



Australian Government
**Australian Public Service
Commission**

*Australian Public Service
Commissioner*
annual report

2007-08

Incorporating the Annual Report of the Merit Protection Commissioner





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Australian Government
Australian Public Service Commission

AUSTRALIAN PUBLIC SERVICE COMMISSIONER
LYNELLE BRIGGS

The Honourable Kevin Rudd MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

Commensurate with section 44 of the *Public Service Act 1999*, I am pleased to present my annual report for the financial year ending 30 June 2008. Included within the Australian Public Service Commissioner's report is the report of the Merit Protection Commissioner in accordance with the provisions of section 51 of the *Public Service Act 1999*.

The *Requirements for Annual Reports*, approved by the Joint Committee of Public Accounts and Audit, require that a copy of these reports be laid before each House of Parliament on or before 31 October in the year in which the report is given.

I would like to express my appreciation for the support, dedication and hard work of all the staff of the Commission during 2007–08. I would also like to thank all our clients and stakeholders across the APS for supporting the Commission in its role and for providing valuable feedback on our services, advice and programmes.

Yours sincerely

A handwritten signature in black ink that reads "Lynelle Briggs".

Lynelle Briggs
October 2008

GUIDE TO THE REPORT

The *Australian Public Service Commissioner's Annual Report 2007–08* is provided in accordance with the provisions of section 44 of the *Public Service Act 1999* (the Act). The report has been developed with the aim of transparent reporting under the Commission's outcome output structure.

PART ONE: OVERVIEW

The report Overview includes the Public Service Commissioner's Review and an overview of the Commission's role, responsibilities, outcomes, outputs and organisational structure. The Commissioner's Review is an executive summary of the principal developments affecting the work of the Commission including highlights of some of the significant achievements throughout 2007–08.

PART TWO: PERFORMANCE REVIEW

The Performance Review provides a more detailed discussion of the Commission's performance against each output. The price and performance information in part two covers the Commission as a whole. To ensure comprehensive reporting against the output structure the performance review pricing includes the work of the Merit Protection Commissioner.

PART THREE: MANAGEMENT AND ACCOUNTABILITY

The Management and Accountability component of the annual report provides an overview of the Commission's approach to corporate governance and the management of resources within the agency.

PART FOUR: ANNUAL REPORT OF THE MERIT PROTECTION COMMISSIONER

In accordance with the provisions of section 51 of the *Public Service Act 1999*, part four of the annual report contains the Merit Protection Commissioner's report on her statutory role and responsibilities.

APPENDICES

The appendices to the annual report provide detailed information tables on staffing and other matters relevant to the Commission's business, including Financial Statements at Appendix B and a statement as required under subsection 8(1) of the *Freedom of Information Act 1982* at Appendix E.

Any enquiries about the annual report or additional information about the Commission should be directed to:

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Part one
Overview

PUBLIC SERVICE COMMISSIONER'S REVIEW



Lynelle Briggs
Australian Public Service
Commissioner

The mission of the Australian Public Service Commission (the Commission) is to support a high-performing Australian Public Service (APS). This year, my fourth year as Commissioner, has seen us deliver initiatives aimed at helping the APS transition to the new government, while continuing to improve its management, performance and sustainability.

The APS has continued to deliver high quality services in the face of skill shortages, a tight labour market and economic restraint. More is being demanded of our employees, and they need to be highly skilled, and creative and strategic in their approaches to work.

The Australian public rightly expects high levels of accountability and performance from the APS. It is more evident than ever that strong leadership is critical to our success. Leaders who inspire vision and direction, motivate and guide staff, and build healthy organisations, relationships and culture are essential.

Election years present exciting opportunities. The change of government following the federal election in November was the first many employees in the APS had experienced. The ability to adapt to change and respond quickly to new political priorities and policies, while maintaining knowledge and experience, is a critical characteristic of the APS and Australia's system of government. The Commission has a key role to play in this regard.

In a speech to our Senior Executive Service (SES) in April, the Prime Minister outlined the Government's vision for the APS, reinforcing the need to strengthen our strategic and policy skills, and enhance the integrity and accountability of government.

The Commission has implemented a range of measures to assist agencies to address these issues, and to respond to the directions of government. Others are in development for start up in 2008–09 and beyond.

This year our corporate priorities were to:

- stimulate debate about future directions for the public sector
- modernise APS employment
- improve the capability and performance of the APS
- improve the way we do business in the Commission.

OUR ACHIEVEMENTS

As well as helping the APS to respond to the Government's new policy directions, the Commission played a role in helping to prepare the APS to continue to deliver services efficiently and effectively in the lead up to the election.

In the months before the election, the Commission co-hosted—with the Department of the Prime Minister and Cabinet and the then Department of Finance and Administration—a series of caretaker convention seminars for APS employees in Canberra. Similar seminars led by the Commission were also held in most State capital cities. The seminars provided guidance on employees' responsibilities under the conventions and the APS Values and Code of Conduct for the handling of business during the caretaker period, and they also provided an opportunity to identify potential challenges and share views on how best to deal with them.

The Government's focus on restoring the Westminster tradition has involved the Commission taking on an enhanced role in providing guidance and advice across the public sector on the APS Values and the Code of Conduct. The Commission's strategies to achieve this involve:

- a review of our publications, guidelines and other training materials on the APS Values and Code of Conduct
- integrating ethics into all Commission learning and development and encouraging agencies to include ethics segments in their internal courses
- a focus on initiatives to improve ethical decision making.

Immediately after the election the Commission helped agencies to manage the machinery of government changes needed to

give effect to the new APS organisational structure. It then played an integral role in meeting the Government's commitment to introduce more transparent and merit-based selection processes for senior APS positions involving the Commission. The new guide *Merit and transparency: merit-based selection of APS agency heads and statutory office holders* was released to assist agencies to understand the new policy and how it works in practice. By June 2008, the new arrangements were fully operational for statutory office holders and agency heads.

Central to our role in building and sustaining leadership capability and a cohesive APS is our support for the SES.

The new *Leader to leader* series provided a stage for strategic discussions among SES officers aimed at sharing information and stimulating debate about APS-wide challenges and future public sector reforms. Specialist programmes were also offered to assist senior executives develop their knowledge and skills across key areas, including programme management, financial management and regulation. These programmes are of significant assistance as SES officers take on new roles and responsibilities.

As successful as these programmes are, we have not yet been successful in attracting all new SES officers to these courses. It is more important than ever that new leaders, whether they be new to the SES or the APS or both, have the basic building blocks and a consistent understanding from which to operate, and we need to do more to get that message across.

In addition to SES development, the Commission is focusing on meeting the particular needs of the Executive Level group which, as the feeder group to the SES, will provide a basis for renewal of the SES over

time. It is also important to ensure new APS employees have the necessary skills and knowledge to work effectively in the APS environment. The *Executive leadership dimensions* programme and the induction e-learning modules on our website are two initiatives aimed at addressing those needs.

Outside of Canberra, our offices have continued to look at ways to engage and support our regional clients. Of note this year was a new series, *Linking leaders*, aimed at providing an opportunity for regional SES to network and engage in strategic discussions about APS-wide challenges and future public sector reform.

Delivery of our training and development programmes has entered an exciting new phase following our accreditation as a registered training organisation (RTO) in May. We started operations as an RTO on 1 July 2008, initially offering recognition services for the Certificate IV in Government and the Diploma of Government from the *Public Sector Training Package*. In the longer term, we will offer nationally recognised training and expand the range of qualifications to meet the needs of the APS.

Fostering Aboriginal and Torres Strait Islander employment in both mainstream and Indigenous-specific areas in the APS remained a top priority for the Commission. Establishing a mentoring programme for Indigenous Coordination Centre managers and holding a National Indigenous Employees Conference to identify areas for future actions were two initiatives aimed at continuing the growth of Indigenous employees that occurred over 2006–07.

An evaluation of the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees*, which was implemented in 2005, showed we had made

significant and measurable progress toward meeting the strategy objectives. A continuation of the strategy until 30 June 2009, with a further \$2.6 million announced by the Government in the Budget, will enable those achievements to be further consolidated and built upon.

We now need to bring the same sorts of results we have achieved for Indigenous employment to the employment of people with a disability. This continues to be an area in which the APS struggles, and one where the Commission needs to provide more focused support to agencies.

The recruitment and retention of people with the skills needed for the future remains a challenge. The APS must be much more sophisticated in its recruitment strategies and processes, so it can compete for these skills and ensure recruitment processes are not a hindrance to effective recruitment.

A number of steps were taken to bring recruitment practices across the APS up to date. The *APSjobs* website, which replaced the paper *Public Service Gazette*, provides a modern online image for the APS. It offers a range of interactive alerts and information for job seekers, and currently receives about 3 million hits a month which is a significant increase on the old online Gazette. New publications aimed at streamlining recruitment were launched, supported by interactive workshops held around the country. A streamlined recruitment project being piloted for 17 APS agencies, which is aimed at tackling the shortage of key finance and accounting skills, is underway.

In March, the Minister announced the establishment of the Career Transition and Support Centre. The centre is aimed at minimising the personal impact of the Government's efficiency measures and ensuring the retention of experienced public

servants and those with specialist skills. The centre opened in May and has worked actively with agencies to provide best practice advice on redeployment, including on the application of the redeployment principles, and to provide case management services to centre clients.

We have continued our ongoing partnership with AusAID to deliver programmes which support public sector reform in the Asia–Pacific region. Activities have included:

- facilitating a Pacific Human Resource Managers Conference with the Commonwealth Secretariat. Participants workshopped human resource issues affecting the region and identified areas where information could be shared among Pacific countries to assist in addressing these issues.
- contributing to increasing capacity and strategic capability in middle to senior Pacific Island public sector managers by brokering work placements in Australia.

We continued our focus on evaluating APS performance and stimulating discussion on APS reform through the publication of our tenth consecutive State of the Service Report. The report identified five key challenges for the APS: agency health and culture, new ways of doing business, modernising APS employment, interactions with Government, and leadership.

To assist agencies to improve organisational performance, the Commission launched a series of publications in a new *Contemporary Government Challenges* series. The first four publications focused on improving governance, stimulating debate about tackling seemingly intractable policy problems, exploring how democratic governments can influence citizen's behaviour and identifying ways to assist

agencies monitor and improve their corporate health. The challenge now is to ensure they become useful tools, rather than simply books on the shelf.

Finally, the Commission continued to provide research and secretariat services to the Management Advisory Committee (MAC) which focused its efforts on preparing the eighth MAC report, *Note for file: a report on recordkeeping in the Australian Public Service* (2007) and oversighting a project on citizen-centred service delivery.

GOVERNANCE AND CULTURE

Managing our budget continues to require care and diligence, and we finished the financial year on target. The implementation in the May Budget of an extra 2% efficiency dividend places additional pressure on the Commission. As a substantial component of the Commission's budget is income from development programmes and employment services, on a cost recovery or fee-for-service basis, any reduction in agencies using those services in order to meet their own budgetary restraints will be a further impost on our budget.

Information technology support continues to be costly for the Commission. Costs will rise further in 2008–09 as we plan for replacement services following the expiry of our services contract due to end in June 2009. The Commission purchases its services through a joint contract with five other agencies known as Group 8. The Group's key information and communications technology (ICT) services provider, Commander Communications Pty Ltd, has been placed in joint voluntary administration and receivers have been appointed by the company's lenders with a view to selling the company as quickly as possible. Business continuity plans

have been reviewed in the event of services ceasing to be supplied. Our sourcing strategies continue to look for ways to be cost effective at a time of technological advances and increasing client and employee expectations.

This year the Sydney office moved into new accommodation in November and the Perth office has moved into temporary accommodation pending a permanent move before the end of 2008. Both of these moves resulted from the expiry of existing leases, and the accommodation market, especially in Perth, has seen a significant increase in accommodation costs generally. As these are, on the whole, non-discretionary fixed rates, this is another aspect of budgeting which has required careful management.

We began work reviewing our governance arrangements this year, starting with a review of the charters and relationships for each of our committees. Significant effort has been put into our Audit Committee over the last 12 to 18 months to ensure it has the tools and the processes to enable it to operate as effectively as possible, and some of the learnings and outcomes are flowing onto other committees.

We took steps to streamline the number and focus of our committees, and established reporting mechanisms through existing committees for a number of new arrangements. For example, the Audit Committee will receive reports on a regular basis with respect to the measures put in place to meet the new whole-of-government intellectual property principles, as well as the risk management aspects of our physical security. This integration will improve our ability to see the whole picture and thereby our accountability and efficiency.

