



MANAGEMENT AND ACCOUNTABILITY



Corporate governance

Corporate governance refers to the processes by which organisations are directed, controlled and held to account. It encompasses authority, accountability, leadership, direction and control exercised in the organisation.

The governance framework

The Executive

The departmental Executive comprises the Secretary, two Deputy Secretaries, two General Managers, the Executive Adviser and an Executive member. Its role is to set strategic direction and maintain a general oversight of performance. The Executive considers and decides on matters of corporate and governmental significance subject to any specific legal obligations imposed on the Secretary.

Executive appointments

Mr Robert Cornall, Secretary.

Appointed 24 January 2000.

Mr Ian Govey, Deputy Secretary, Civil Justice and Legal Services. *Appointed 17 May 2000.*

Mr Ian Carnell, Deputy Secretary, Criminal Justice and Security.

17 May 2000 to 24 March 2004.

Mr Peter Ford, Acting Deputy Secretary,
Criminal Justice and Security.
29 March 2004 to 30 July 2004.

Mr Peter LeRoy, General Manager, Information
and Knowledge Services.
19 June 2000 to 21 December 2003.

Mr Graham Fry, Acting General Manager,
Information and Knowledge Services.
From 22 December 2003.

Mr Richard Oliver, General Manager, Corporate
Services. *Appointed 29 July 2002.*

Dr James Popple, Executive Adviser.
3 September 2001 to 16 June 2003.

Mr Andrew Henderson, Acting Executive
Adviser. *17 June 2003 to 31 December 2003.*

Ms Rachel Bacon, Executive Adviser.
From 17 February 2004.

Ms Sandra Power, Executive Member.
14 May 2002 to 22 March 2004.

Ms Rebecca Irwin, Executive Member.
From 29 March 2004.

Audit Committee

The Department's Audit Committee is appointed by and is responsible to the Secretary for providing advice relating to:

- the departmental system of internal control
- management of risk
- review of financial reporting
- control of public money and assets, and
- compliance with relevant laws, rules, regulations and directions.

The Audit Committee comprises a Chair who is external to the Department and three members, one of whom is external to the Department. In addition there is a standing invitation to the Australian National Audit Office (ANAO) to

observe Committee meetings. The Secretary, the General Manager Corporate Services and the Chief Financial Officer have a standing invitation to attend Committee meetings.

Activities of the Audit Committee

The Audit Committee met five times during the financial year. The Secretary attended the majority of meetings. The General Manager Corporate Services and the Chief Financial Officer were present at all of the meetings. The committee's actions and deliberations included the following.

- Approval of the internal audit program of reviews, and overseeing its conduct.
- A review of the centralisation of the recruitment function within the Department. This review found that, for a sample of activities examined, all the required controls had been complied with. The review made other recommendations, for instance about the relationships with line areas, that have helped the Department improve the efficiency and effectiveness of the recruitment function.
- A follow-up review of the grant administration in the Family Law and Legal Assistance Division. This review found that grant administration in the Family Law and Legal Assistance Division had improved since the last review, and that many of the recommendations had been successfully implemented.
- A review of information technology (IT) penetration testing practices that examined the security of the Department's IT systems. The review found the Department's current IT penetration testing practices are effective in mitigating risks arising from, for instance, major changes to web servers.
- A review of the Department's administration of the National Handgun Buyback program.

This review provided suggestions on issues such as project management that will prove useful in future projects involving cooperation between the Department and other agencies.

- Advice to the Secretary on the preparation and review of the Department's financial statements.
- Advice to the ANAO on those aspects of its audit program relating to the Department and the Attorney-General's portfolio.

Since 1 July 2002, the audit and evaluation function has been performed by Deloitte Touche Tohmatsu under an outsourced arrangement, overseen by the Audit Committee. Outsourcing the internal audit function has contributed to the independence and rigour of the Department's internal audit processes.

During the reporting period the Department developed an audit database to monitor the implementation of recommendations made in audit reports. This database is being used to help the Audit Committee monitor the status and resolution of issues raised in audit reports.

IT governance

The departmental Executive manages IT using a formal governance framework, based on the internationally recognised CobiT standard. The Information Technology Executive Committee (ITEC) monitors IT activities from a business perspective. Among other matters, ITEC advises the Executive on the prioritising of resources for IT projects.

Accountability framework—integrated performance management

The Department's approach to performance management integrates planning, accountability, reporting and evaluation activity. The approach links individual performance with corporate goals, and includes a system of performance review at

several levels—from individual staff members through to broad organisational elements.

The Department's budgeting, accountability and reporting mechanisms are aligned to the Government's accrual-based budgeting outcomes and outputs framework. The Executive and managers are supported by financial and human resource management systems and Ministerial and Parliamentary support systems.

Strategic planning

As part of the integrated performance management approach, the Executive's role is to set the broad strategic direction for the Department. This broad strategic direction is supported by business/operational plans for each organisational element within the Department that detail activities and associated resource and performance information. All activities are related to an output within the outcomes and outputs framework. Area work plans are developed as appropriate, in line with the business/operational plans.

Links to individual performance

Individual performance agreements are linked to the business/operational plan or area work plan performance targets. Individual performance is reviewed twice a year against the performance agreement as part of the Program for Performance Improvement.

Executive performance reviews

The departmental Executive conducts performance reviews of organisational elements twice a year. These reviews focus on organisational performance against business/operational plan performance measures or, in relation to routine activities, departmental performance standards.

Performance information and reporting

The strategic direction is reflected in the Department's entry in the Portfolio Budget Statements (PBS) that follows the accrual-based

budgeting outcomes and outputs framework. In addition to detailing appropriations, the PBS contains performance information for each item of administered expenditure and each output within the framework. The annual report outlines performance against measures contained in the PBS.

The departmental annual report complies with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* issued by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit. A separate compliance index identifies the location in this report of the information specified in the Requirements (see page 260).

