|
| Parliamentary questions | 269 | 253 | 252 | 222 | 532 |
| Senate estimates responses tabled | 451 | 436 | 591 | 1,032 | 573 |
| Total questions received | 720 | 689 | 843 | 1,254 | 1,105 |

WE ARE COMMITTED TO IMPROVING OUR SKILLS

The Department places a high priority on its people, and has renewed the focus on people management to ensure it has the necessary capability to deliver outcomes for government. The emphasis in 2006–07 was on:

- implementing the DOTARS Human Resource Strategy;
- supporting the business through learning and development;
- offering more through our graduate programme;
- improving recruitment and selection capability;
- developing a stronger performance management culture;
- finding out what employees think about the Department; and
- embedding a new collective agreement.

This section of the report also addresses the Department’s:

- people-focused committees;
- remuneration policies; and
- staffing statistics.

Implementing the DOTARS Human Resource Strategy

The *DOTARS Human Resource Strategy 2007-2010*, implemented in April 2007 provides a framework for developing a programme of people management activities across the Department. The strategy sets out the principles, objectives and high-level goals for people management in the Department, together with strategies to achieve these goals, around four elements: recruit, retain, manage and develop.

The strategy has been developed in response to the capability needs and recruitment and retention issues that have been identified through the ongoing process of workforce management and analysis of the Department’s current and future workforce needs during 2006–07.

Supporting the business through learning and development

In 2006–07 the corporate learning and development programme focused on building capability in leadership; procurement and contract management; recruitment and staff selection; writing; performance management; and application of the Australian Public Service (APS) Values and Code of Conduct.



The corporate learning and development programme is driven by individual development needs identified through the individual performance management system, and the Department's business priorities. It is further informed through executive forums and learning activity evaluation.

The goals of the programme are aligned with the DOTARS Capability Framework, which has six elements: achieving results, cultivating productive working relationships, shaping strategic thinking, communicating with influence, exemplifying personal drive and integrity, and applying technical and professional expertise.

All activities in the programme are tailored to meet the needs of the Department. They are designed and delivered using a combination of both internal staff and external consultant expertise.

There was a 30 per cent increase in corporate training activity in 2006–07, including an additional 254 training days, and a 70 per cent increase in attendance, to 1,664 participants in 2006–07 from 975 in 2005–06. There was also a significant increase in leadership development activity, with the introduction of the DOTARS LEADS programme. These activities supported the implementation of the *DOTARS Human Resource Strategy 2007–2010* while addressing particular capability gaps and contributing to improved Departmental outcomes.

Division-specific training

In addition to centrally organised training to meet generic departmental requirements, a number of business divisions arranged division-specific training to meet particular business needs.

The Regional Services business division presented a number of training courses designed to improve delivery of the Regional Partnerships Programme, with a focus on:

- audit, legal and financial compliance;
- preparation of funding agreements; and
- the online application and reporting systems.

Some staff of the AusLink business division undertook a rail familiarisation course to enhance their understanding of the Australian rail environment and assist them in analysing and assessing the merits of AusLink rail proposals.

The Office of Transport Security (OTS) conducted a range of division-specific training, including:

- induction, protective security awareness, and state-based audit training; and
- tailored occupational health and safety training for 78 transport security inspectors from across Australia.

Through its recognition of prior learning programme, OTS recognised existing skills and consolidated learning by awarding the Certificate IV in Government (Statutory Compliance) to 82 experienced transport security inspectors. This qualification formally recognises a comprehensive array of relevant skills.

As a registered training organisation, the Australian Transport Safety Bureau (ATSB) awarded the Transport Safety Investigation Diploma to 12 staff members in 2006–07; a further 13 staff members are undertaking the course. As well as base operational readiness training, the ATSB has continued to develop an advanced training and development strategy designed to support investigation functions in a more challenging environment, such as a major public transport accident investigation. Learning methods now embedded include mode-specific professional development courses, knowledge-sharing initiatives, professional coaching/mentoring regimes, and targeted tertiary studies.