We strengthened our Information Technology Advisory Committee by appointing an external member, and initiated arrangements for one of our internal members to sit as an external member on the committee of another agency. This will again improve accountability, and the skills of committee members.

Work will begin next year on a replacement for the Commission's collective agreement. In the meantime, following the government decision not to offer any new Australian Workplace Agreements (AWAs), all new employees at Executive level and below are now employed under the terms of the current collective agreement, and may have their terms and conditions (as appropriate) supplemented by a determination made under section 24(1) of the *Public Service Act 1999*. New SES staff to the Commission have all of their terms and conditions set through section 24(1) determinations.

As our last staff survey was conducted in March and April 2007, we did not conduct a staff survey this financial year. We will do so towards the end of 2008. However, we are over-sampled each year as part of the State of the Service employee survey, and obtain agency-specific results from that process. They confirmed the positive results we achieved in our 2007 survey.

The Executive and senior management team continues to monitor unscheduled absences and workforce planning, in order to identify hot-spots which might require attention. Increased workloads and pressures can impact on absences and staff turnover if not handled appropriately. More widely this is a matter I will be looking at further in the coming State of the Service Report.

OUTLOOK

Incorporating the new Government's vision for the future of the Australian Public Service, the Commission's *Corporate plan 2008–09* identifies the following priorities:

- driving public sector reform
- advancing the ethics and integrity agenda
- supporting efficiency and effectiveness
- fostering innovation and engagement
- continuously improving the 'way we do business'.

The Commission will focus its research and evaluation programme on challenges facing the APS and public sector reform. We will continue to actively promote the APS Values and Code of Conduct and enhance the integrity regime. To that end, and reflecting the importance placed on that objective, the Deputy Commissioner sits on a number of agency integrity and values committees, and the Merit Protection Commissioner actively engages with agencies on their approaches to reviews and investigations.

Arrangements to improve APS-wide productivity, which may support improvements in organisational capability and performance, including governance and agency health will be explored, as will new ways of public service delivery and operation. We will also strengthen our own governance arrangements and take action to improve ICT systems capacity for 2009–10.

Finally, the reform of whistleblowing and freedom of information approaches will remain a focus.

In closing I would like to thank our staff for their contribution to the work of the Commission. For a small agency we have a substantial work programme which must meet the needs of Government, Parliament,

APS agencies and their employees. We can be proud that our outcomes contribute to the placement of the APS as a leading international body in public administration.



Lynelle Briggs

October 2008

COMMISSION OVERVIEW

The Australian Public Service Commission is a central agency within the Department of the Prime Minister and Cabinet portfolio. The Commission supports two statutory office holders, the Public Service Commissioner—who is also agency head—and the Merit Protection Commissioner.

The Commission's mission is to support a high performing Australian Public Service (APS). The statutory responsibilities that support that mission are outlined in the *Public Service Act 1999* (the Act) and include:

- evaluating the extent to which agencies incorporate and uphold the APS Values
- evaluating the adequacy of systems and procedures in agencies for ensuring compliance with the APS Code of Conduct
- promoting the APS Values and Code of Conduct
- developing, promoting, reviewing and evaluating APS employment policies and practices
- facilitating continuous improvement in people management throughout the APS
- coordinating and supporting APS-wide training and career development
- contributing to and fostering leadership in the APS
- providing advice and assistance on public service matters to agencies on request
- providing independent external review of actions by the Merit Protection Commissioner.

The Commission works to achieve the outcomes specified by the Government to support 'a confident, high quality, values-based and sustainable Australian Public Service' through three output groups, namely:

- Output 1: APS policy and employment services
- Output 2: Development programmes
- Output 3: Better practice and evaluation.

The Commission's activities are funded through a combination of budget appropriation and revenue generated through sale of leadership, learning and development, and other employment related services. Much of the Commission's revenue is earned in an open market where agencies choose the source of the services they need. In 2007–08 the Commission received \$20.804 million in appropriation funding, with the balance of its income (\$19.427 million) coming from non-appropriated sources.

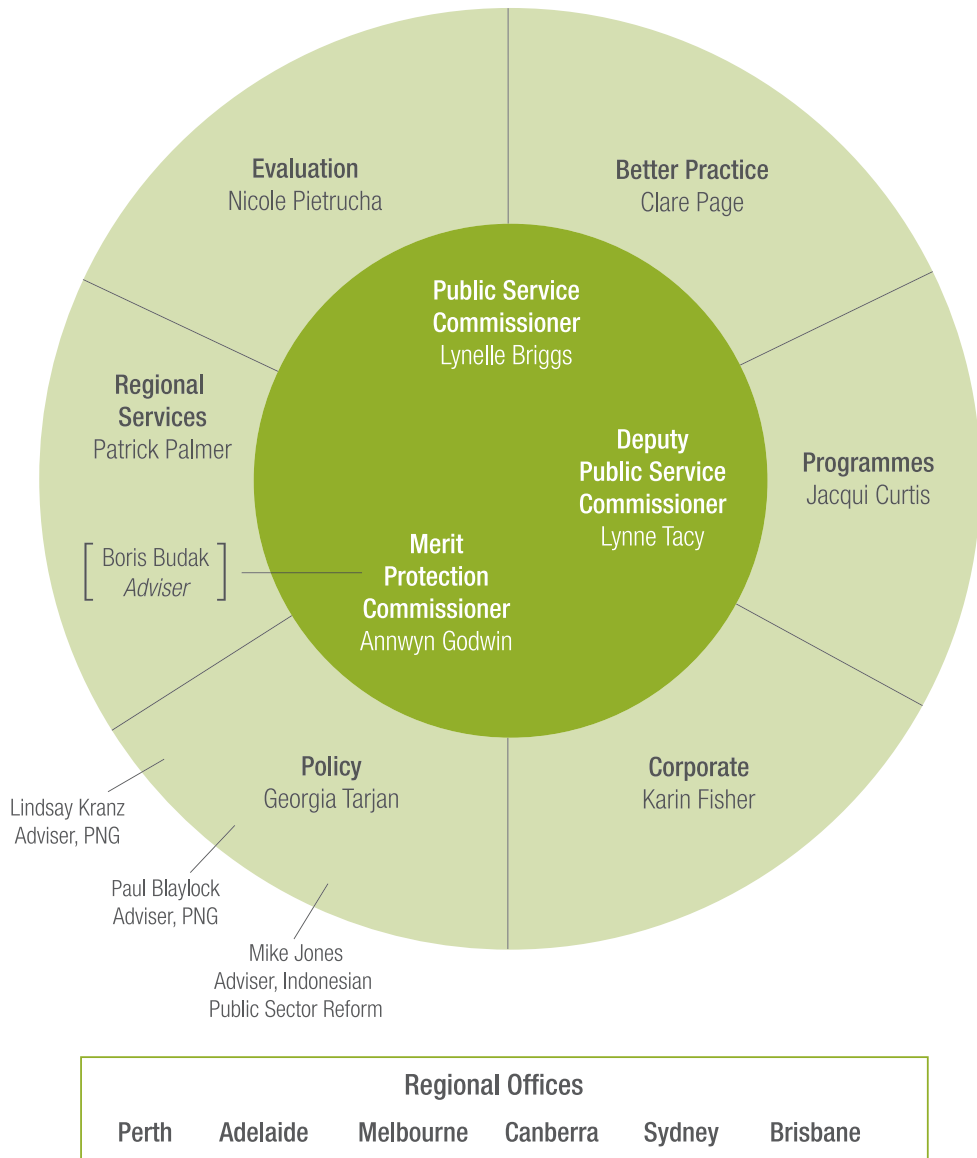
The Public Service Commissioner provides staff to assist the Merit Protection Commissioner perform her prescribed functions.

COMMISSION STRUCTURE

A three-person Executive, consisting of the Public Service Commissioner, the Deputy Public Service Commissioner (who reports to the Public Service Commissioner) and the Merit Protection Commissioner, lead the Commission (Figure 1). Six groups, each led by a Group Manager, support the functions of the Commission and report to the

Executive. The Deputy Public Service Commissioner has responsibility for day-to-day oversight of Better Practice, Programmes, Evaluation and Policy Groups, and the Merit Protection Commissioner has responsibility for Regional Services and Corporate Groups which are in addition to her statutory responsibilities.

Figure 1: Commission organisational chart, at 30 June 2008



The *Better Practice Group* seeks to improve APS performance by showcasing innovative and effective best practice staffing and organisational capability policies.

The *Programmes Group* builds the capability of the APS by providing a wide range of leadership, learning and development activities for all levels of APS staff including senior executives.

The *Corporate Group* provides strategic management, information, communications, financial, library, legal and parliamentary support services to help the Commission achieve its mission of supporting a high-performing APS. It also manages delivery of the *APSjobs* website.

The *Policy Group* provides advice to government and agencies on the policy and legislative aspects of public administration, people management and APS employment arrangements, consistent with the APS Values and Code of Conduct. It is also responsible for international matters.

The *Regional Services Group* represents the Commission throughout Australia, helping agencies outside Canberra with people management, including learning and development, promoting better practice, staff selection and review of employment-related actions.

The *Evaluation Group* evaluates and provides information on APS performance through the annual State of the Service Report to Parliament and through more specific evaluation and research projects. It maintains the APS employment database, monitors trends and publishes key workforce statistics.

COMMISSION REPORTS AND PUBLICATIONS

The Commission issues a range of APS leadership, learning and development information in a variety of formats each year. Commission publications and circulars, as well as selected speeches given by the Public Service Commissioner and the Merit Protection Commissioner, are available on the Commission's website at www.apsc.gov.au.

COMMISSION LOCATIONS

The Commission's national office is in Canberra and its regional offices are in Sydney, Melbourne, Brisbane, Adelaide and Perth. APS agencies in the Northern Territory and Tasmania are served from the Adelaide and Melbourne offices respectively.

Office locations and contact details are:

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Part two

Performance review

PERFORMANCE REVIEW

TABLE 1: SUMMARY OF PERFORMANCE, 2007-08

Output	Activity	Quantity	Quality	Budget outcome
1.0 APS policy and employment services				
1.1	Advice and support to Minister, Executive and agency heads	★	★	\$2.262m
1.2	Employment services	★★★	★	\$6.783m
1.3	International assistance and organisations	★	★	\$2.478m
1.4	Merit protection and other services	★	☆	\$2.883m
2.0 Development programmes				
2.1	Leadership services	★	★	\$5.027m
2.2	Programme delivery	★★★	★	\$9.773m
2.3	National/international programmes	★	★★★	\$1.458m
3.0 Better practice and evaluation				
3.1	Indigenous employment	★	☆	\$4.886m
3.2	Promote better practice	☆	★	\$1.737m
3.3	Statistical/information services	★	★	\$1.422m
3.4	Research and evaluation	★	★	\$1.522m

KEY:	Not achieved	Partly/mostly achieved	Achieved	Exceeded
	☆	☆	★	★★★

OUTPUT 1 APS POLICY AND EMPLOYMENT SERVICES

Output 1 is drawn from the Public Service Commissioner's statutory role as outlined in section 41 of the *Public Service Act 1999* (the Act), in particular her responsibilities to develop, promote, review and evaluate Australian Public Service (APS) employment policies and practices, including the APS Values, Code of Conduct and whistleblowing provisions, and to provide advice and assistance to agency heads on APS employment matters.

This output also relates to the Commission's work in helping governments and organisations in the Asia-Pacific improve public sector governance and performance, and to contribute to international networks.

Additionally, Output 1 is drawn from the statutory responsibilities as outlined in section 16 of the *Public Service Act 1999* to inquire into whistleblower reports. Information on whistleblower reports made to the Merit Protection Commissioner are provided in Part 4.

ACHIEVEMENTS

The Commission's achievements under Output 1 were delivered against a background of increased demand for support from the new Government and agencies in dealing with financial and administrative policy. Significant new work was progressed in parallel with a large increase in demand for the Commission to exercise its statutory powers.