Review of corporate performance management framework

During the reporting period the Department completed a review of its corporate performance management framework. The review identified a need for more consistent planning approaches across the Department. It recommended developing a performance management framework and process that would:

- clearly articulate strategic vision
- establish work priorities to enable effective allocation of resources
- more clearly define accountabilities, and
- introduce more effective monitoring.

As a result, the Department's Executive endorsed a trial of a revised planning process in the Corporate Services Group (CSG). The trial has two purposes:

- to establish a clear business plan for all the business units in CSG, and
- to model business planning processes that may be used throughout the Department.

By the end of the reporting period a CSG business plan was developed and communicated to staff in the group. The next stages, to be undertaken later in 2004, include the development of branch plans and section/team plans, and the alignment of individual performance agreements to those plans. An evaluation of the trial will be conducted to assess the suitability of using the business planning framework and process throughout the Department.

Conduct and ethics

The Australian Public Service (APS) Values and Code of Conduct contained in the *Public Service Act 1999* and Public Service Commissioner's Directions made under the Act apply to all employees of the Attorney-General's Department.

The Department's Certified Agreement and Australian Workplace Agreements contain a commitment from employees to uphold the APS Values and to comply with the Code of Conduct.

All people who are to become employees of the Department are provided with a copy of the APS Values and Code of Conduct and elements of the *Crimes Act 1914*. They are required to sign a statement that they have read and understood these provisions before beginning employment with the Department.

The APS Values, Code of Conduct, Chief Executive's Instructions and other material relevant to ethical conduct are incorporated, as appropriate, into relevant departmental policies, guidelines and instructions.

All Senior Executive Service (SES) employees are provided with a copy of the APS Commission publications *APS Values and Code of Conduct in practice: a guide to official conduct for APS employees and agency heads* and *Embedding the APS Values*.

Risk management

Risk management plans

During the year, the strategic-level risk management plan was finalised. The departmental Executive and Audit Committee endorsed it in December 2003. There is visible, strong senior-level support for risk management across the Department. The Secretary advised senior managers that risk management was to be integrated into the Department's performance management framework and business planning processes, and that its management would form part of the six-monthly Executive performance review process.

Key personnel throughout the Department now act as risk management contact officers within their business areas. Identifying and satisfying risk management training needs will be one of their early goals.

The Department is working with Comcover to ensure individual Division/Office risk management registers are consistent in approach and terminology. Such consistency will ensure that the inevitable movement by managers within the Department will have a reduced impact on the effectiveness of risk management.

Review of IT infrastructure risk

The risks to the Department's IT infrastructure have been formally reviewed by an internal audit. A disaster recovery plan has been developed and practical steps to mitigate risk have been adopted. The plan covers:

- regular and systematic backup of data, stored both on and off-site
- disaster recovery kits secured and stored at three separate off-site locations
- hot-site backup remote from the main computer centre in Robert Garran Offices
- validation of and training in disaster recovery procedures through a series of rolling exercises

- AS/NZS 4360:1999 compliant risk management procedures and templates for information and communications technology projects and activities, and
- enhanced power management for mission-critical systems.

Business continuity management

Business continuity management, which is designed to maintain critical departmental operations should a disaster or major disruption arise, is an integral element of the Department's corporate governance and risk management framework. The Department's business continuity program includes:

- identified business critical functions
- contingency plans, and
- a contingency coordination centre to be activated in an emergency to coordinate the recovery of business-critical activities and a return to normal operations.

Fraud control

In accordance with the requirements of the Commonwealth Fraud Control Guidelines, the Department has prepared fraud risk assessments and fraud control plans. It has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the Department and comply with the Commonwealth guidelines.

During the year, the Department researched other public sector fraud control arrangements to provide a contemporary and informed view of the way ahead to the external provider who is to undertake the two-yearly review. The goal is an improved data collection, analysis and reporting framework.

Service charters

The Department's service charter articulates the nature and level of services provided to its

clients and provides a reference point against which those clients can comment on organisational performance. The service charter also refers clients to information about how to make complaints or comment on performance. The service charter is available on the Department web site <<http://www.ag.gov.au>>.

The charter is supplemented by charters covering the activities of the International Family Law Section of the Family Law and Legal Assistance Division and the Trade Measures Review Secretariat.

A report of service charter operations is at Appendix 3.

Trade Measures Review Officer

The Trade Measures Review Officer (TMRO) is a statutory office-holder with powers and responsibilities set out in the *Customs Act 1901* (Divisions 8 and 9 of Part XVB). The TMRO functions as an independent review mechanism for parties affected by anti-dumping and countervailing decisions by the Chief Executive Officer (CEO) of the Australian Customs Service.

During 2003–04, the TRMO completed six reviews following decisions by the Minister or the CEO. The reviews concerned:

- termination of an investigation into the subsidisation of canned tomatoes from Italy
- dichlorophenoxy-acetic acid (2,4-D) from the People's Republic of China
- termination of a dumping investigation into thermoplastic polyurethanes from Italy, Germany and the United States of America
- iron and steel grinding mill liners from Canada
- washing machines from the Republic of Korea, and
- high-density polyethylene from Singapore.

All reviews were completed within the statutory timeframe.

Reports of the reviews can be seen on the Department's website <<http://www.law.gov.au/tmro>>.

External scrutiny

The Department's operations are subject to external scrutiny from a variety of sources as part of the overall accountability framework.

Reports by the Australian National Audit Office

The Auditor-General issued four reports during the reporting period on the operations of the Department:

- Report no. 14: Survey of fraud control arrangements in APS agencies (a performance audit)
- Report no. 49: The use and management of HRIS in the Australian Public Service (a business support process audit, of human resource information systems)
- Report no. 57: Administration of freedom of information requests (a business support process audit), and
- the yearly report on the Department's financial statements.

The Department provided responses to each report. Generally speaking the Department agreed with the recommendations made. Full copies of the reports as tabled by the Auditor-General in Parliament, plus the Department's responses to specific recommendations, are available on the ANAO web site <<http://www.anao.gov.au>>.