DOTARS LEADS

In 2006–07 the Department launched DOTARS LEADS (Leadership Excellence through Action, Development and Seminars), a three-part strategy for building leadership capability. The core elements of the strategy are:

- action—learning in the workplace through coaching and tutorials, project-based work and mentoring;
- development—formal training and structured learning through the Focus on Results workshop, as well as departmental corporate training and programmes delivered through the Australian Public Service Commission and other providers; and
- seminars—learning by hearing about the experiences of others through a seminar series presented by speakers from inside and outside the Department.

Participants are encouraged to actively address their own unique leadership challenges, taking into account both departmental needs and the needs of the APS more generally. During the 2007 calendar year, 200 senior and executive level staff will have participated in the DOTARS LEADS programme.

Graduate programme that offers more

The Department recognises the importance of having a strong graduate intake and an effective graduate development programme in an increasingly competitive market. Our graduate cohort is diverse, and includes mature-aged graduates, often embarking upon their second or third career.

In 2007 the Department recruited 31 graduates from a variety of academic disciplines, reflecting the need for specialists in a range of areas such as economics, legal studies, engineering, and international relations. The Department expects to recruit a similar number of graduates in 2008.

The Department provided structured learning and development and on-the-job experiences for graduates throughout the year. A unique component of the graduate programme is the annual industry tour. The graduate group organises the tour, which involves a three-day visit to a region to meet stakeholders and representatives from industry. The intent of the tour is to help graduates gain an understanding of the challenges on the ground that cannot be fully appreciated from Canberra. The 2007 graduates visited airport and port operations, major road projects and regional grants recipients in Melbourne and Bendigo, Victoria.

Improving recruitment and selection capability

The Department undertook a review of its recruitment and selection arrangements in 2006–07, which resulted in:

- the introduction of an online management and reporting system to streamline recruitment practices;
- the introduction of a new set of key performance indicators for managers (one of which is to complete a recruitment process within 20 working days of the close of advertising);
- revised recruitment and selection advice; and
- the introduction of a recruitment and selection capability training programme.

The Department will continue to streamline recruitment practices and work to identify strategies to increase the effectiveness of recruiting in 2007–08.

Developing a strong performance management culture

Improved individual performance management framework

The Department's performance management system was strengthened during 2006–07 to provide a better vehicle for managers and employees to share a common understanding of, and agree on, the deliverables and performance levels required by each employee.



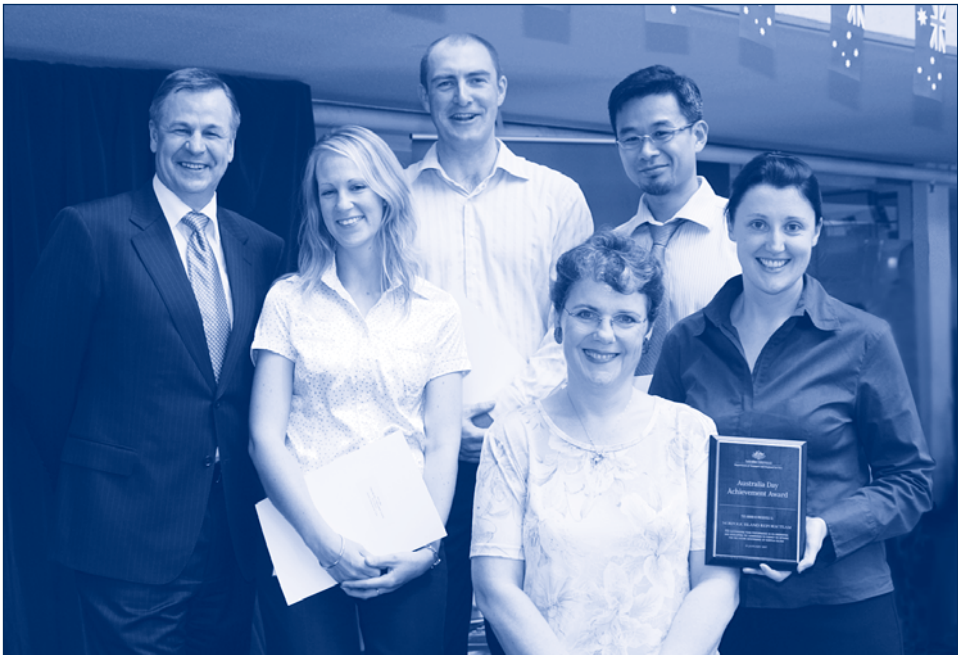
Every employee is expected to annually develop a personal 'Plan on a Page' with their manager and to assess their performance against that plan at least twice a year through their 'Results on a Page'. This assessment focuses on recognising what has been achieved and what lessons have been learned. This assessment is complemented by the personal 'Development on a Page' that is prepared by each employee with their manager to identify individual capability needs and how capabilities will be developed.