Achievements included:

- supported staff transfers resulting from new and restructured agencies through implementation of 34 machinery of government changes while maintaining employment conditions for staff in new agencies
- developed advice and issued guidelines for agencies covering public servants' participation in public information and awareness initiatives
- contributed to the Department of Education, Employment and Workplace Relations (DEEWR) review of the policy framework for bargaining over remuneration and employment conditions
- developed and implemented policy and guidelines on merit-based selection of APS agency heads and statutory office holders
- developed and launched governance advice for agencies and case studies in *Building better governance*, one in a series of publications entitled *Contemporary Government Challenges*
- developed advice and issued guidelines for agencies on requirements for public servants relating to the Lobbying Code of Conduct and post separation contact with government
- brought leadership issues and advice to the attention of the Senior Executive Service (SES) through *SES notes*, a new quarterly electronic newsletter
- collaborated with the Office of the Privacy Commission to develop advice for agencies on releasing information to complainants
- developed a stand-alone publication, *Citizenship in the Australian Public Service*, bringing together policies and information from three different agencies

- completed and launched the *APStjobs* website, together with two further enhancements, which provides an effective, easy to use, and attractive recruitment site for employees and managers, and potential employees
- contributed to the human resource capability of Pacific Island nations by facilitating a Pacific Human Resource Managers Conference in partnership with the Commonwealth Secretariat
- contributed to increasing capacity and strategic capability in middle to senior Pacific Island public sector managers by brokering Australian-based work placements.

PRICE FOR OUTPUT 1

The total price for Output 1 was \$14.406 million. This is \$0.337 million

higher than the estimated price of \$14.069 million published in the Portfolio Budget Statements 2007–08.

OUTPUT 1.1 ADVICE AND SUPPORT TO MINISTER, EXECUTIVE AND AGENCY HEADS

The Commission's role under Output 1.1 involves providing advice to government and agencies on the policy and legislative aspects of public administration, people management and employment frameworks. The Commission also provides advice and support to agency executives to develop, promote, review and evaluate APS employment policies and practices.

Achievements that contributed to this output included preparing advice and support for initiatives under the Government's enhanced probity,

TABLE 2: PERFORMANCE INFORMATION—OUTPUT 1.1 ADVICE AND SUPPORT TO MINISTER, EXECUTIVE AND AGENCY HEADS

Target	Result
Quantity	
1. Number of items to ministers:	
• responses to ministerial correspondence—estimate 28	Achieved. 28 responses to ministerial correspondence.
• question time briefs—estimate 21	Underestimated. 38 new question time briefs.
• ministerial requests for briefings—estimate 57	Underestimated. 113 ministerial requests for briefings
2. Number of reports and responses to requests for information and advice:	
• responses to correspondence—estimate 39	Overestimated. 12 responses produced
• Commission Adviceline enquiries—estimate 2500	Achieved. 2484 enquiries received
• reports, circulars and publications—estimate 10	Underestimated. 9 circulars and 15 publications
• advice and support to regional senior staff—estimate 150	Overestimated. 84.
Quality	
1. Percentage of items rated satisfactory or higher in terms of relevance, quality and timeliness—target is 100%.	No longer rated.
2. Agencies satisfied with quality of advice.	Achieved. Agency feedback continues to indicate satisfaction with the advice provided.
Estimated price: \$2.001 million	Actual: \$2.262 million

Note: For completeness and effectiveness of reporting of 'items to Ministers', all areas within the Commission are presented in this table.

accountability and transparency agenda, the development and publication of advice for agencies on building better governance, and a new quarterly electronic newsletter bringing leadership issues and advice to the attention of the SES.

Advice and support to the Minister

A central role of the Commission is to provide high quality, timely advice and support to the Minister. In 2007–08 the Commission provided 28 responses to ministerial correspondence, 38 question time briefs and 113 ministerial briefings. The last two items exceeded estimates largely due to election of the new federal government in November and the increased activity in implementing a new policy agenda.

Formal quality assessment of ministerial briefs ceased in January 2007 at the request of the then Minister, the Hon. Joe Hockey, MP, and has not been reinstated.

The current Minister, Senator the Hon. John Faulkner, plays an active role in the Government's ethics agenda, and the Commission has supported Government efforts to restore Westminster traditions.

Merit-based selection of agency heads

New arrangements have been introduced for merit-based selection of APS agency heads (other than Secretaries and their equivalents) and statutory officers working in, or in conjunction with, APS agencies.

In limited circumstances, the Prime Minister may grant an exemption from this process where, for example, a Minister wishes to appoint someone already at a similar level, or there is an 'eminent' person available.

The Commission's role is to help agencies understand and implement the new policy and to support the Commissioner's role in selection processes.

Featured Highlight

MERIT-BASED SELECTION OF AGENCY HEADS

In February the Government announced the introduction of a new policy requiring transparent merit-based selection of APS agency heads (other than Secretaries and their equivalents) and statutory officers working in, or in conjunction with, APS agencies.

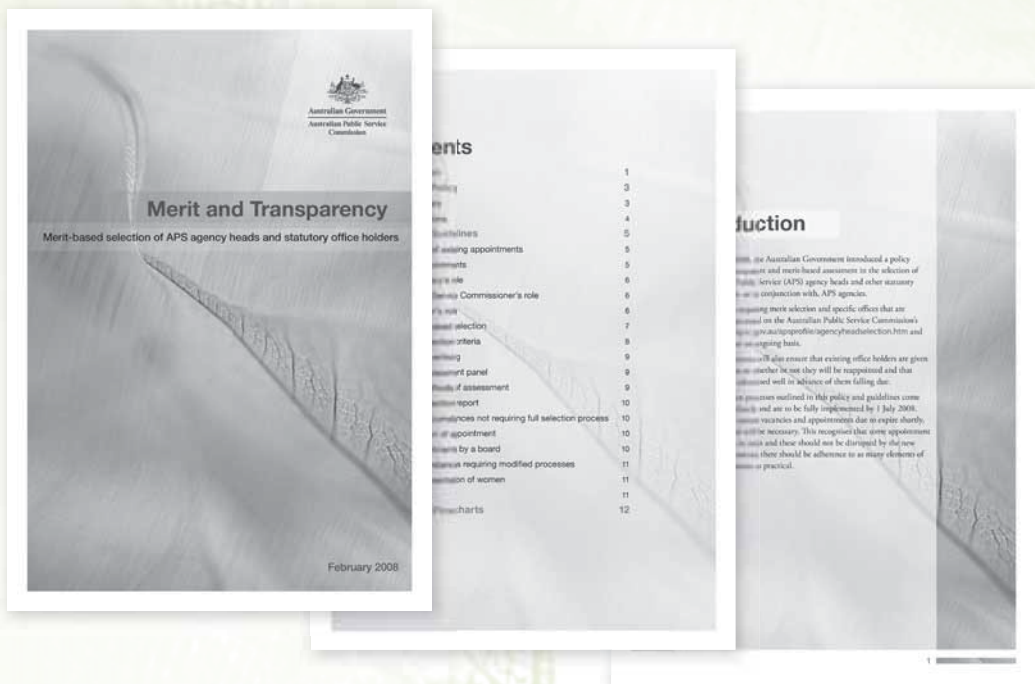
The Commission developed a practical policy that the Government accepted and in February released the policy guidelines entitled *Merit and transparency: merit-based selection of APS agency heads and statutory office holders*.

Under the new policy, a transparent merit-based process applies for filling vacancies, including:

- advertising, at a minimum, in the national press and on the *APSjobs* website
- overseeing the process and assessment of applicants' claims by the relevant departmental Secretary and the Public Service Commissioner
- making a merit-based selection against a core set of selection criteria
- a report from the Secretary to the Minister recommending short listed candidates.

The Secretary and Public Service Commissioner may either personally participate in the process or select appropriate representatives.

To date, 14 vacancies (covering a number of positions) have been advertised in accordance with these new procedures.



Maintaining employment conditions for staff in new agencies

The Government abolished four existing APS departments, and created five new ones, with effect from 3 December 2007. The abolished departments were: Communications, Information Technology and the Arts; Education, Science and Technology; Employment and Workplace Relations; and Industry, Tourism and Resources. The new departments are: Broadband, Communications and the Digital Economy; Climate Change; Education, Employment and Workplace Relations; Innovation, Industry, Science and Research; and Resources, Energy and Tourism.

As well, some functions moved between portfolios, for example, privacy and freedom of information functions moved from the Attorney-General's portfolio to the Prime Minister and Cabinet portfolio; and the National Archives moved from the former Communications, Information Technology and the Arts portfolio to Finance and Deregulation.

To ensure that staff maintained their terms and conditions of employment following the machinery of government change, it was necessary in some instances for Senator the Hon. John Faulkner, in his capacity as Public Service Minister, to issue determinations under section 24(3) of the Act. Two such determinations were issued.

The Commission worked closely with DEEWR to provide guidance and advice to departments and agencies affected by the changed arrangements and issued a number of determinations under section 72 of the Act to move affected staff between agencies. The Commission was involved in developing the section 24(3) determinations, including briefing the Minister on their implementation.

Review of the Public Service Act 1999 and subordinate legislation

In 2005–06 the Commission undertook a review of the operation of the Act and subordinate legislation. It was a low-key review to identify issues that had arisen since the legislation was introduced in 1999. At the completion of the review, the then Government decided not to proceed with proposed changes due to other priorities.

Following the change of government, the Commission is developing further advice on the matter for the Minister, following consultation with the Community and Public Sector Union.

Advice and support services to the Executive

Advice and support were provided to members of the Commission's Executive, including provision of research on public sector matters, preparation of briefs and correspondence and delivery of speech writing services.

Speeches and presentations by the Commission's Executive continue to provide important opportunities for engaging with agencies and external stakeholders, advancing public service issues and stimulating debate.

The Commissioner delivered 32 public speeches and presentations including:

- *Australian Public Service developments*, armchair session, Canada School of Public Service, Ottawa, 2 June 2008
- *An appetite for service—A taste of Government*, annual speech to over 600 APS graduates, 18 April 2008
- *Helping the APS to address future regulatory changes*, Canberra Evaluation Forum, 17 April 2008

- *Leading differently*, speech to the Graduate School of Government, University of Sydney, 28 March 2008
- *The whole of the moon or why would I want to be led by you*, 8 February 2008
- *Launch of the State of the Service Report 2006–07*, 10 December 2007
- *Contemporary Government Challenges*, launch of the new series of Commission publications, 25 October 2007
- *A report on recordkeeping in the APS*, launch of the latest Management Advisory Committee Report, *Note for file: A report on recordkeeping in the APS*, 31 August 2007
- *Responsibilities in the caretaker period*, Treasury Seminar Series, 28 August 2007.

A full list is available at <www.apsc.gov.au/about/pscommissioner.htm>.

Advice and support to agency heads

The Commission's role in providing advice and support to agency heads incorporates advising on the implementation of machinery of government changes and developing materials and guidelines to improve APS performance.

Building better governance

In October the Commission launched four publications in its *Contemporary Government Challenges* series, providing information and advice to help APS agencies improve their performance including *Building better governance* which case studies demonstrate what some APS agencies have done to improve governance.

See also Output 3.4—Research and evaluation for more information.

Supporting the SES

Consistent with promoting a leadership culture and a professional senior executive cadre in the APS, the Commission piloted a new SES newsletter—*SES notes*—and following positive feedback, it published four further editions—October, December, March and June—to an SES audience of over 2000.

As a quarterly online newsletter, *SES notes* provides views and information from the Commission and other organisations on current leadership and other issues relevant to the SES. The content focuses on whole-of-government issues and topics of wider interest to senior executives.

As well, the SES pages on the Commission's website were redesigned and further developed in September to make information more relevant and accessible to SES employees.

Providing information to complainants

The Commission released guidelines for agencies on what information they can or should give to complainants about the outcome of their complaint. The guidelines were developed in consultation with the Office of the Privacy Commissioner to address concerns that some agencies tend to overstate *Privacy Act 1988* requirements when deciding not to provide information on the outcome of a complaint, particularly Code of Conduct investigations, to the complainant.

Public servants and the lobbyist code

The Government released the Lobbying Code of Conduct in March 2008; it came into effect on 1 July 2008. Its main aim is to ensure that government representatives (including APS employees, Ministers and their staff, and Australian Defence Force personnel) who are approached by

professional lobbyists are aware of the interests those lobbyists represent and can make informed judgments about what they are trying to achieve.

In consultation with the Department of the Prime Minister and Cabinet, the Commission issued guidelines for agencies to ensure the APS complies with the Code.

While the Code is not intended to affect ongoing technical and professional cooperation between the APS and businesses and organisations, the guidelines encourage agencies to ensure lobbyists with whom they deal are registered and that they know who lobbyists represent and what they hope to accomplish.

The Code places time restrictions on former government representatives, including former SES employees, from lobbying on matters with which they were involved in their previous roles. The guidelines require agencies to institute systems to ensure lobbyists comply with these restrictions.