Parliamentary committees, courts, administrative tribunals and Ombudsman

During 2003–04, no:

- judicial decisions or decisions of administrative tribunals had a significant impact on the operations of the Department
- reports by the Ombudsman directly related to the operations of the Department, or
- reports by parliamentary committees directly related to the operations of the Department. (Further information on parliamentary committee consideration of other matters affecting the Department appears in the Report on Performance, and is shown against relevant departmental outputs.)

Financial management

Analysis of financial performance

Section 57 of the *Financial Management and Accountability Act 1997* (the FMA Act) requires a copy of the audited financial statements and the Auditor-General's report to be included in each department's annual report tabled in Parliament. The financial statements at page 137 have been prepared on an accrual basis in accordance with Australian Accounting Standards.

Performance is reported separately for administered items and departmental outputs. Administered items are those items that are controlled by the Government and managed by the Department on behalf of the Government. These items include grants, subsidies, fees, fines and loans to other governments and related payments. Departmental outputs are the goods and services that the Department provides for, or on behalf of, the Government.

Departmental outputs

For 2003–04, the Department had approval from the Minister for Finance and Administration to budget for a total deficit of \$24.5 million. The budgeted deficit was primarily for program expenses deferred from previous years.

The actual operating result for the Department for 2003–04 was a deficit of \$10.5 million. The lower actual operating deficit was due primarily to lower than expected expenditures on major programs.

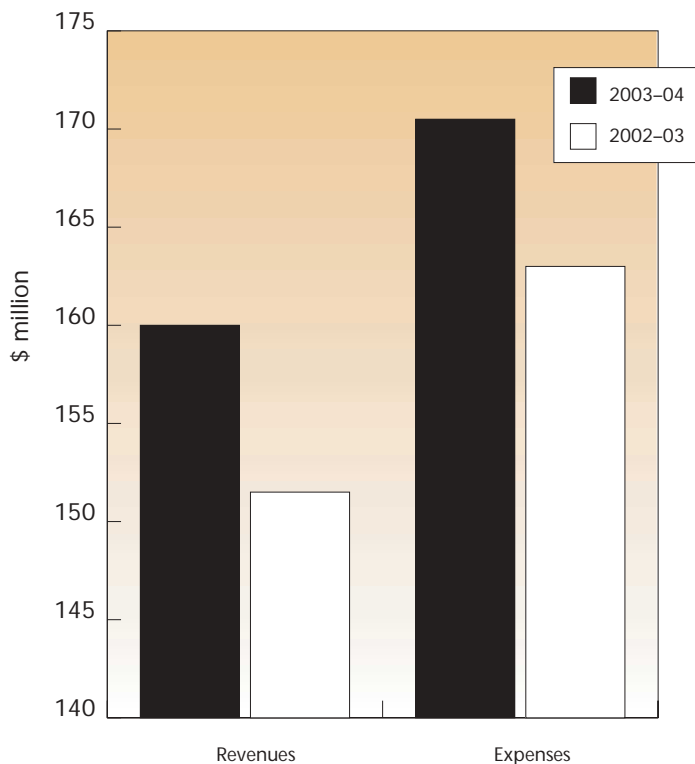
The major factors affecting the financial performance and position of the Department were the transfer of the Emergency Management Australia (EMA) Mt Macedon facility to the Department of Finance and Administration and the revaluation of the Department's property, plant and equipment assets on a fair value basis.

When EMA was transferred to the Department in November 2001, the Mt Macedon facility was transferred to the Department from the Department of Defence. However, under the Commonwealth Property Guidelines the Department is not able to own property. As a result, the facility was transferred to the Department of Finance and Administration during 2003–04. The transfer resulted in the recording of an expense of \$4.8 million in the Department's Statement of Financial Performance for 2003–04.

Total revenues increased by \$8.4 million to \$160.0 million in 2003–04 compared to \$151.6 million for 2002–03 (see Figure 5 on page 122). The major reason for the increase in revenues was additional funding for Budget measures, primarily diplomatic guarding.

Total expenses increased by \$7.0 million to \$170.5 million in 2003–04 compared to \$163.5 million for 2002–03. The main areas where expenses increased were in employee expenses, reflecting an increase in staffing numbers, and the disposal of assets (the transfer of

Figure 5: Departmental revenues and expenses, 2002-03 and 2003-04



the Mt Macedon facility). At 30 June 2004 the Department had net assets of \$40.1 million compared to \$46.1 million for the previous year. The reduction in net assets was due to the operating deficit offset by an increase in the asset revaluation reserve.

Administered expenses

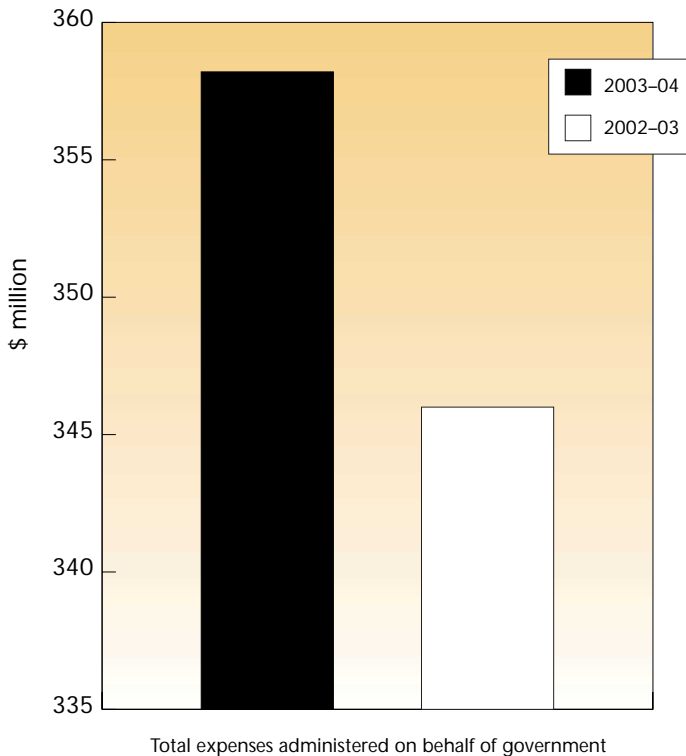
Administered expenses increased by \$12.2 million to \$358.3 million in 2003-04 compared to \$346.1 million in 2002-03 (see Figure 6 on page 123). The major reason for the increase in expenses was the implementation of the handgun buyback program in 2003-04. This

increase was partly offset by a reduction in personal benefits expense (judges' pensions liability) and the cessation of the BCI and HIH Royal Commissions in 2002-03.