During 2006–07 an electronic performance management system, ePoP, was developed to help employees prepare their plan, results and development pages. The *Individual performance management framework* reference card was developed to further assist employees to appreciate the Department's individual performance management framework. The Department is currently reviewing its performance management information to ensure ease of access to the information for employees and managers.

Reward and recognition for individual and team contributions

In 2006–07 the Department implemented a new framework for rewarding and recognising the contributions made by individuals and teams. The framework includes a department-wide approach to reward and recognition, including formal award ceremonies to complement and extend the informal reward and recognition arrangements that are used by each business division and managers within the Department. For example, the Regional Services business division presents certificates each quarter to recognise the achievements of its employees. AusLink, the Bureau of Transport and Regional Economics and Corporate Services also formally recognise the efforts and achievements of their employees on a regular basis.

The two formal departmental awards, the Australia Day Achievement Awards and the DOTARS Awards for Excellence, highlight and celebrate the achievements of individuals and teams that contribute to meeting the Department's business objectives.



The Secretary presenting an Australia Day Achievement Award to staff for outstanding team performance in developing a submission for consideration by Cabinet on options for Norfolk Island governance (Photo DOTARS)

Finding out what employees think about working in the Department

As part of its commitment to finding out what employees think about working for the organisation, the Department has undertaken a staff survey every two years since 1996.

The last survey was undertaken in November 2006 and had a response rate of 64 per cent. Results of the survey were reported to all employees in December 2006, through a presentation in Canberra that was recorded and sent to all regional offices; through an electronic newsletter from the Secretary; and through a recorded address by the Secretary that was accessible to all employees through the intranet. Business divisions also held presentations in January 2007 to report to employees on the results for each business division.

The survey provided positive feedback in many areas. Employees think that the Department has significantly improved its business planning and learning and development approaches since the last survey. Employees understand the importance of open, regular communication and talking about work plans and directions. They are committed to achieving business outcomes, respect each other, and understand what 'public service' is all about. Of the employees surveyed, 93 per cent are willing to put in extra effort to get the job done.

The survey identified some challenges as well. Employees think the Department should consider improving its capacity to innovate, and look at being more responsive to the needs of customers. The Department should clarify its role and responsibilities, better understand how to encourage people to stay in the organisation, better measure organisational performance and improve the ways people work together.

All business divisions developed local action plans to address issues raised. The Department is working on ways to address the 'people issues'—how to better recruit, retain, develop and manage employees—through the DOTARS Human Resource Strategy.

Investor in People

The Department has been accredited as an Investor in People (IiP) since April 1999. DOTARS completed the regular IiP audit in November 2006, and was accredited for its seventh consecutive year.

Maintaining IiP accreditation requires annual, independent, rigorous assessment audits against national and international management system standards to measure and confirm the Department's high level of commitment to achieving excellence in business outcomes through employee development and engagement. The 2006 process involved auditors interviewing approximately 104 staff members to assess the Department's continued compliance with the requirements of the IiP standard.

Embedding a new collective agreement

The *DOTARS Collective Agreement 2006–2009* was lodged with the Office of the Employment Advocate on 30 June 2006. During 2006–07 the Department developed and agreed, in consultation with representatives on the Departmental Consultative Committee, a range of employment policies and guidelines to reflect the intent of the agreement.

Implementing the new agreement included delivering a series of information sessions—the **CAfé** (**C**ollective **A**greement **f**urther **e**ducation) seminars—to all employees, including those located in regional offices. The CAfé seminars gave employees the opportunity to better understand and clarify their entitlements and responsibilities under the agreement. The seminars will be delivered again in 2007–08.

People-focused committees

The DOTARS People Management Committee, a high-level committee that includes an SES representative from each business division, continued to meet regularly during 2006–07.