Public servants and the media

In December the Commission issued new guidelines covering public servants' participation in public information and awareness initiatives. The guidelines were issued when debate over public servant participation in information campaigns highlighted the need for clearer and more up-to-date advice. It also addresses the appropriate use of new media, such as the Internet.

The guidelines require agencies to institute arrangements to ensure public servants understand their roles in explaining new or ongoing Government policies and programmes to the public and other stakeholders and to establish processes for effectively and ethically managing contacts with the media. The guidelines incorporate

the Government's policy not to use public servants in government advertising unless that role is essential to communicate an important message on an issue such as public health or similar for which the Commissioner has first given approval.

Public servants and the new workplace relations environment

The Commission contributed to the Government's review of the policy framework for bargaining over remuneration and employment conditions. In February DEEWR issued advice to agencies on the new bargaining framework for agreement-making in the APS, which incorporated guidance on redundancy and mobility issues for which the Commission is responsible.

The bargaining framework continues to provide flexibility for agencies, ensuring they have scope to provide pay and conditions that enable them to recruit and retain key employees. With the phasing out of AWAs agencies must use other instruments to tailor pay and conditions to individual circumstances where necessary. The Commission has worked with DEEWR to assess the options and provide agencies with information on the two main alternatives—common law contracts and determinations under section 24(1) of the Act.

The Commission will continue to assess aspects of draft collective agreements and determinations to ensure agency proposals comply with the Government policy framework (see also Output 1.2).

Australian citizenship and the public service

In December, the Commission released a new online publication, *Citizenship in the Australian Public Service* that aimed to bring together, in one place, information and advice about citizenship requirements in the APS. As well as Public Service Act

requirements, the publication included up-to-date information on migration and work visa requirements from the Department of Immigration and Citizenship and information on security matters from the Attorney-General's Department.

Employment Policy Adviceline and advice to regional senior staff

The Commission's Employment Policy Adviceline provides information to APS agencies on a range of matters relating to APS employment policy. Callers from an agency's human resource or corporate area, or senior managers, can seek advice on the legislative and policy framework in areas such as recruitment, termination of employment, redundancy, the APS Values and Code of Conduct, performance management, and better practice.

While agency heads are responsible for most APS employment matters in their agencies, the Adviceline helps agencies in a variety of ways, including how to find the most relevant publicly available information, including on the Commission's website.

The Adviceline received fewer enquiries in 2007–08 (2484) than in 2006–07 (2773); calls about APS employment issues again dominated (Table 3). The reduction was mainly due to a February 2007 efficiency decision to provide Adviceline assistance primarily to human resource areas and senior managers within APS agencies. Previously, the Adviceline received a significant number of enquiries unrelated to the Act, and from individual APS employees that were better dealt with by agency human resource areas.

The number of requests for advice made by email decreased by 1% compared to last year, with 745 enquires in 2007–08 being emailed to <employmentadvice@apsc.gov.au>.

Commission staff in regional offices provide advice and support to regional SES and senior regionally-based staff on the Commission's role and services. Assistance provided relates to the APS Values and Code of Conduct, capability development, better people management, and employment policy and services. Where advice is complex and/or time consuming, the details are

TABLE 3: MAIN CATEGORIES OF EMPLOYMENT POLICY ADVICELINE CALLS, 2005–06 TO 2007–08

Subject	2005–06	2006–07	2007–08
Staffing matters	935	1103	933
General legislative issues	416	138	135
Separations	261	259	190
Conditions/entitlements	259	235	351
Review matters	233	111	88
APS Values/Code of Conduct	212	204	265
Workplace diversity issues	80	47	29
SES matters	54	60	50
Mobility/reciprocal mobility	48	29	35
Competencies/qualifications	48	20	6
Other	743	567	402
Total	3289	2773	2484

recorded for later accountability. During the year, advice was provided to senior regional staff on 84 occasions.

SES adviser role

The Commission's Group Manager Policy is the SES adviser. She received 53 calls during the year. This function gives SES across the APS the opportunity to call a senior member of the Commission to seek advice about applying the employment framework or interpreting the APS Values. The Group Manager also helps SES officers understand how the redeployment, retirement and redundancy provisions of the Act apply to them.

In addition, all members of the Executive (the Commissioner, the Deputy Commissioner and the Merit Protection Commissioner) provide advice to senior SES and agency heads on sensitive management matters.

Circulars

The Commission issued nine circulars notifying agencies of changes in APS people and performance management. They covered a range of subjects including the new Lobbying Code of Conduct, the *APSjobs* website, public servant involvement in publication information campaigns, release of information to complainants, and post separation employment. See also www.apsc.gov.au/circulars/index.html and www.apsc.gov.au/publications.

OUTPUT 1.2 EMPLOYMENT SERVICES

The Commission provides a range of employment services to APS employees and agencies to help them meet their legislative responsibilities.

A significant achievement that contributed to this output was the management of the machinery of government changes to implement the new APS organisational structure.

The development and launch of the *APSjobs* website and enhancements, which incorporates the Gazette, was another significant achievement which contributed to this output. Given the Commission's capacity to offer improved services from the site, the performance measures for 2008–09 have been tightened.

Producing the Public Service Gazette

The Commission finished redeveloping the online Public Service Gazette—rebranded *APSjobs*—into an APS employment portal in August 2007 consistent with the Management Advisory Committee's 2005 decisions in its report *Managing and sustaining the APS workforce*.

The new site provides an up-to-date more attractive and coherent image of the APS for job seekers. It has several new features that make it easier to find out about the APS as an employer and apply for jobs, including those incorporated into the electronic APS Employment Gazette.

The Commission produces the weekly Employment Gazette to inform the public of APS employment opportunities, recruitment outcomes and certain other APS employment decisions. The Commission produced 50 Employment Gazettes in 2007–08; the number of notices lodged decreased by 4.52% compared to the number lodged in 2006–07 (Table 5).

TABLE 4: PERFORMANCE INFORMATION—OUTPUT 1.2 EMPLOYMENT SERVICES

Target	Result
Quantity	
1. To provide Gazette services to enable agencies to satisfy legislative requirements to notify certain employment actions—50 gazettes produced per year.	Achieved. 50 Gazettes produced in accordance with requirements.
2. Perform statutory responsibilities:	
a) Number of SES engagements, promotions and terminations—estimate 240.	Exceeded. 280 SES employment matters dealt with.
b) Services to support any machinery of government changes, approval of delegations, and whistleblowing report responses provided by the Commissioner—estimate 55 cases.	Exceeded. 34 machinery of government cases, 11 consents to delegations of powers to outsiders and the Commissioner responded to 20 whistleblowing reports.
3. Estimated number of fee-for-service employment-related services—estimate 750.	Exceeded. 886 fee-for-service employment-related services were conducted.
Quality	
1. Percentage of Gazette entries accurately published in accordance with legislative requirements—target 100%.	Achieved. No significant errors or omissions identified.
2. a) 95% of agency SES employment recommendations able to be endorsed within one week of receipt of documents.	Achieved. 100% of SES staffing requests from agencies finalised within one week of receipt.
b)	Partly achieved. 100% completed within legislative timeframes when the Commission was given prior notification.
• 100% of machinery of government changes completed within legislative timeframes	
• 95% of approvals of delegations to outsiders completed within five working days	Achieved. 100% of agency requests finalised within five working days.
• 100% of requests for consultation on, or approval for, re-engagement completed within five working days	Achieved. 100% of agency requests finalised within five working days.
• a high level of satisfaction of clients with the accuracy, quality and timeliness of individual cases.	Achieved. Day-to-day client feedback continues to indicated a high level of satisfaction with the services provided.
Estimated price: \$5.997 million	Actual: \$6.783 million

TABLE 5: COMPARATIVE NUMBER OF GAZETTE NOTICES LODGED, 2002–03 TO 2007–08

Year	Number of notices lodged	Percentage difference on previous year (%)
2002–03	39,100	–
2003–04	31,900	– 18.41
2004–05	39,000	+ 22.26
2005–06	47,918	+ 22.87
2006–07	58,044	+ 21.13
2007–08	55,418	– 4.52

Featured Highlight

APSJOB

The new *APStjobs* website was launched in August. Further development continued this year, with the aim of producing a modern online employment portal for the APS.

Two separate development phases were carried out to add a range of new functionality. The website now offers:

- interactive email alerts for job seekers
- a plain English guide to getting a job in the APS
- improved searching capability
- mobility opportunities and major recruitment campaigns
- a register of former APS employees for agencies to draw upon
- improved online lodgment processes
- reporting functions that allow sophisticated monitoring and related statistics.

Further refinement of *APStjobs* to support the Commission's *Finance Jobs* recruitment campaign and the Career Transition and Support Centre is continuing.



Managing SES engagements, promotions and retirements with incentives

A number of SES staffing actions, particularly those relating to SES promotions, engagements and offers to retire with an incentive, require the Commissioner's agreement before proceeding.

The Commissioner considered and endorsed 254 SES selection exercises, a slight increase from the previous year. As well, she examined and endorsed 36 SES retirements with an incentive under section 37 of the Act—a similar number to recent years.

Both the Commissioner and the Deputy Commissioner were involved in a range of senior selection exercises. The Commission maintained a timely and effective turnaround when dealing with SES casework. (See also, the *APS Statistical Bulletin 2007–08*, produced as part of the Commissioner's *State of the Service Report 2007–08*.)

Implementing machinery of government changes

The Commission managed 34 machinery of government changes in 2007–08, an increase on recent years due to the change of government in November 2007 and the implementation of a new APS organisational structure. Five changes were for agencies moving staff into the APS (22 determinations); 29 were for moves within the APS (49 determinations).

The most significant changes arose from the Government's decision to abolish four departments and create five new ones. Other changes of note included:

- moving the Australian Pesticides and Veterinary Medicines Authority, the Private Health Insurance Ombudsman and the Wheat Export Authority (now the Export Wheat Commission) into the APS

- establishing the Office of the Workplace Ombudsman and the Workplace Authority as separate APS agencies.

This presented a challenge for the Commission to complete the necessary determinations under section 72 of the Act within legislative timeframes. In relation to the abolition of departments and creation of new ones that occurred on 3 December 2007, the Commission was not given prior notification of these changes. In these cases, the necessary section 72 determinations were made as a matter of priority to satisfy departmental needs.

In addition, following the then government's decision to assume responsibility for the Mersey Campus of the North West Regional Hospital in Tasmania, Tasmanian state government employees working at the Mersey Campus were offered employment in the APS with effect from 23 November 2007. The Commission's role included detailed policy advice and assistance to agencies as well as execution of the determination to effect the changes.

In December the Commission released a revised online version of *Implementing machinery of government changes: a good practice guide*, incorporating updated information and minor corrections.

Ensuring leadership continuity in the APS Senior Executive

The Commissioner again collected information on the skills and capacities of the Senior Executive Band 3 group, which represents a major feeder group for future Secretaries and other APS agency heads. She also collected information on selected Senior Executive Band 2 employees in terms of their capacities to move to higher levels in future. The Commissioner uses this information to provide the Secretary of the Department of

the Prime Minister and Cabinet with an assessment of APS succession management issues, both in general terms as well as in relation to specific appointments.

Performance assessment for Secretaries

The Commissioner and the Secretary of the Department of the Prime Minister and Cabinet provided information to the Prime Minister on Secretaries' performance during 2006–07. The Commissioner separately advised the Prime Minister on the four Executive Agency Heads' performance in 2006–07. This information was used by the Prime Minister to determine appropriate performance bonuses for Secretaries and officers for that period.

Delegations to outsiders

The Commissioner received nine requests from agencies seeking consent under section 78(8) of the Act to allow the relevant agency head to delegate his or her powers under the Act and subordinate legislation to 'outsiders', such as people not employed under the Act. As the people concerned possessed the relevant experience and knowledge to effectively exercise powers under the Act the Commissioner agreed to each request.

Employment-related services on a fee-for-service basis

Under section 41(1)(k) of the Act, the Commissioner is able, on request, to provide advice and assistance to agencies on public service matters. Some of this work is conducted on a fee-for-service basis; the Commission responded to 886 such requests.

Most of the requests for employment services made to regional offices related to the recruitment and selection of staff. The Commission provided a number of agencies with convenors, panel members and support for selection advisory committees. Other

fee-for-service activities included alternative dispute resolution services and reviews of organisational structure.

Among the most frequent users of Commission services were the Department of Defence, the Department of Immigration and Citizenship, and the Australian Taxation Office. Agencies using the Commission's employment-related services for the first time included the Private Health Insurance Ombudsman and the Australian Electoral Commission. Some regions experienced a downturn in requests for services during the post election and pre Budget periods while other regions, such as Tasmania, experienced increased interest in the support the Commission can provide.