Events occurring after the balance date

From 1 July 2004, the Department has taken over responsibility for the Law and Justice Program previously managed by the Aboriginal and Torres Strait Islander Services (ATSIS). The transfer of functions will involve a transfer of assets and liabilities.

Figure 6: Administered expenses, 2002–03 and 2003–04



Competitive tendering and contracting

Competitive tendering and contracting is the contracting out of the delivery of government activities, previously performed by a Commonwealth agency, to another organisation. It may be undertaken for the provision of either goods or services.

During the reporting period, the Department did not undertake any competitive tendering and contracting activity.

Consultancy services

For annual report purposes, a consultant is an entity, whether an individual, a partnership or a corporation, engaged to provide professional

independent and expert advice or services. The key characteristics of a consultancy are that the services involve the development of an intellectual output that assists with the Department's decision-making, and that the output reflects the independent views of the service provider.

The Department of Finance and Administration's *Guidance on identifying consultancies for annual reporting purposes*, issued late in the reporting year, has expanded the definition and coverage of consultancies. Where possible, the consultancies information in this year's annual report follows the new guidelines. The Department is reviewing its information and reporting systems to ensure that all necessary information can be readily collected for the production of next year's annual report.

During 2003-04, the number of consultancy services contracts let by the Department was 26 and the total expenditure on consultancy services during the year was \$2,747,579. This expenditure relates to continuing consultancies as well as new consultancy contracts let during the year.

Further information about consultancy services appears at Appendix 4. It includes a summary of the Department's policy on the selection and engagement of consultants, and details of consultancy contracts let to the value of \$10,000 or more.

Advertising and market research

The Department is required to disclose expenditure, in addition to consultancies, made to specific types of organisations under section 311A of the *Commonwealth Electoral Act 1918*. The categories of organisation are advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. Details of payments are provided at Appendix 5.

Discretionary grants

Discretionary grants are payments where the portfolio Minister or paying agency has discretion in determining whether a particular applicant receives funding. They may or may not impose conditions in return for the grant.

The Department has only one such program, Grants to Australian Organisations. Details of grant recipients during 2003-04 appear at page 26.

Purchasing

The Department undertakes a variety of purchasing activities that range in complexity and value. All staff must adhere to the Commonwealth Procurement Guidelines and Best Practice Guidance, reflected in the Department's Chief Executive's Instructions, when they undertake purchasing activities. Staff involved in procurement activities have access to

a Department intranet site specifically developed to help them with their procurement responsibilities and to give them easy reference to purchasing documentation and links to other information.

Stores and stationery items are purchased centrally. This enables the Department to reduce costs through bulk purchasing. Cost benefits and efficiency gains continue to be realised as a result of Department-wide contracts for the provision of travel services, building maintenance and the collection of recyclable waste material.

Assets management

The Department's major assets are office fitout, purchased and internally developed software, human resource and financial management information systems and centrally held library materials. Asset stocktakes were conducted during the year to maintain the accuracy of asset records. Property, plant and equipment assets were revalued at fair value as at 30 June 2004.

Human resource management

Staff profile

The Department employed 791.9 staff (full-time equivalent basis) at 30 June 2004, up by 11.1 per cent on 30 June 2003 staffing numbers (712.6). Tables showing a detailed breakdown of these numbers by location, broad-banded classification and gender are presented at Appendix 6. The tables also show staffing details at 30 June 2003 for comparison.

Emergency Management Australia representation at Mount Macedon in Victoria accounts for all staffing figures for the Department in that State.

The Department also employed 38 casual staff as at 30 June 2004. Of these, 35 were employed in the area responsible for the National Security Hotline.

Workforce planning

During 2003, the Department implemented a Workforce Planning Pilot Cycle for four Divisions—Civil Justice, Family Law and Legal Assistance, Emergency Management Australia and Criminal Justice. This involved:

- extraction of data from the Department's human resource information system
- analysis of the data to better understand the human resources information
- a series of focus group discussions with a cross-section of employees in each pilot Division
- drafting of strategies and key performance indicators for the pilot Divisions to consider when planning their workforce in the future, and
- presenting the findings to the Divisions.

Recurring themes that emerged will help the Department determine priority areas for policies and practices relating to human resource management.

The Executive Committee endorsed the Workforce Planning pilot recommendations for full implementation. Key recommendations were:

- corporate promotion of the exit survey process and implementation of an online exit survey
- encouragement of greater use of flexible working arrangements that support the retention of mature-aged employees and the capacity of managers to use them effectively
- monitoring of age and profile across the Department
- ongoing commitment to presenting employment opportunities to young people through graduate intakes, and
- the introduction of a simplified performance management scheme, the Program for Performance Improvement (PPI).



▲ Twenty new graduates, the 2004 intake for the graduate program

The process is now being undertaken for the Legal Services and Native Title Division, Office of International Law, Office of Legislative Drafting, Information and Security Law Division, and the Protective Security Coordination Centre. Phases 2 (Data Collection) and 3 (Gap Analysis) have been completed.

Staff retention and turnover

The Department has made a commitment in the AGD Agreement 2004 to conduct an early examination of the factors affecting our rate of separation. As well, a commitment that we will use our best endeavours to achieve a separation rate no more than the Australian Public Service average, unless operational reasons justify a different rate, has been included in the Agreement.