The committee provided advice to the Executive about the strategic directions for people management in the Department. The committee played a major role in developing the *DOTARS Human Resource Strategy 2007–2010*, and provided significant guidance, support and advice in relation to the review of recruitment, the strengthening of performance management arrangements, and ways of increasing the effectiveness of the delivery of learning and development.

The Departmental Consultative Committee worked to address issues identified during the implementation of the *DOTARS Collective Agreement 2006–2009*. The committee is chaired by the Chief Operating Officer and includes management representatives and employee representatives from across business divisions, as well as Community and Public Sector Union and Media, Entertainment and Arts Alliance representatives. The committee met quarterly in 2006–07.

Remuneration policies

The Department's remuneration policies encourage and reward high performance.

- SES remuneration includes performance pay for exceptional performance. In 2006–07, payments were made to 45 SES staff totalling \$429,200 for performance pay, with no SES staff receiving the maximum amount available.
- Some non-SES staff who are employed under Australian Workplace Agreements (AWAs) were also eligible for performance pay. In 2006–07, four non-SES staff on AWAs received a total of \$31,156 in performance pay.
- Other staff who perform at a satisfactory level for 12 months progress to the next salary point that applies to their substantive position, until they reach the top salary point payable under the collective agreement. More than 59 per cent of staff were at the top salary point at 30 June 2007.

Staffing statistics

As at 30 June 2007:

- the Department employed 1,289 staff, an increase of 0.5 per cent since 30 June 2006;
- the Office of Transport Security continued to be the single largest division of the Department, with staff numbers of 325 (an increase from 303 in June 2006); and
- the Department's graduate intake decreased from 37 to 31 in 2007.

Table 5.6 shows trends in staffing statistics.

In 2006–07 the Department offered AWAs in order to attract or retain staff with particular skills. Table 5.7 gives statistics for types of employment agreements.

For more information about the Department's staff profile, including the number of staff by location and by hours of work, see Appendix H.



Table 5.6 Trends in staff recruitment and retention (excluding Indian Ocean Territories staff) at 30 June

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|---|------------|------------|------------|------------|------------|
| Recruitment^a | | | | | |
| Graduates recruited externally | 18 | 15 | 31 | 37 | 31 |
| Other external recruits | 126 | 134 | 427 | 369 | 309 |
| Total external recruits | 144 | 149 | 458 | 406 | 340 |
| Retention^b | | | | | |
| Retention rate (%) | 87.50 | 81.00 | 85.80 | 83.55 | 80.95 |
| Separations of ongoing staff^c | | | | | |
| Transfers/promotions to another APS agency | 46 | 68 | 58 | 91 | 127 |
| Resignations and retirements | 60 | 71 | 61 | 71 | 106 |
| Retrenchments ^d | 20 | 7 | 4 | 9 | 10 |
| Other ^e | 4 | 28 | 0 | 4 | 6 |
| Total separations | 130 | 174 | 123 | 175 | 249 |

a Non-ongoing staff are included in recruitment numbers but excluded from retention and separations data.

b Retention statistics refer to operative staff only. Separations of inoperative staff, who have been on leave without pay for more than three months, are not included in this calculation.

c Separations data for 2002-03 is as published by the Australian Public Service Commission (APSC). The 2003-04 statistics as shown here may vary from APSC data for the same period due to differences in data definitions as well as timing issues.

d Retrenchments include not only redundancies but also dismissals, of which there was one in 2005-06. Reasons for dismissal may include unsatisfactory conduct, unsatisfactory performance and non-compliance with conditions of employment.

e Other reasons for separation may include invalidity, death and termination.

Table 5.7 Trends in nature of employment agreements with staff (excluding Indian Ocean Territories staff) at 30 June

| As at 30 June 2007 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------------------|------------|------------|--------------|--------------|--------------|
| Australian Workplace Agreement | | | | | |
| Senior Executive Service (SES) (all) | 41 | 38 | 35 | 40 | 44 |
| Non-SES | 40 | 68 | 97 | 104 | 102 |
| Collective agreement | | | | | |
| SES | 0 | 0 | 0 | 0 | 0 |
| Non-SES | 840 | 795 | 1,022 | 1,141 | 1,143 |
| Total staff | 921 | 901 | 1,154 | 1,285 | 1,289 |



WE ARE DIVERSE, TRUSTING AND RESPECTING OF EACH OTHER

We treat our clients and each other with dignity and respect. We are committed to:

- social justice and equity;
- workplace diversity;
- addressing workplace problems; and
- occupational health and safety.