Employment related fee-for-service activities include those provided under the Merit Protection Commissioner's functions, such as Independent Selection Advisory Committees. See the Merit Protection Commissioner's Annual Report at Part four of this report for details.

Remuneration and workplace agreements

DEEWR provides the Commission with copies of draft agency collective agreements for review against the Commission's responsibilities provided for in the *Australian Government employment bargaining framework*. Commission staff also reviewed collective section 24(1) determinations.

In particular, the Commission assesses redeployment, reduction and retrenchment arrangements in agreements to ensure agencies include compulsory redundancy arrangements while being satisfied that any changes do not enhance existing arrangements.

The Commission received 38 requests from DEEWR to assess redeployment, reduction and retrenchment arrangements in agreements and determinations (Table 6). Of those, 40 (87.5%) were conducted within the five-day assessment period agreed with DEEWR (or the average turnaround time of four days). The delays to the remaining assessments were caused by the complexity of the matters dealt with in the agreements.

Public interest whistleblowing

Section 16 of the Act prohibits victimisation of, or discrimination against, an APS employee who reports a breach or alleged breach of the APS Code of Conduct. Agency heads must establish procedures for dealing with such reports. The procedures must observe procedural fairness, comply with the *Privacy Act 1988* and provide that APS employees may report breaches or alleged breaches of the Code to the agency head, the Commissioner or the Merit Protection Commissioner. Except in exceptional circumstances, the expectation is that the report is initially made to the agency head.

The Commissioner received 22 reports in 2007–08 (Table 7). Thirteen were from employees and nine were from private citizens, two of which were still on hand at the end of the reporting period. Four reports from APS employees were on hand from the previous reporting period, three of which met the criteria for investigation by the Commissioner. In all three cases, the Commissioner concluded there was no evidence to support a recommendation to

the relevant agency head that they consider the allegations under their Code of Conduct procedures.

Of the 13 reports received from employees, the Commissioner considered a disclosure about the conduct of an agency head and two other agency employees, and concluded after an inquiry that there was a possible breach by one employee and none of the other allegations were substantiated. Of the remaining disclosures from APS employees, seven did not meet the criteria for the Commissioner to investigate. At the end of the reporting period, three disclosures that met the criteria for investigation were on hand, but not finalised, and the two remaining reports were still being considered.

Where disclosures did not meet the criteria for consideration, advice was provided on ways in which concerns could be addressed either by referral to the relevant agency head or other administrative review bodies, such as the Commonwealth Ombudsman.

Information on whistleblowing reports sent to the Merit Protection Commissioner is separately reported at Part four of this report.

Inquiry

In June 2008, the Minister for Agriculture, Fisheries and Forestry released the report of the Callinan inquiry into the outbreak of equine influenza in Australia. Among other things, that report identified a number of systemic issues in the Department of Agriculture, Fisheries and Forestry and referred to the actions of particular employees. The Minister for Agriculture,

TABLE 6: REMUNERATION AND WORKPLACE AGREEMENT ASSESSMENTS, 2004-05 TO 2007-08

	2004-05	2005-06	2006-07	2007-08
No. received	32	60	73	45
No. conducted within agreed period	32	53	70	40

TABLE 7: PUBLIC INTEREST WHISTLEBLOWING REPORTS, 2004–05 TO 2007–08

	2004–05	2005–06	2006–07	2007–08
No. received	19	17	21	22
No. finalised	16	18	19	20
No. on hand at end of reporting period	3	2	4	7
Source:				
• Employees	10	9	11	13
• Private citizens	9	8	10	9

Fisheries and Forestry requested the Commissioner to examine the report and advise whether it disclosed any matter which might warrant action under the APS Code of Conduct.

The Commissioner conducted an inquiry consistent with section 41(1)(d) of the Act. The Commissioner recommended that the conduct of some employees mentioned in the report be further considered by the Secretary of the Department of Agriculture, Fisheries and Forestry to determine whether they may have breached the Code of Conduct.

Career transition and support centre

In March, the Minister announced establishment of the Career Transition and Support Centre to help redeploy excess and potentially excess staff. The centre was established to minimise the personal impact of the Government’s efficiency measures and to ensure experienced public servants and those with specialist skills were retained.

The centre opened for business on 1 May 2008 and is working with agencies to provide best practice advice on redeployment, including application of redeployment principles, and to provide case management services to centre clients.

OUTPUT 1.3 INTERNATIONAL ASSISTANCE AND ORGANISATIONS

The Commission partners with AusAID to deliver programmes that support public sector reform in the Asia–Pacific region. The Commission also supports international public sector reforms through its input to the OECD Public Governance Committee and the Board of the Commonwealth Association of Public Administration and Management, and shares information and knowledge on public sector reform by hosting visiting delegations.

Important achievements during 2007–08 included contributing to the human resource capability of Pacific Island nations by co-facilitating a Pacific Human Resource Managers Conference and contributing to brokering Australian-based work placements which aim to increase the capacity and strategic capability in Pacific Island public sector managers.

Managing international responsibilities

The Commission actively collaborated with AusAID to support Australian Government efforts to maintain professional, impartial public services and to facilitate public sector reform in the region. Feedback from partner countries in the region confirms they benefit from exposure to Australia’s governance arrangements and experiences

with public sector reform. The challenge they face is to adapt this to their local situation and scale. The Commission strives to ensure its programmes and activities strategically align with the country strategies of both AusAID and the Department of Foreign Affairs and Trade.

Supporting public sector reform in the Pacific

The Commission contributed to human resource capacity building in the Pacific by facilitating a Pacific Human Resource Managers Conference for 20 Pacific human resource managers in partnership with the Commonwealth Secretariat. Participants workshopped human resource issues affecting the region and identified areas

where information sharing among Pacific countries could help address these issues.

The Commission contributed to increasing capacity and strategic capability in middle to senior Pacific Island public managers by brokering Australian based work attachments for 14 Pacific island officials. These attachments were run in two groups; one focused on finance and the other on human resource management. The programmes provided a variety of learning experiences across federal and state governments.

The Commission organised regional work attachments for five Pacific island officials that provided regionally relevant experiences that are transferable to participants’ home agencies.

TABLE 8: PERFORMANCE INFORMATION—OUTPUT 1.3 INTERNATIONAL ASSISTANCE AND ORGANISATIONS

Target	Result
Quantity	
1. Deliver high quality technical assistance overseas in line with records of understanding with AusAID priorities: Pacific, Papua New Guinea and Indonesia.	Achieved. The Commission supports two deployed officials in the Papua New Guinea Department of Personnel Management and two deployed officials in Indonesia who provide advice to the Indonesian Minister for Administrative Reform. The Commission has run a human resource managers conference and a work attachment programme for eight Pacific Island public servants.
2. Share information, knowledge and skills with visiting officials in Australia.	Achieved. Commission staff have presented to visiting Indonesian officials, Pacific human resource managers and a work attachment programme of eight Pacific human resource managers.
3. Number of overseas delegation visits coordinated and hosted—estimate 20.	Achieved. The Commission has coordinated and hosted 20 visiting international delegations.
Quality	
1. High level of satisfaction with the quality and timeliness of reports, advice and services provided.	Achieved. The Commission received direct positive feedback and support for its international work from the Indonesia Minister for Administrative Reform and the head of the Ministry for Administrative Reform. The Commission also received positive feedback from independent reviews of its Pacific work undertaken by AusAID, with multi-year funding approved by AusAID for the first time.
2. A high level of satisfaction of the delegations as advised by third-party organisers.	Achieved. Consistently high levels of satisfaction expressed through evaluation forms, feedback in formal letters of appreciation and informal emails of thanks from visiting delegations.
Estimated price: \$2.906 million	Actual price: \$2.478 million

The Commission's active participation in the *Pacific village online*, a tool for Pacific public sector professionals, enabled it to share practice related experiences, knowledge and resources to help improve public service governance in the region.

Under the *Strongim Gavman* programme, the Commission contributed to public sector reform in Papua New Guinea by supporting two officials deployed to the Government of Papua New Guinea. The officials provided strategic human resource advice and industrial relations support to the Secretary and senior staff of the Department of Personnel Management.

The Commission worked closely with AusAID and the Department of Foreign Affairs and Trade to implement the Prime Minister's new Pacific Engagement Strategy that focuses on providing Pacific public service capacity building. The Commission has devised a number of new initiatives for future work with the Pacific.

Supporting public sector reform in Indonesia

The Commission continued to work with its three counterpart Indonesian civil service agencies—the National Civil Service Agency, the Ministry for Administrative Reform and the National Administration Institute—on human resource policy issues including merit-based engagement and promotion processes and competency-based training. The Commission supports two employees in Jakarta who provide policy advice and support to counterpart officials.

The Commission provided information sessions on its personnel databases to an Indonesian delegation sponsored by the Department of the Prime Minister and Cabinet and on executive leadership development and training, the APS Values and Code of Conduct, and the Career Transition and Support Centre to a delegation from the Indonesian Fiscal Policy Office sponsored by the Department of the Treasury; and administrative assistance to a Ministry for Administrative Reform delegation seeking to learn more about service delivery systems.



Pacific Human Resource Managers Conference: group portrait, Canberra, April 2008

Participating at international forums

The Commissioner participated in a number of international forums, namely:

- The Commonwealth Association for Public Administration and Management (CAPAM) board meeting and meetings with other Canadian Government agencies, 16–17 July 2007.
- The Third Annual Pacific Regional Public Service Commissioner's Conference in Samoa on 24 July 2007, where the Commissioner delivered the keynote address.
- The United Kingdom, Australian, New Zealand, Ireland and Canadian Centre of Government meeting run by the Canadian Government where the Commissioner spoke on Public Service Renewal, attended meetings with other Canadian Government officials and addressed the Canadian School of Public Service, 28 May to 3 June 2008.

The Deputy Public Service Commissioner

attended the 36th and 37th OECD Public Governance Committee meetings in Paris, 16–17 October 2007 and 17–18 April 2008 respectively.

The Group Manager, Programmes, attended a CAPAM conference on Leadership, Learning, Institutes and Public Service, in Ghana, 7–9 November 2007, where she updated members on the Commonwealth Secretaries Conference and the Commonwealth Ministers' Forum and delivered a presentation on the Commission's Integrated Leadership System.

Hosting visits by overseas delegations

Twenty international delegations visited the Commission to discuss public sector reform and the Commissioner's roles and responsibilities. Most visitors to the Commission were from Indonesia followed by China; others were from Bangladesh, Bhutan, Canada, Germany, India, Iraq, Japan, Malaysia, Thailand, Vietnam and the OECD.



Delegates from the Pacific Government Support Programme, Melbourne, June 2008

During the year the Commission's Melbourne office hosted nine delegates from eight Pacific nations as part of a work attachment programme under AusAID's Pacific Government Support Programme. The office facilitated visits to the Department of Human Services, Victoria and the State Services Authority Victoria, and delivered training in practical application of the Integrated Leadership System and recruitment and selection.

OUTPUT 1.4 MERIT PROTECTION AND OTHER SERVICES

The Merit Protection Commissioner's functions are detailed in section 50 of the Act and Part 7 of the Public Service Regulations 1999.

An individual may report a whistleblower allegation to either the Merit Protection Commissioner or Public Service Commissioner. Where the report is made to the Merit Protection Commissioner, the Act provides that the Commissioner will make available staff necessary to assist the Merit Protection Commissioner perform her statutory functions through a memorandum of understanding. Commission staff

TABLE 9: PERFORMANCE INFORMATION—OUTPUT 1.4 MERIT PROTECTION AND OTHER SERVICES

Target	Result
Quantity	
1. Conduct reviews and respond to whistleblowing reports. Estimated number of:	
• reviews—238	Exceeded. 261 review applications received
• whistleblowing report responses—5	Achieved. 5 whistleblowing report responses
2. Policy and advice services provided to the Merit Protection Commissioner, Parliamentary Service Merit Protection Commissioner and Parliamentary departments—estimate 80 activities.	Achieved. 74 activities for policy and advice services
Quality	
1.	
• Review processes accepted as being impartial, fair and effective.	Achieved. Feedback from agencies and employees indicated a high level of acceptance of processes as being impartial, fair and effective.
• 70% of reviews completed within published timeframes.	Not achieved. 57% of reviews completed within published timeframes
• 100% of whistleblowing reports receive an initial response within six weeks, with any further investigations conducted in a timely and objective manner.	Not achieved. 80% of whistleblowing reports received an initial response within six weeks.
2. A high level of satisfaction, of the Merit Protection Commissioner and Parliamentary Service Merit Protection Commissioner, with the relevance, quality and timeliness of advice and support provided.	Achieved. Feedback from the Merit Protection Commissioner, including in her role as Parliamentary Service Merit Protection Commissioner, has indicated a high level of satisfaction with the support services provided in respect of her role.
Estimated price: \$3.165 million	Actual: \$2.883 million

The Merit Protection Commissioner's report is at Part four of this report.

members undertake several activities on behalf of the Merit Protection Commissioner, including in her role as Parliamentary Service Merit Protection Commissioner. These activities include:

- conducting reviews of promotion decisions, primary reviews including reviews of determinations and sanctions with regard to breaches of the APS Code of Conduct and secondary reviews of other employment actions
- providing assistance on matters relating to whistleblowing reports
- providing support services, such as preparing management reports.