The Department measures its turnover primarily as employee-initiated separation, consistent with Australian National Audit Office methodology. Employee-initiated separation occurs when an employee leaves the Department of their own accord during the reporting period. This includes resignation from the Australian Public Service (APS), moving to another APS agency, retirement and voluntary early cessation of a non-ongoing contract. The employee-initiated separation in the Department for 2003–04 was 12.74 per cent. This is calculated as follows:

$$\frac{\text{Number of employee-initiated separations in 2003-04}}{\text{Headcount at 30 June 2004}} \times 100$$

It should be noted that this includes permanent moves to another APS agency under section 26 of the *Public Service Act 1999*. If these mobility 'transfers' are not included, then the Department's employee-initiated separation figure for 2003-04 was 8.25 per cent.

For the whole Department, approximately one-third of all separations are a result of mobility within the APS. The Department supports the concept of the APS as a 'career service'.

Staff recognition

The Department has a rewards and recognition program that acknowledges and celebrates the outstanding efforts and contributions of employees. This program includes a policy on non-salary reward and recognition.

The annual Secretary's Award recognises individuals or teams who have demonstrated excellence in achieving outcomes above and beyond general expectations. Deputy Secretaries and General Managers may also present each year an award for excellence within their group. The Secretary also presents annual academic achievement awards to employees who excel in an approved course of study.

The non-salary reward and recognition program gives formal recognition to achievement and acknowledges the importance of giving informal feedback on performance. Recognition awards can also be given throughout the year for achievement, innovation, outstanding service or leadership, or consistently high performance.

In addition, the Department will from time to time nominate employees for awards in the Australian system of honours and awards, such as the Order of Australia or Public Service Medal.

The recipients of awards during 2003-04 are listed at Appendix 7.

Workplace diversity

The Department launched its workplace diversity program for 2004-06 on 12 March 2004. The new program builds on the Department's existing commitment to embed the APS Values into its business by aligning its workplace diversity aims and strategies with the APS Values framework. In doing so, the Department has a consistent framework against which to model behaviour, ensure clear guidance for all employees, and measure success.



◀ *Celebrating the Human Resources Workplace Diversity Program 2004-06 Launch*

The *AGD Workplace Diversity Program 2004-2006* has a range of strategies aimed at promoting diversity. These are grouped according to the clustering of the APS Values into the key relationships and behaviours they affect. They are:

- relationship between the APS and the Government and the Parliament
- relationships with the public
- personal behaviour, and
- workplace relationships.

The APS Values include three key themes of commitment, assurance and management. These themes underpin the strategies of the *AGD Workplace Diversity Program 2004-2006*. The program is available to the public through the Department's web site.

Occupational health and safety

The Department promotes and seeks to maintain a high standard of health, safety and wellbeing through:

- preventing work-related injury and illness and the effective rehabilitation of ill and injured employees
- providing access to information, training and professional support and advice on occupational health and safety issues, and
- providing advice to managers and staff on their responsibilities for promoting a safe and healthy work environment that is free of hazards.

This year the Department's health and wellbeing program offered a variety of activities ranging from posture and flexibility classes to yoga, seated massages and belly dancing. The Department entered teams in the Corporate Triathlon and promoted Walk to Work day and loaned pedometers to staff.

Departmental health assessments were held in Canberra and Mt Macedon. More than 54 per cent of employees (over 400 staff) chose to have an assessment. These assessments found a number of employees had potential serious health problems. Early detection of these problems allowed them to be treated in a timely manner.

The Department's occupational health and safety performance, in particular details required under the *Occupational Health and Safety (Commonwealth Employment) Act 1991*, can be found in Appendix 8.

Certified Agreement and Australian Workplace Agreements

Senior Executive Service employees

All Senior Executive Service (SES) employees of the Department have their remuneration and other conditions of employment established by Australian Workplace Agreements made under the *Workplace Relations Act 1996*. All AWAs are developed within the framework of, and are consistent with, the Department's SES

Remuneration Policy. This policy contains a set of principles on which remuneration is based, including accountability, flexibility, equity, reward for excellence and encouragement of individual growth.

For each SES classification there is a salary band. Progress through the salary band and performance pay are linked to performance appraisal outcomes under the Department's Program for Performance Improvement.

Elements of the SES remuneration package are outlined in the Department's SES Remuneration Policy. In addition to salary and possible performance pay, they include:

- superannuation coverage under the *Superannuation Act 1990* or the *Superannuation Act 1976*
- access to a Commonwealth leased privately plated vehicle, or an allowance in lieu of a vehicle, in accordance with the Attorney-General's Department Executive Vehicle Scheme Guidelines
- free vehicle parking space at the workplace, and
- access to flexible remuneration packaging on a salary-sacrifice basis.

Non-SES employees

The Department's Certified Agreement 2002 expired on 30 June 2004. Negotiations were in progress for a replacement certified agreement at the end of the reporting period. The Department's Certified Agreement 2004 was subsequently certified on 12 August 2004.

The new agreement covers all non-SES employees of the Department, except for employees on Australian Workplace Agreements that operate to the exclusion of the proposed Agreement.

Key initiatives of the new agreement include:

- a 4 per cent salary increase from date of certification, followed by additional 4 per cent salary increases from 1 August 2005 and 1 August 2006. For APS 1 to 6 and equivalent classified employees, an additional 0.5 per cent salary increase is also offered on certification
- a commitment to survey workloads periodically
- use by all staff of the Department's Personal Diary to enable the collection of improved data on working hours in AGD
- adoption of, and commitment to, agreed principles for working smarter, with concrete proposals for action
- formalisation of arrangements for time off in lieu to provide some limited compensation for unpaid additional hours worked by employees who do not have access to flextime
- a commitment to an early examination of employee retention issues, including consultation with the Workplace Relations Committee on the methodology by December 2004, best endeavours to achieve separation rates in line with the APS average, and a review of departmental recruitment practices, dealing with any identified issues
- broadening of the departmental health and wellbeing program in terms of the range of activities available to employees supported by the Department and providing assistance for employee participation in external health and wellbeing activities
- discretion to reimburse any dependant care costs incurred if an employee is directed to perform extra duty with less than 24 hours' notice
- introduction of a health and safety representative allowance
- a two-week qualifying period for payment of higher duties allowance applicable to all employees
- varied options for the spread of maternity leave salary payments
- introduction of an expectation that employees use a specified amount of annual leave each year, and
- some refinements of sick leave arrangements in terms of maximum period of continuous absence on paid sick leave.