Supporting social justice and equity

The Department is committed to effectively communicating with and serving all Australians, including people from culturally and linguistically diverse backgrounds and people with disabilities. In 2006-07 we continued to:

- develop and implement policies and programmes in consultation with a diverse range of people and groups at the national and local levels;
- use a variety of media to inform people about new policies, programmes and regulations; and
- take into account the diverse needs of consumers in purchasing and providing services, and in seeking feedback from them.

A report on the Department's implementation of the Australian Government's *Accessible government services for all* strategy during 2006-07 is at Appendix A. A report on the Department's implementation of the *Commonwealth Disability Strategy* in 2006-07 is at Appendix D.

Giving priority to workplace diversity

The Department respects and values the diversity of its workforce. In 2006-07 we:

- developed the *DOTARS People with Disability Strategy*, as a component of the wider workforce diversity strategy;
- continued to focus on activities to increase the numbers of Indigenous employees in the Department, and harness the capabilities and perspectives of Indigenous employees;
- offered flexible working conditions to help attract and retain staff, through the *DOTARS Collective Agreement 2006-2009*; and
- continued to support the internal diversity and equity network and activities to promote awareness of diversity and equity issues.

The Department also launched the *DOTARS Indigenous Employment Strategy*, in July 2006.

DOTARS Indigenous Employment Strategy

The Department's commitment to recruiting and retaining Indigenous employees is being realised through the development and implementation of the *DOTARS Indigenous Employment Strategy* and *DOTARS Indigenous Workforce Action Plan*. The Indigenous Professional Development Network that was established in 2005-06 continues to play an important role.

The *DOTARS Indigenous Employment Strategy* aims to increase the employment opportunities for Indigenous people in the Department, and the retention of Indigenous employees who have been recruited. In April 2007 the Department identified, through the *DOTARS Indigenous Workforce Action Plan*, three key areas to be addressed in order to maximise the value of Aboriginal and Torres Strait Islander staff in the Department: recruitment, retention and development, and workplace environment.



The action plan was developed in consultation with the Department's Indigenous Professional Development Network, and has been endorsed by the network.

Indigenous Professional Development Network

The Indigenous Professional Development Network provides a forum for the Department's Indigenous employees to contribute to agency directions (particularly in relation to the *DOTARS Indigenous Employment Strategy*), and supports Indigenous employees in achieving personal and organisational goals.



Carolyn Hughes from the Canberra Institute of Technology Yurauna Centre speaking at a 2007 DOTARS NAIDOC Week presentation (Photo DOTARS)

CASE STUDY: INDIGENOUS PROFESSIONAL DEVELOPMENT NETWORK TOURS ADELAIDE INDUSTRIES

The Department continued its efforts to support Indigenous employees by facilitating a two-day industry tour of Adelaide for members of Indigenous Professional Development Network.

Over the two days of the tour, 12 and 13 June 2007, six members of the network:

- took part in a series of guided visits to Adelaide Airport and Port Adelaide;
- heard presentations about departmental operations in Adelaide from each of the business areas of the Department; and
- undertook professional development designed to enhance the capacity of the network to represent and promote the experience of Indigenous employees in the Department.

During NAIDOC Week, in July 2007, the members of the network made a presentation about the industry tour to the Secretary and other senior executives.

The industry tour was a milestone for the development of the network. Members of the network agreed that the tour had provided the opportunity to broaden their appreciation of the Department's diverse and challenging role, and to exchange views and reflect on their Indigenous identity and their contribution to the Department and the wider Australian Public Service.