OUTPUT 2 DEVELOPMENT PROGRAMMES

Output 2 is drawn from the Public Service Commissioner's statutory role, listed in section 41 of the *Public Service Act 1999* (the Act). In particular, to build the capability of the Australian Public Service (APS) for the future by providing leadership, learning and development products and programmes that meet the current and emerging business needs of agencies.

ACHIEVEMENTS

In a sector that is facing increasingly complex challenges and a demanding operating environment, the Commission identified the leadership, learning and development needs of agencies and supported capability development across all levels in the APS.

The Commission's achievements under Output 2 included:

- implemented the national leadership, learning and development strategy
- conducted two successful Leading Australia's Future in Asia (LAFIA) programmes
- conducted the highly successful *A taste of Government* seminar attended by 670 participants
- delivered a successful *Ministerial conversations*/New Directions series incorporating a Prime Minister's event
- co-presented, with the Department of the Prime Minister and Cabinet and the then Department of Finance and Administration, a series of Caretaker Convention Seminars for APS employees in the lead-up to the federal election in November
- developed and delivered the inaugural Leadership Across Borders programme
- achieved Registered Training Organisation accreditation
- facilitated strong growth in SES programmes, EL programmes and APS 1–6 programmes including a 20% increase in numbers of participants overall
- recorded strong growth in usage of the Woden Training Facility with 15,671 delegates attending training between July 2007 and June 2008
- delivered 11 Career Development Assessment Centre (CDAC) programmes as well as two agency-specific programmes
- hosted a valedictory lecture event for Dr Peter Shergold AC
- delivered successful Contemporary Challenges and State of the Service series arising from the Commission's evaluation
- updated the APS Induction modules developed in 2006–07 and made them available for download from the Commission's website.

PRICE FOR OUTPUT 2

The total price for Output 2 for 2007–08 was \$16.258 million. This is \$0.559 million higher than the estimated price of \$15.699 million published in the Portfolio Budget Statements 2007–08.

TABLE 10: PERFORMANCE INFORMATION—OUTPUT 2.1 LEADERSHIP SERVICES

Target	Result
Quantity	
1. Increase leadership knowledge, skills and capability of SES and Executive Level groups across the APS.	
<ul style="list-style-type: none"> Number of seminars and forums delivered—estimate 153. 	Not achieved. 144 seminars and forums were delivered
<ul style="list-style-type: none"> Number of agencies engaged through at least one scheduled event, activity or network focused on promoting leadership—target is 75% 	Exceeded. 90% of agencies were engaged through at least one scheduled event, activity or network focused on promoting leadership.
<ul style="list-style-type: none"> Number of Career Development Assessment Centres delivered—estimate 10 with 118 participants. 	Exceeded. 13 CDAC programmes were delivered with a total of 145 participants.
2. Promote effective implementation of leadership development across the APS.	
<ul style="list-style-type: none"> Number of consultations conducted with agencies to support the agency in integrating the Integrated Leadership System into their practices and systems. These consultations involve structured planned interventions to specifically develop the agency’s leadership practices and/or capacity—target is 10 consultations with agencies. 	Not achieved. Detailed briefings to Centrelink and the Department of the Senate on the implementation of the Integrated Leadership System were undertaken.
Quality	
Percentage of responding participants in the Leadership Development Network who when surveyed give a rating of 5 or 6 on a 6-point scale, for:	
<ul style="list-style-type: none"> relevance 	Mostly achieved. 84% of respondents gave a rating of 5 or 6 on a 6-point scale. This is a slight improvement on the previous financial year (which was 78%).
<ul style="list-style-type: none"> usefulness 	Not achieved. 79% of respondents gave a rating of 5 or 6 on a 6-point scale.
<ul style="list-style-type: none"> administration and coordination. 	Not achieved. 80% of respondents gave a rating of 5 or 6 on a 6-point scale.
Target is 85%.	
Percentage of responding participants who when surveyed give the Career Development Assessment Centre a rating of 3 (beneficial) or above on a 5-point scale for:	
<ul style="list-style-type: none"> gained a better understanding of strengths and development needs 	Exceeded. 97% of respondents gave a rating of 5 or 6 on a 6-point scale.
<ul style="list-style-type: none"> developed a better understanding of leadership capabilities 	Exceeded. 97% of respondents gave a rating of 5 or 6 on a 6-point scale.
<ul style="list-style-type: none"> assisted participants to be more effective leaders. 	Exceeded. 95% of respondents gave a rating of 5 or 6 on a 6-point scale.
Target is 90%.	
Estimated price: \$5.244 million	Actual: \$5.027 million

OUTPUT 2.1 LEADERSHIP SERVICES

The Commission performs an important and significant role in building and sustaining APS leadership capability. Central to this role is a focus on the SES leadership cadre.

Increasingly, however, the Commission is also focusing on meeting the particular needs of the Executive Level group that will, as the feeder group to the SES, provide the basis for renewal of the SES over time.

All programme development is underpinned by the capabilities defined in the Integrated Leadership System. There are now six programmes that support leadership and management development for Executive Level employees with four of these being developed in 2007–08.

Achievements that contributed to this output included the implementation of the national leadership, learning and development strategy including the release of the *Learn Lead Succeed* brochure, the facilitation of a successful *Ministerial conversations* series including the Prime Minister's address on the Government's policy priorities, Dr Shergold's valedictory lecture and the delivery of 13 Career Development Assessment Centres.

A national approach to leadership, learning and development

A major focus of the national strategy has been to make learning and development products and services more widely available to APS employees by offering programmes in a variety of delivery modes and formats. This approach has seen the introduction of a variety of new forums, events and flexible delivery modes which has been reflected in reduced attendance at some established programmes, but an overall increase in programme participation. Work is continuing on exploring new and innovative

interventions to support capability building in agencies.

In May 2007, the Commission completed a national strategy for its leadership, learning and development activities, programmes, events and services. The strategy identifies the necessary planning, development, evaluation and business support arrangements to ensure the Commission effectively meets and supports the needs of APS agencies and their employees. Progress in implementing key actions has been monitored, and will continue during 2008–09. Progress reports have identified an excellent completion rate of key actions.

In July 2007, the Commission released the *Learn Lead Succeed* brochure on its website, and distributed copies to Secretaries, agency heads and departmental and agency human resource areas. The brochure describes the unique role of the Commission in addressing APS capability development requirements (see <www.apsc.gov.au/learn>).

SES Band 2 residential programme

The SES Band 2 residential leadership programme aims to strengthen the leadership capabilities identified for senior executives in the Integrated Leadership System, and enhance their knowledge and awareness of contemporary challenges facing the APS (including whole-of-government problems, engaging citizens effectively, and appropriate governance and accountability arrangements). First developed in 2005–06 this programme continues to receive positive feedback.

Thirty participants attended the SES Band 2 residential programme, *Leading across boundaries*, conducted in July and September 2007 and April 2008.

SES Band 3 forum

The SES Band 3 forum offers the opportunity for peers, from diverse agency contexts, to meet and explore topical issues. The forum operates as a roundtable with internal and external subject matter experts presenting facts and trends, followed by facilitated discussions within the group. These factors provide the framework for selecting forum topics and result in events that are relevant, informative and popular.

Two forums were held attracting 36 participants. By comparison three forums were held during 2006–07 and attracted 41 participants.

The topics this year were:

- *State of the Service Report*, with discussion led by the Deputy Public Service Commissioner, Lynne Tacy
- *Code of Conduct for Ministerial Advisers and the Lobbyist Register*, with discussion led by the Deputy Secretary, Department of the Prime Minister and Cabinet, Mike Mrdak.

SES Band 1 residential programme

The Commission delivered another round of successful residential leadership programmes for SES Band 1 executives. The schedule included:

- The *New leadership horizons* programme for SES Band 1 executives with less than three years' experience at level. The programme focuses on the distinctive contribution of this group and, in particular, the difference between the roles of an Executive Level employee and the SES Band 1 level.
- The *Transforming leadership* programme for SES Band 1 executives with more than three years' experience at level. The programme focuses on the contribution

of this group within the APS environment and emphasises individuals' roles in building not only their own capability, but also that of others.

Both programmes consider the differing complexity at each leadership level and help participants define their contribution to the APS, understand their role as part of the SES, develop their capacity to respond to current and emerging issues (including whole-of-government imperatives), and strengthen their ability to manage themselves in a changing, devolved environment.

Five *New leadership horizons* programmes were delivered to 76 SES Band 1 participants and six *Transforming leadership* programmes were delivered to 77 SES participants during the year.

Expertise development

The Commission offers expertise development programmes to help senior executives develop their knowledge and skills across a broad range of key areas, such as policy, programme management, financial management and regulation. These programmes are of significant assistance to members of the SES as they embrace new roles, responsibilities and challenges in furthering their careers.

Expertise development programmes introduced in previous years and run again included:

- *Programme management* helps APS leaders achieve excellence in programme design and delivery. It explores programme management in a broad context, ensuring an understanding of the relationships between all aspects of policy implementation. Four programmes were conducted; 54 senior executives attended.

- *Mastering your financial environment* is aimed at SES new to the public service or who need to refresh their knowledge in the area of financial compliance. Five programmes were conducted; 84 senior executives attended.
- The *Regulatory environment* programme, led by Professor Allan Fels AO, was held in November; 28 people attended.
- The *Regulatory practice for SES* programme, examining the cutting edge of regulatory theory and practice, was held in June; 12 people attended.
- The Commission delivered 12 iterations of its highly successful *Preparing to appear before parliamentary committees* programme. This programme focuses on building confidence, public presentation skills and personal communications by using role-play to simulate, for example, appearances at Estimates' hearings; 74 people attended.

Two new expertise development programmes were introduced during the year, namely:

- *Policy for SES* which discusses emerging and complex policy issues and challenges as they affect senior public sector managers, analysts and leaders. Five programmes were conducted; 91 senior executives attended.
- The *Strategic communications* programme which examines the key areas of identifying and working with key stakeholders and learning, organisational change, crisis management and communication. One programme was held in June; 24 senior executives attended.

SES breakfast seminar series

The Commission's regular breakfast seminars for APS senior executives provide participants with a forum in which to interact with leading speakers on contemporary issues that are directly relevant to their work. The seminar series also offers a regular opportunity for senior executives to discuss issues of common interest with colleagues.

During the year, 752 executives attended eight breakfast seminars (Table 11). Speakers included:

- Professor Quentin Grafton, Crawford School of Economics and Government, Australian National University, *Social capital: a policy perspective*
- Mr Ross Gibbs, Director-General, National Archives of Australia, *Current recordkeeping issues in the APS*
- Dr Sue Gordon AO, Magistrate in the Perth Children's Court and Chair of the Australian Government's National Indigenous Council and Northern Territory Emergency Response Taskforce, *Policy and service delivery issues affecting Indigenous Australians*
- Professor Paul 't Hart, Professor of Political Science at the Research School of Social Sciences, Australian National University, *How do (senior) public officials combine their twin roles of 'serving' and 'leading'?*
- Mr Clive Hamilton, author and commentator, *Affluenza and what really matters in Government today*
- Mr Robin Ryde, Chief Executive, United Kingdom National School of Government and author, *Leadership beyond authority: perspectives from the UK public service.*

Leader to Leader series

The *Leader to leader* series is a new event of strategic discussions aimed at stimulating debate about APS-wide challenges and future public sector reforms, where SES officers have the opportunity to ask questions of guest speakers and further discuss issues while networking with colleagues.