Information on certified agreement and AWAs

At 30 June 2004, the certified agreement covered 790 employees. A small number (42, mainly casual call centre staff) of non-SES employees are covered by AWAs. The 50 Senior Executive Service employees are covered by AWAs. The salary ranges for employees under a certified agreement and AWA are shown in the Table 1 on page 129.

Non-salary benefits provided by the Department to employees

In addition to remuneration package elements described previously, SES staff have access to accompanied overseas travel, subject to eligibility guidelines.

Non-SES employees have membership of a comprehensive superannuation scheme as part of their remuneration entitlements and access to salary packaging.

Performance pay

Details of performance payments for the performance cycle that ended on 30 June 2004 are shown in Table 2 on page 129.

The aggregate bonus payment for the Department as a whole was \$415,540.

Table 1: Salary ranges under Certified Agreement and Australian Workplace Agreement

Classification	Salary rates at 30 June 2004
SES Band 3	\$155,492 – 165,935
SES Band 2	\$124,207 – 132,551
SES Band 1	\$101,066 – 107,473
Executive Level 2	\$75,968 – 91,282
Principal Legal Officer	\$75,968 – 91,282
Executive Level 1	\$65,867 – 80,144
Senior Legal Officer	\$65,867 – 80,144
APS Level 6	\$51,380 – 59,022
APS Level 5	\$47,572 – 50,444
APS Level 4	\$42,651 – 46,309
Legal Officer	\$38,268 – 59,022
APS Level 3	\$38,268 – 41,302
Graduate APS	\$33,598 – 37,257
APS Level 1 – 2	\$29,688 – 37,257
Cadet APS (practical training)	\$29,688 – 32,811
Cadet APS (full-time study)	\$16,196

Table 2: Performance payments

Attorney-General's Department	Classification level	
	Non-SES & SES Band 1 ¹	SES Band 2/3 ¹
Number of employees receiving payment	28	11
Aggregated amount of payments	\$258,781	\$156,759
Average bonus payment	\$9242	\$14,251
Range of payments	\$3359 – 12,401	\$9554 – 19,146

Note. 1. Classifications are grouped together to ensure payments to individuals cannot be identified.

Training and development

Key training and development strategies and outcomes

The learning and development opportunities available to staff are grouped in six clusters that individually and collectively reflect the key capabilities required at all levels:

- management and leadership
- client relationships
- policy, writing and language skill
- financial management
- organisational development, and
- personal development.

Programs within each cluster have been identified as most beneficial for broad groups within the organisation—the SES, Middle Management (EL1/EL2, SLO/PLO), APS 1–6/LO and the Graduate cohort. This arrangement allows staff to see the key skills required at various levels and plan to gain them. It reinforces the message that learning is ongoing and that there are key skills and behaviours required not only at distinct levels within the organisation, but across all levels.

The programs offered in each cluster were based on formal evaluation of past programs, training needs analysis, informal feedback from staff at all levels, discussions held during certified agreement consultations, outcomes from workforce planning processes and reference to the last staff survey. Based on this data the key themes for 2003–04 were management and leadership skills. Programs were developed and conducted for all levels of employees within the Department. They will continue to run through the next two years. Programs also continued against the other key clusters.

The Management and Leadership framework enables learning and development to be linked to an employee's development plan in the PPI process.

Information technology (IT) training

IT training has been fundamental to the Department's strategy to maximise the use and benefits of technology. There were 3096 attendances at the Department's IT training centre. Training was conducted in desktop applications, IT security awareness, IT for new starters, electronic document and records management and web authoring.

Feedback from participants and their management confirmed that the courses have contributed significantly towards the efficient use of IT facilities.

Information and knowledge management

The Department's information technology (IT) and knowledge management services are delivered through a formal framework comprising an information and communications technology (ICT) strategic plan, an IT project office and IT governance arrangements.

In line with the Government's priorities for counter-terrorism, the Department provides secure communications between various Commonwealth and State entities through ASNET (Australian Secure Network). ASNET equipment was upgraded following funding provided in the 2003–04 Budget. The new facilities were successfully tested during the *Mercury 04* multi-jurisdictional exercise hosted by the PSCC.

A strong focus this year has been on:

- maintaining and developing various legal support systems
- implementing the electronic document management system (EDMS), and
- training staff in the effective use of technology.

Strategic framework

The Department has developed a business strategy that provides a framework for its current and future IT activities. The Knowledge and Information Framework will help both internal and external stakeholders understand the Department's knowledge management strategies, policies and initiatives that will change as business demands change. The Framework covers knowledge management, information management, web services, e-publishing, flexible learning and intellectual property management.

IT governance

The elements of the IT governance framework developed in 2002–03 have been incorporated into work practices throughout the Group. Independent audits before and after this change, using the internationally recognised CobiT standard, demonstrated significant increases in the maturity of IT processes.

IT infrastructure

The Department's Wide Area Network (WAN) comprises links between seven Canberra locations, the Emergency Management Australia facility in Mount Macedon, Victoria and offices in Sydney and Perth.

Staff from the former Aboriginal and Torres Strait Islander Services have been given secure access to the WAN.

The Department certified and deployed a high-speed secure connection to its network. This provides effective and efficient communication services to travelling employees and for home-based work. In consultation with the Defence Signals Directorate, the Department has accredited this facility to formal PROTECTED standard as defined in the Commonwealth Protective Security Manual.

In line with the Department's rolling replacement strategy, 70 portable computers were

replaced during the year. The lease for 370 desktop computers was extended as a budgetary measure, providing a one-off saving of \$125,000. The lease extension also aligns the acquisition of new equipment with new product releases. This will maximise life expectancy and support for the computer fleet into the future. An upgrade of older desktops was undertaken to improve their effectiveness and to meet user needs.