Indigenous Professional Development Network members and coordinators visiting Port Adelaide during the industry tour (Photo DOTARS)

Table 5.8 Trends in workforce diversity

| | 2002–03 | 2003–04 | 2004–05 | 2005–06 | 2006–07 |
|--|---------|---------|---------|-----------------|-----------------|
| Women | 439 | 409 | 527 | 584 | 582 |
| People from non-English speaking backgrounds | 75 | 112 | 119 | 156 | 168 |
| People with a disability | 22 | 13 | 21 | 23 | 30 |
| Indigenous people | 3 | 3 | 4 | 11 ^a | 12 ^a |
| All employees | 945 | 901 | 1,154 | 1,285 | 1,289 |
| Proportion of staff volunteering diversity information (%) | 75 | 78 | 95 | 96 | 99 |

Note: These statistics focus on staff employed under the Public Service Act 1999 and therefore do not include Indian Ocean Territories staff. It is possible that the Department's workforce is more diverse than indicated—1 per cent of the staff sampled chose not to volunteer their personal information for 2006–07

a During their trainee year, the Department's Indigenous trainees are technically Department of Employment and Workplace Relations employees who have been placed with the Department. Therefore, they are not included in these figures.

Addressing workplace problems

The Department has an active network of workplace harassment contact officers located in Canberra and regional offices, supported by a senior executive sponsor. The network aims to meet quarterly. The intranet based reporting tool (iReport) which was implemented in 2005–06 is used for reporting occupational health and safety incidents, including incidents of workplace harassment and/or bullying, and safety hazards. The reporting mechanism has been well accepted by staff. The Department also has appropriate mechanisms in place to address violations of the APS Code of Conduct.

The reported incidence of bullying, harassment and Code of Conduct violations continued to be at a low level during 2006–07.

Implementing occupational health and safety initiatives

A range of occupational health and safety (OH&S) initiatives were implemented or continued in 2006–07 under the guidance of the OH&S Committee. The committee meets quarterly and includes representatives from all business divisions, both Canberra-based and regional.

The highlight of the year was the Department's Health Week, held during the first week in May 2007. A total of 201 staff undertook health checks, of whom 109 were referred to their GPs for follow-up, and a total of 298 employees received influenza shots. This year a concerted effort was made to ensure regional staff had the same opportunity to have health checks and influenza injections as Canberra-based staff.

Health Week incorporated a quit smoking programme for both central office and regional office staff who wanted to quit and would benefit from the support and assistance that a formal programme offers. In total, six Canberra-based staff members and one regional staff member signed up for the programme, which was provided by the ACT Cancer Council. Of the seven who commenced the programme, two staff members were able to quit, with the remaining participants reporting reduced nicotine intake.

The Department commenced reviewing and updating a range of its OH&S policies and guidelines, both as part of an ongoing cyclical process and as a result of changes to the *Occupational Health and Safety Act 2000*.



While the number of new compensation claims accepted by Comcare increased slightly during 2006-07 (see Table 5.9), a high proportion of these claims were for incidents that took place outside the workplace, such as trips, slips and falls and motor vehicle accidents. The Department's Comcare premium remained below the APS average as a proportion of employee-related expenses.

Table 5.9 Workplace health and safety trends

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|---|---------|---------|---------|---------|---------|
| Proactive measures | | | | | |
| Workplace assessments | > 60 | > 60 | > 150 | > 250 | >150 |
| Staff health assessments | 254 | 144 | 200 | 329 | 201 |
| Staff influenza vaccinations | 350 | 236 | 341 | 331 | 298 |
| Wellbeing indicators | | | | | |
| Staff using employee assistance (%) | 5.7 | 8.4 | 8.20 | 7.34 | 8.33 |
| Days of unscheduled absence per full-time equivalent employee (excludes IOT staff ^a) | 8.7 | 10.4 | 8.95 | 9.74 | 10.51 |
| Incident management^b | | | | | |
| New claims accepted by Comcare | 20 | 9 | 18 | 20 | 23 |
| Total weeks lost from new claims through incapacity | 171.59 | 28.86 | 22.65 | 46.13 | 49.34 |
| Average time off work per injury (weeks) | 8.6 | 3.2 | 1.25 | 2.31 | 2.15 |
| Special or serious incident requiring Comcare investigation | 0 | 0 | 0 | 0 | 0 |
| Directions or notices issued to the Department under the <i>Occupational Health and Safety Act 2000</i> | 0 | 0 | 0 | 0 | 0 |

a The Department provides services to the Indian Ocean Territories under administered programmes. The IOT staff are not employees of the Department under the *Public Service Act 1999*.

b These figures are as advised by Comcare. Figures for previous years have been updated to reflect outstanding determinations from Comcare that have since been resolved.