Six *Leader to leader* events attracted 475 executives during the year. Speakers included:

- Dr Ken Henry AC, Secretary, Department of the Treasury, *Impacts of the intergenerational report*
- Dr Gordon de Brouwer, Department of the Treasury, *APEC and the economic challenges facing the Asia–Pacific*
- Mr Nick Warner, Secretary, Department of Defence and Ms Elizabeth Proust, Chair of the Defence Management Review, *Defence Management Review*
- The Hon. Dr Geoffrey Gallop, University of Sydney, *What is the point of the public service?*
- Mr Greg Russell, Airservices Australia, *Stepping up to change*
- Dr Martin Parkinson, Secretary, Department of Climate Change, *Australia's climate change challenge*.

SES updates

SES updates ensure senior executives are well briefed on the public sector environment, with particular reference to developments in government policy, expectations and legislation.

The Deputy Public Service Commissioner, Lynne Tacy, leads discussions on some of the current and emerging trends—politically, demographically and globally—that are affecting the APS. Participants can explore the information presented and how it relates to them and their organisation. These updates focus on the *Shapes strategic thinking* capability of the Senior Executive Leadership Capability Framework.

Sixty-three people attended two *SES updates*; this represents an increase of 70% on 2006–07. Topics included:

- *State of the Service Report 2006–07*
- *APS-wide issues of interest to the SES* (including meeting APS workforce challenges, trends at the SES and Executive Level, Management Advisory Committee reports and managing during the caretaker period).

SES snapshots

SES snapshots are aimed at providing members of the SES with the opportunity to attend short, highly focused workshops on current

TABLE 11: ATTENDANCE AT SES BREAKFAST SEMINAR SERIES, 2002–03 TO 2007–08

Year	No. of subscribers	No. of events	Total attendance	Average attendance per event
2002–03	37	11	714	65
2003–04	39 (-5%)	8	582 (-18%)	73
2004–05	48 (+23%)	10	659 (+13%)	66
2005–06	40 (-16%)	10	974 (+48%)	97
2006–07	51 (+27.5%)	10	725 (-26%)	73
2007–08	48 (-5.8%)	8	752 (+3.6%)	94

Note: Bracket represents percentage change on previous year.

issues. Two sessions were held during the year:

- Parliamentary Committees, held in July and attended by 11 senior executives
- Strategic communications, held in September and attended by 14 senior executives.

Ministerial conversations series

The *Ministerial conversations* series provided agency heads and senior executives with the opportunity to hear directly from ministers on their current policy perspectives, and their expectations of the public service in implementing government policy in a whole-of-government context.

The Commission facilitated one *Ministerial conversations* series event where the Hon. Joe Hockey, MP, then Minister Assisting the Prime Minister for the Public Service and Minister for Employment and Workplace Relations, discussing new direction for the APS.

Caretaker conventions seminars

The importance of APS employees understanding their responsibilities when caretaker arrangements begin is paramount, particularly with respect to the role of the APS as an apolitical service. During the caretaker period, the Government is still the Government but, by convention, a number of important constraints come into operation. Their primary purpose is to avoid actions that will bind an incoming government.

In the lead-up to the federal election in November, the Commission co-hosted—with the Department of the Prime Minister and Cabinet and the then Department of Finance and Administration—a series of Caretaker Convention Seminars for APS employees, including an address by the Commissioner to Treasury delegates. More than 686 participants, including senior

executives, attended nine seminars, with four delivered in Canberra and one each in Sydney, Melbourne, Adelaide, Brisbane and Perth between July and September.

The seminars provided:

- guidance on APS employees' responsibilities under the conventions for the handling of business during the caretaker period
- discussion of some of the tasks APS employees could be asked to do, and to identify some of the challenges and ramifications that may arise
- focus on the importance of the APS Values and Code of Conduct for guidance.



The Hon. Kevin Rudd, MP, Prime Minister of Australia and Ms Lynelle Briggs, the Australian Public Service Commissioner, April 2008

Special event—The Hon. Kevin Rudd MP, Prime Minister of Australia

On 30 April 2008, the Hon. Kevin Rudd MP, Prime Minister of Australia outlined the Government's policy priorities for the future and the importance of the public service in implementing the reform agenda. The Prime Minister addressed 828 senior public servants in the Great Hall, Parliament House. He discussed the seven elements of the Government's vision for the future Australian Public Service, including reinvigorating the Westminster tradition of an independent public service with merit-based selection processes and continuity of employment when governments change. These seven



Secretaries attending the presentation by the Prime Minister, April 2008

Pic. Gary Ramage © Newspix / News Ltd

elements provide senior executives with a comprehensive framework for the Government's agenda for the public service.

Events outside Canberra

The Commission's regional offices continue to maintain a strong facilitation role in promoting effective leadership with senior staff in the regions through various groups and activities.

Annual conferences of senior staff are held in most regions and Commission staff perform an important role in planning and supporting such events. Themes included:

- *Learning from leaders*
- *Think global, act local*
- *Doing the right things right: good decision making and governance*
- *Building capability through collaboration.*

The conferences featured speakers from the APS, state and local government and the private sector including the Minister for Housing and Minister for the Status of Women, the Hon. Tanya Plibersek, MP; the Commissioner; Commonwealth Ombudsman, Professor John McMillan; Director General, NSW Department of Premier and Cabinet, Ms Robyn Kruk; the Hon. Kim Beazley, MP; Director, Telethon Institute for Child Health Research, Dr Fiona Stanley; Queensland

Magistrate, Di Fingleton; and winter olympic gold medallist, Steven Bradbury.

The Commissioner delivered State of the Service briefings in all capital cities and Townsville. In conjunction with these briefings, she held meetings with senior staff in the regions, providing an opportunity for discussion of the new Government's agenda.

The new *Linking leaders* series supports the Commission's priority of promoting a leadership culture and a professional senior executive cadre in the APS. The series aims to provide an opportunity for regional SES to network and engage in strategic discussions about APS-wide challenges and future public sector reform.

Other events outside Canberra during the year included:

- an executive briefing in Adelaide with Dr Peter Shergold AC, leading a discussion on key issues and future challenges facing the public sector
- an executive breakfast in Perth with Dr Peter van Onselen providing a political analysis of the changes facing agencies and the challenges for the government of the day
- an executive briefing in Hobart, in collaboration with the Australian Human Resources Institute, the Commissioner discussed trends in government learning and development.

Valedictory lectures

The Commission's valedictory lecture events provide retiring Departmental Secretaries with the opportunity to reflect and share insights and experiences with their Secretary, agency head and senior executive colleagues.

In February, the Commission coordinated a valedictory lecture for the retiring Secretary of the Department of the Prime Minister

and Cabinet, Dr Peter Shergold AC. Two hundred and eighty-four APS agency heads and senior executives listened to Dr Shergold speak about his public sector experiences, achievements and perspectives.

Executive Leadership Dimensions

The Commission launched a new Executive Level 2 residential programme *Executive leadership dimensions* in January. The programme is a key component of the Commission's renewed emphasis on building SES feeder group capability. Recent State of the Service reports have identified this as a priority for all APS agencies as a large percentage of the SES are mature aged workers who are likely to be considering retirement in the next few years.

The programme focuses on practical aspects of leadership in the APS and provides an opportunity for participants to reflect on their professional role and engage in a challenging and collegiate learning environment. It focuses on contemporary behaviours needed to be a highly effective Executive Level 2 leader.

Five residential and two semi-residential programmes attracted 139 participants. The semi-residential format was introduced to provide participants with an alternative daytime opportunity to attend. The residential received excellent feedback; participants said the course provided invaluable insight into the skills required of an Executive Level 2 officer. Participants felt the programme also gave them relevant and practical tools, including strategies for performance management and influencing and managing people.

Integrated Leadership System

The Integrated Leadership System forms the basis of many of the Commission's development programmes. The system

describes the leadership capabilities and behaviours expected of all APS levels and is supported by a range of tools to help agencies and individuals implement the system in their workplaces.

The Commission provided information sessions and presentations on the system to Centrelink conferences, the Department of the Senate, a public sector conference in Canberra, a Commonwealth Association for Public Administration and Management conference in Ghana, human resources managers from the Pacific region, and to visiting delegations from Thailand and Vietnam.

Free information sessions about the Integrated Leadership System will be conducted during 2008–09. See also <www.apsc.gov.au/ils>.

Leadership Development Network

The Commission coordinates a Canberra-based Leadership Development Network to build better practice in leadership development by sharing ideas on the diversity of leadership approaches across the public sector. The network runs a series of breakfast seminars and an annual forum to explore current issues and trends in leadership and leadership development.

The Commission chairs and supports the Network Steering Group that oversees decisions on topics, speakers and the overall direction of the network. The steering group includes members from a range of agencies.

During 2007–08 presentations to the Leadership Development Network were:

- Annual forum—Talent and succession management
- Investing in Leadership Development—Are we getting value for money?

- Managing talent through better career design
- How to motivate, attract and retain Generations X and Y.

Career Development Assessment Centre

The Career Development Assessment Centre offers excellent leadership development opportunities to high-performing Executive Level 2 staff. The ongoing success of the programme provides a benchmark for the Commission’s wider renewed focus on strengthening the leadership capability of the SES feeder group.

The Commission delivered 13 Career Development Assessment Centre programmes during the year to 145 participants. Staff from the Australian Taxation Office (17), Department of Defence (15) and the Department of Foreign Affairs and Trade (12) participated extensively in the programmes.

Feedback from participants continues to be positive, with all three performance measures exceeding the target of 90%.

The success of the centre depends on the support agencies provide, including provision of observers. Observers play a crucial role in bringing their experienced perspectives and contributing to the rigorous assessment process. The Commission successfully conducted observer training, with 19 new SES Band 2s and SES Band 3s trained.

OUTPUT 2.2 PROGRAMME DELIVERY

The Commission offers leadership, learning and development programmes that build the knowledge, capabilities, skills and behaviours that departments and agencies require of their employees in the modern APS environment. In meeting these expectations, the programmes also help individuals further pursue their APS career aspirations.

Important achievements contributing to the Programme Delivery output included the release of the APS Induction e-learning modules; strong growth in the participation in programmes for SES, EL and APS 1–6, the *Taste of Government* event for graduates, the launch of a new mini-series for APS 5–6 and ELs on contemporary challenges facing the APS, and the achievement of Registered Training Organisation accreditation.

SES orientation

The Commission delivered its three-day *SES orientation* programme 15 times during 2007–08 (Table 13). The programme not only provides new senior executives with the information they need to operate effectively in the APS environment but also gives them an opportunity to build valuable networks with their peers. The programme is aligned with the capabilities identified in the Integrated Leadership System. Topics covered include accountability, governance and the relationship between Ministers and the APS.

During the programme SES officers are exposed to guest speakers such as heads of agencies, senior officers from Ministers’

TABLE 12: PERFORMANCE INFORMATION—OUTPUT 2.2 PROGRAMME DELIVERY

Target	Result
Quantity	
Number of programmes delivered—target is 919	Exceeded. 2371 programmes were delivered.

SES expertise short programmes Percentage of new entrants to the SES attending an orientation in the first 1–3 years—target is 100%.	Not achieved. 69% of new entrants to the SES attended an SES orientation in the first 1–3 years. However, this is an improvement on the result of the previous financial year (which was 54%).
Quality	
APS 1–6 and Executive Level programmes Percentage of responding participants who when surveyed give a rating 5 or 6 on a 6-point scale for:	
• achieving objectives	Achieved for APS 1–6 programmes. 89% of respondents gave a rating of 5 or 6 on a 6-point scale Not achieved for EL programmes. 81% gave a rating of 5 or 6 on a 6-point scale. The Commission has updated marketing material to closer reflect programme content.
• programme content	Achieved for APS 1–6 programmes. 88% of respondents gave a rating of 5 or 6 on a 6-point scale Achieved for EL programmes. 86% of respondents gave a rating of 5 or 6 on a 6-point scale
• quality of presenters.	Achieved for APS 1–6 programmes. 94% of respondents gave a rating of 5 or 6 on a 6-point scale Achieved for EL programmes. 91% of respondents gave a rating of 5 or 6 on a 6-point scale
Target is 85%.	
SES expertise short programmes Percentage of responding participants who when surveyed give a rating of 5 or 6 on a 6-point scale for:	
• achieving objectives	Mostly achieved. 84% of respondents gave a rating of 5 or 6 on a 6-point scale. This is a slight improvement on the previous financial year (which was 78%)
• programme content	Mostly achieved. 84% of respondents gave a rating of 5 or 6 on a 6-point scale. This is a slight improvement on the previous financial year (which was 79%)
• quality of presenters.	Mostly achieved. 83% of respondents gave a rating of 5 or 6 on a 6-point scale. This is a slight improvement on the previous financial year (which was 81%)
Target is 85%.	
Consultancy Services—client satisfaction Percentage of responding surveyed clients who used services provided direct to agencies by brokering delivery from the panel who give an average rating of 5 or 6 on a 6-point scale, for how well the programme was:	
• tailored and delivered	Achieved. 100% of respondents gave a rating of 5 or 6 on a 6-point scale.
• coordinated and administered.	Achieved. 91% of respondents gave a rating of 5 or 6 on a 6-point scale.
Target is 85%.	
Achieve accreditation as a Registered Training Organisation	Achieved.
Estimated price: \$8.553 million	Actual: \$9.773 million

offices, and executive assistants who work for SES officers. Two hundred and thirty five senior executives attended the orientation programmes, representing 69% of newly appointed SES.