IT sourcing

The Department continued with its use of a selective sourcing model for IT services and equipment. A new Enterprise Agreement for Microsoft software licensing was signed with Data3# following a market test exercise. The new contract reduced licensing costs by some \$100,000. Existing contracts include: applications development and maintenance (KAZ Technology Group), telephone switchboard (Telstra), information and technology training (deakin KM), and data and communications (Northshore Communications). For security reasons the local area network continues to be maintained in-house. While all providers were selected on a 'value for money basis', an Australian supplier was the successful tenderer in each case.

Knowledge management

During 2002–03, the Department conducted a pilot of the Electronic Document Management System (EDMS). A Ministerial Support System (MSS) compatible with EDMS was also implemented during the year. The pilot was completed and both products were subsequently rolled out as a standard tool within the Department. These projects introduced new technology support for managing the Department's electronic and paper files and enhanced workflow, collaboration and accountability within the Department.

The Department has collaborated with National Archives Australia to improve record

keeping and information management practices, including the Design and Implementation of new Record Keeping Systems (DIRKS). The DIRKS methodology is compliant with, and expands on, the *Australian Standard for Records Management AS ISO 15489-2002*. As part of this program the Department has undertaken a comprehensive project to review file holdings and clear sentencing backlogs. (Sentencing determines how long records are kept and includes disposal of redundant material.) The sentencing backlog has been reduced by 36,690 files.

During the year the Library implemented a new library management system, AGLib. This product uses Internet and intranet technology to provide users with access to the Library catalogue from their desktops. The Library has also provided desktop access to a number of online legal resources.

Law and justice portal

The Law and Justice Portal is being developed as part of the Government Online initiative. The Department, as a lead agency, held the first consortium meeting of Attorney-General's portfolio agencies interested in developing the portal. Work is being undertaken to redevelop the existing web site <<http://www.law.gov.au>> to reflect the consortium's needs. It is intended that the existing Family Law Online web site will be incorporated into the Law and Justice Portal. Both sites have been upgraded to provide greater functionality and improve usability and accessibility.

Information management capability

A program to improve the Department's information management capability has been implemented. The major benefits of this project are:

- more efficient management of all electronic information created within the Department

- more comprehensive information search and retrieval
- more integrated support for collaboration and knowledge management
- better document version control and security, and
- more efficient compliance with Commonwealth record keeping obligations.

A number of application systems were developed to help staff in their day-to-day work. They include:

- online library services that allow users to access the Library catalogue and other legal research resources from their desktop
- the financial assistance scheme, data and workflow of grants system (DAWGS), which is a grants management application
- secure broadband virtual private network (VPN), which improves the efficiency of remote users to access the secure network
- security vetting system (SecVet) which has improved management and reporting functions of security vetting carried out by the Department, and
- VETtrak software for training management.

Other key outcomes

- The ASNET Communications Infrastructure Upgrade (ACIU) is in the final stages of implementation. The upgrade is improving communications between jurisdictions on counter-terrorism matters.
- Consolidation of servers from nearly 100 to 50 has reduced future costs and provided a more reliable network.
- The Department continued to extend assistive technology for staff with disabilities. The most significant project was customising the Department's Employee Self Service

software to allow access by visually impaired users and users of voice recognition software.

- The Department provided technology support for the multijurisdictional counter-terrorism exercise *Mercury '04*. Support included secure communications and exercise management facilities.
- The Handguns Buyback web site was launched as part of the National Media Campaign in July 2003. The site was developed in conjunction with the Firearms Unit and CrimTrac.
- The Marriage Celebrants system (MARCEL) was built to comply with the new Marriage Celebrants Act. This database delivered improved tracking of applications, improved data validation and integrity, tracking of recognised denominations and better useability.
- The Department implemented EMA Track, which allows emergency services and the public to view EMA's database of disaster history.

Social equity impacts

Social justice

In pursuing its mission of achieving a just and secure society, the Attorney-General's Department works to an extensive social justice agenda. The implementation of this agenda involves most areas of the Department. It is founded on the principles of access and equity and the rights of all citizens to live in a just and secure society. It accords with the *Charter of Public Service in a Culturally Diverse Society*.

A primary responsibility of the Department is the maintenance and development of a federal system of justice that serves individuals, families, business and the community. While the Report on Performance segment of this annual report

documents numerous initiatives that progress particular social justice objectives, the functions of many elements of the Department are closely aligned to promoting social justice generally.

- The Family Relationships Services Program contributes to the development of safe, supportive, nurturing **family relationships**. It helps minimise the emotional and social costs associated with family separation. In 2003–04, the Department funded 68 community organisations to provide family law-related dispute resolution and child contact services. These services support families through family and child counselling, mediation and conciliation, supervised changeover and contact visits, primary dispute resolution services in 35 rural and regional locations, and a contact orders program. The Department also funded projects to improve dispute management skills amongst professionals, to increase liaison between the legal and community sectors, and to promote referrals to primary dispute resolution services.
- **Family Law Online**, which is part of the Government's Australian Law Online initiative, provides access to information on family law and family law support services, including dispute resolution services. The **Family Law Hotline** complements Family Law Online by providing a free national telephone service to answer questions about the family law system and to provide referral to appropriate services. Also, as part of Australian Law Online, free general legal information and advice is available through the **Regional Law Hotline** to people living in regional areas of Australia.
- In the 2003–04 Budget, the Government provided an additional \$4.4 million over four years to the Federal Magistrates Court to fund

the appointment of two **new federal magistrates**. A further two federal magistrates were appointed to replace former Family Court judges (taking the total number of federal magistrates from 19 to 23). The Federal Magistrates Court deals with a range of less complex federal civil matters. The Court's jurisdiction includes family law, administrative law, bankruptcy, human rights, certain consumer protection matters under the *Trade Practices Act 1974*, privacy law, civil matters under the *Copyright Act 1968* and migration matters. The appointment of additional magistrates will improve access to justice for ordinary Australians, particularly people involved in family disputes.

- On 6 May 2004 the Attorney-General announced that there will be a further expansion of the Federal Magistrates Court during 2004-05. The Australian Government is to provide \$34.2 million over four years from 2004-05 for the appointment of a further eight magistrates, bringing the total number of magistrates to 31. This injection of funding will be a key part of the Government's comprehensive package of **migration litigation reforms** to improve the overall efficiency of migration litigation.
- *The Age Discrimination Act 2004* implements the Government's 2001 election commitment to develop **age discrimination legislation**. It is part of the Government's wider strategy to deal with issues arising from Australia's changing demographics. The Act came into effect on 23 June 2004. The Act prohibits age discrimination in many areas of public life including employment; access to goods, services and facilities; access to premises; administration of Commonwealth laws and programs; education; accommodation; transfer of land and requests for information. There are some exemptions under the Act, including superannuation, insurance and pensions.
- The Commonwealth **Community Legal Services Program** aims to help disadvantaged members of the community who are unable to afford a private lawyer or who have special needs. In 2003-04, a total of \$20.9 million was allocated to 127 community legal centres across Australia. These community legal centres provide a range of legal assistance, such as information and legal advice, casework and legal representation, community legal education (through activities such as workshops and publications), and appropriate referrals to other services. In addition, to help those groups in the community with special needs, a number of community legal centres are funded specifically to provide services in relation to the *Disability Discrimination Act 1992*, welfare rights, child support, environmental law, women, indigenous women, children and youth.
- The Department provides access to legal assistance for Commonwealth family, criminal and civil law matters through the Commonwealth's **legal aid program**. This assistance is provided by the legal aid commissions in each State and Territory under agreements with the Commonwealth. In 2003-04 the Department provided \$126.5 million in direct funding to legal aid commissions to provide assistance in matters arising under Commonwealth law. A further \$1.5 million was provided to legal aid commissions to fund expensive criminal cases arising under Commonwealth law.
- Legal aid commissions were paid an additional \$1 million under the Government's 'Keeping People out of Court' initiative to assist in providing primary dispute resolution services in appropriate cases. Funding was also provided to the Federal Magistrates Courts to help purchase **primary dispute resolution** services from community organisations. These interventions enable more people to resolve family law disputes as an alternative to litigation.

- The Department has continued its work to develop and amend various Standards under the *Disability Discrimination Act 1992*. The Standards have social justice and equity impacts for **people with disabilities** by promoting improved access to public premises, public transport, and education, without placing undue burdens on industry and providers.
- Representatives of the Department are actively involved in negotiations to develop a United Nations Convention on the Rights of Persons with Disabilities, which is aimed at improving social justice and equity for people with disabilities throughout the world.
- In 2003 the Attorney-General's Department prepared, in consultation with the courts, legal profession, legal service providers, and other stakeholders, the *Federal Civil Justice System Strategy Paper*. The paper proposes that the objective of the federal civil justice system should be to provide a just and accessible means of resolving disputes in an efficient and effective manner. The paper will help the Government in longer-term planning and policy development for the federal civil justice system. The paper also makes some recommendations for specific changes directed at improving the existing system in the short term. On 9 March 2004, the Attorney-General released the paper for public comment. Submissions were received from a broad range of stakeholders. The Government is giving careful consideration to these submissions.
- By improving the standard of legislative instruments, making available printed copies of Commonwealth legislation and providing free public access to the legislation on the Internet, the Department will continue to facilitate **access to the justice system** and contribute to the further achievement of social justice.

Commonwealth Disability Strategy

The Australian Government is committed to providing a society in which people with a disability can participate fully as valued and equal citizens in the community. In 1994 the Commonwealth Disability Strategy was introduced to provide a planning framework to help Commonwealth organisations meet their obligations under the *Disability Discrimination Act 1992*.

The Strategy recognises that the Commonwealth programs, services and facilities have an impact on the lives of people with disabilities, and is ultimately about enabling full participation of people with disabilities.

Under the Strategy, agencies are obliged to remove barriers that prevent people with disabilities from having access to these policies, programs and services. This means ensuring that people with disabilities have the same access to buildings, services, information, employment, education, sport and recreational activities as everyone else in the community.

The reporting framework for the Strategy comprises five key roles of government, that is, policy adviser, regulator, purchaser, provider and employer. The Attorney-General's Department reports on its role as a policy adviser and employer, and that report appears at Appendix 9.

Ecologically sustainable development and environmental performance

The Attorney-General's Department is required to report on a number of matters under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*. These matters relate to how the activities of the Department

accord with the principles of ecologically sustainable development (ESD), how the Department's outcomes contribute to ESD, and the effect of the Department's activities on the environment.

The Department's principal function is to provide policy advice to Government. Its activities are consistent with the first of the ESD principles—that 'decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations'. Its activities have less direct relevance to the remaining principles. (For more information on ESD see the Department of Environment and Heritage web site <<http://www.ea.gov.au/esd>>).

The impact of the Department's activities, in terms of the effect on the environment, is confined to ensuring the efficient use of natural resources and effective waste management. The Department works to introduce initiatives that will complement existing strategies.

A range of practical strategies are in place to address environmental management issues. They include educating staff in ways to reduce energy consumption, recycling paper and toner cartridges, turning equipment off after hours, down-rating florescent tubes, and buying energy-efficient equipment.

The Department's new electronic document management system is minimising the need to print and retain paper copies of most documents. As a result, the Department is using less paper, toner and similar consumables.

In accordance with the Government's Energy Policy, action has been taken to develop an Environmental Management System (EMS) to identify ways of improving environmental performance by setting environmental targets and taking a systematic approach to tackling these issues. Due to the large number of refurbishment works in the Department's main building, the EMS has not been implemented. However, the majority of works are scheduled to be completed in November 2004. Some environmental initiatives recommended in the EMS will then be piloted.

The broad-term key objectives of base building refurbishment works were to upgrade and modify elements of the existing base building mechanical services to provide more consistent air conditioning performance and improve operational efficiencies in terms of energy consumption. When negotiating leases, consideration is given to leasing energy efficient buildings. When renewing leases, building owners are canvassed about improving the efficiency of buildings occupied by the Department.