APS induction

Ensuring new employees have the necessary skills and knowledge to work effectively in the APS environment is essential.

The APS Induction e-learning modules were developed by the Commission in 2006–07 and distributed to all APS agencies via CD-ROM in July 2007. The modules have recently been updated and can be accessed either directly from the Commission’s website or by downloading to an intranet site or learning management system.

APS Induction equips new starters with a broad understanding of the APS relationship with the Australian Government, the Parliament and the public. The programme aims to provide new employees with the wider APS contextual knowledge they need to be effective public servants.

The Commission also offers APS Induction as a facilitated 4.5-hour training programme. The Commission conducted 10 public and in-house iterations of APS Induction in Canberra during the year. See also <www.apsc.gov.au/apsinduction>.



The Australian Public Service Commissioner, Ms Lynelle Briggs; the Special Minister of State, the Hon. John Faulkner and the Secretary of the Department of the Prime Minister and Cabinet, Terry Moran AO.



Graduate development

Development of graduates remains an important focus for the Commission’s learning and development products, events and services. The Commission provides opportunities to graduates to increase their knowledge and enhance their skills and contribution within the APS.

The *Graduate update* series, the annual *A taste of Government* seminar, and the APS 1–6 development programmes continued to

TABLE 13: ATTENDANCE AT SENIOR EXECUTIVE ORIENTATION PROGRAMME, 2003–04 TO 2007–08

Year	Total participants	Total events
2003–04	110	7
2004–05	67 (-39%)	5
2005–06	164 (+144%)	11
2006–07	222 (+35%)	15
2007–08	235(+6%)	15

Note: Figures in brackets represent percentage change on previous year.

be popular. Agencies view these events and programmes as an important component of a well-rounded graduate year in the APS.

This year the *A taste of Government* seminar enjoyed increased interest; a record number of 670 graduates attended in April, compared with 617 graduates in 2006–07. The Special Minister of State, the Hon. John Faulkner; the Secretary of the Department of the Prime Minister and Cabinet, Terry Moran AO; and the Australian Public Service Commissioner, Ms Lynelle Briggs presented the seminar. See also <www.apsc.gov.au/apslearn>.

APS 1–6 programmes

The Commission provides a national, comprehensive and coordinated suite of leadership, learning and development programmes, events and services for APS 1–6 staff. Overall, at 30 June 2007, the APS 1–6 cohort accounted for 73.4% of ongoing employees in the APS. The Commission ensures that the APS 1–6 suite of programmes is current and topical and helps provide APS agencies and their employees with the capability to deliver government priorities, objectives and outcomes.

In Canberra, 167 APS 1–6 programmes were delivered attracting 2707 participants. This represents an overall increase of 24.5% in the overall number of programmes delivered and an increase of 24.5% in numbers of participants.

In 2007–08 the most popular programmes were:

- *Essential writing for APS 5–6 levels*
- *Essential writing for APS 1–4 levels*
- *Strategic thinking*
- *Minute taking skills*
- *Policy formulation and advice—introduction.*

Early in 2008, the Commissioner addressed APS 5–6 staff members highlighting the key findings and future challenges for the target audience and for the APS as identified in the State of the Service Report. See also <www.apsc.gov.au/apslearn>.

Executive Level programmes

The Commission delivered 103 Executive Level programmes in Canberra that attracted 1639 participants. This is an increase of 38.9% in the overall number of programmes delivered compared to last year and an increase of 33.2% in numbers of participants.

The most popular programmes were:

- *Shaping strategic thought*
- *Executive Level 1 transition*
- *Management essentials*
- *APS job applications and interview skills—applying for jobs at the Executive Level*
- The *EL update* series offered in Canberra continued to be popular with 244 participants at three sessions covering a range of topics.

See also <www.apsc.gov.au/ellearn>.

Confronting Contemporary Challenges

The Commission launched a new mini-series for APS 5–6 and Executive Levels on the contemporary government challenges of *Changing behaviour*, *Agency health*, *Tackling wicked problems* and *Building better governance*.

The Commission held seminars in May and June respectively on:

- *Changing behaviour*—the seminar focused on ways to achieve behavioural change in the public policy context. Thirty-five participants listened to senior

executive Virginia Hart from the Department of Health and Ageing present insights from behavioural change theory and evidence.

- *Agency health*—54 participants listened to Acting Deputy Public Service Commissioner, Ms Annwyn Godwin and Acting Deputy Secretary, Department of Immigration and Citizenship, Ms Alison Larkins, presenting both theoretical and practical insights into key indicators of corporate health, characteristics of high and poor performing organisations, and strategies for monitoring and assessing health.

The Commission will hold the *Tackling wicked problems* and *Building better governance* seminars in 2008–09. See also Output 3.4—Research and evaluation for more information.

Consultancy services

The Commission’s Leadership, Learning and Development Panel includes more than 115 leading corporate management consultancy firms with public and private sector expertise. The Commission, through the Panel, cost-effectively customises programmes and services to meet specific needs of agencies.

Agencies have access to a range of tested and experienced providers of high quality leadership, learning and development products within the public service context. Approximately 40 agencies received 1491 services during the year (Table 14). All clients who responded to survey questions rated tailoring and delivery as a 5 or 6 on a 6-point scale; and 91% rated coordination and administration as a 5 or 6 on the same scale.

Significant achievements included:

- Supporting the International Coaching Federation’s *Canberra coaching week*, where Commission staff attended a discussion panel and gave a presentation on ‘doing business with government’.
- Working in partnership with a number of agencies, including the Departments of Health and Ageing; Families, Housing, Community Services and Indigenous Affairs; and Infrastructure, Transport, Regional Services and Local Government to help deliver their in-house training calendars.
- Continuing work with the Department of Immigration and Citizenship to finalise its Visa Transformation Strategy, identified as a client service improvement project that had a significant impact on

TABLE 14: CONSULTANCY SERVICE PROGRAMMES PRESENTED, 2006–08

Programme	No. of programmes presented	
	2006–07	2007–08
Writing skills	183	122
Leadership/management skills	137	220
Procurement and contract management	91	60
Project management	66	45
Programme management	63	82
Coaching services	56	71
Policy	55	135
Other consultancy services	546	756
Total	1197	1491

that department's State and Territory service delivery network.

The volume of key programmes presented in 2007–08 has increased significantly from the previous year, as has the number of other consultancy services (in-house or agency-specific consultancies). This is largely due to an increased demand from agencies to meet their requirements in the areas of leadership, learning and development coupled with strengthened promotion by the Commission. See also <www.apsc.gov.au/learn/custom.htm>.

In-house programmes

The Commission offers in-house delivery of core programmes to meet the particular needs of agencies in a flexible and cost-effective manner. The programmes may include tailoring to address agency-specific challenges and procedures. Facilitators from the Canberra office delivered 54 in-house training programmes on a range of areas relating to induction, APS Values and Code of Conduct, recruitment processes (for applicants and selection panels), and promoting harassment-free workplaces. The two most popular programmes were *Getting that selection right* and *APS job applications and interview skills: applying for jobs up to the APS 6 level*.

Registered Training Organisation

The Commission gained accreditation as a registered training organisation in May 2008.

Featured Highlight

REGISTERED TRAINING ORGANISATION

The ACT Accreditation and Registration Council granted the Commission accreditation as a registered training organisation in May 2008. The Commission started operations as a registered training organisation from 1 July 2008.

The Commission will initially offer recognition services for the Certificate IV in Government and the Diploma of Government from the *Public Sector Training Package*. In the longer term, the Commission will offer nationally recognised training and will expand its range of qualifications to meet the needs of the APS.



Programmes outside Canberra

During 2007–08, the Commission delivered 151 calendar programmes in Melbourne, Sydney, Adelaide, Brisbane, Darwin and Perth and other locations outside Canberra. Topics presented included financial management, writing skills, strategic thinking and the Integrated Leadership System. This reflects a significant increase in demand for calendar programmes compared to the previous year.

Staff in regional offices also negotiated and arranged for delivery of 317 in-house programmes to APS and Commonwealth agencies. There was a downturn in the number of requests from agencies for these services compared to the previous year, which in part is attributed to reduced discretionary expenditure during the post election and pre Budget periods.

Often facilitated by Commission staff, the in-house programmes covered the APS Values and the Code of Conduct, staff selection and recruitment, assessing leadership capabilities and the prevention of workplace bullying and harassment. There was a significant increase in requests from agencies for delivery of programmes covering APS Values and the Code of Conduct, which is a positive reflection of their commitment to ensuring employees understand their obligations and supports the Government's focus on integrity and accountability.

OUTPUT 2.3 NATIONAL AND INTERNATIONAL PROGRAMMES

The Commission's role in providing, or helping to provide, national and international programmes continued to be high-level and strategic during 2007–08.

Domestically, the Commission continued to be involved in the Australia and New Zealand School of Government, the Public

Sector Management Programme, and the *Public Sector Training Package*.

Internationally, the Commission delivered two outstanding Leading Australia's Future in Asia programmes and, in conjunction with the Canada School of Public Service and the United Kingdom National School of Government, developed the Leadership Across Borders programme; the Australian module was successfully delivered in Sydney in June 2008.

The successful Leading Australia's Future in Asia programme conducted in the Pacific and the introduction of the Leadership Across Borders programme were significant achievements contributing to this output.

Leading Australia's Future in Asia

Leading Australia's Future in Asia (LAFIA) brings together senior executives from the Australian, and State and Territory public services to increase their understanding of significant change drivers in the region. The study programmes include meetings with government officials, and business and community leaders. LAFIA aims to:

- provide background and context for the international dimension of senior executive responsibilities
- enable senior executives to respond strategically to changes in the Asia–Pacific region
- develop networks and contacts among Australian participants and with their overseas equivalents.

In 2007–08 the Commission led one LAFIA programme in the Pacific. Nineteen senior leaders undertook a two-week study of Papua New Guinea, Vanuatu and Samoa.

LAFIA exposes participants to a range of high-level business, government and academic leaders, both in Australia and

overseas. The Commission works closely with Australian diplomatic representatives, supporting participants to gain a better understanding of how the Department of Foreign Affairs and Trade’s whole-of-government engagement works. The Crawford School of Economics and

Government at the Australian National University provides the academic content for the programme.

Leadership Across Borders Programme

The Leadership Across Borders programme is a groundbreaking international leadership

TABLE 15: PERFORMANCE INFORMATION—OUTPUT 2.3 NATIONAL/INTERNATIONAL PROGRAMMES

Target	Result
Quantity	
Number of Leading Australia’s Future in Asia (LAFIA) programmes delivered—target is three per annum.	Not achieved. One LAFIA programme was conducted in 2007–08. This programme involved a study tour to Papua New Guinea, Vanuatu and Samoa during the period 18 August–2 September 2007. The two remaining programmes were deferred as follows: <ul style="list-style-type: none"> • The introduction and viability of the proposed LAFIA Northern Hemisphere programme has not yet been considered by the Leadership and Learning Advisory Committee. • The timing of the LAFIA Asia programme was rescheduled to take place from 1–22 July 2008.
Number of Australia and New Zealand School of Government Board meetings the Commission attends and at which the Commission provides the Commonwealth perspective—target is 75% of meetings held.	The Commissioner stepped down from the ANZSOG Board in December 2005. The Australian Government’s perspective was provided by the Secretary of the Department of Prime Minister and Cabinet during 2006–07 and in future will be undertaken by the Secretary of the Department of Finance and Deregulation who was recently appointed to the Board.
Number of Public Sector Management Programmes Board meetings for which the Commission provides secretariat services—target is one Board Meeting and one conference.	Exceeded. The Commission provided secretariat services for three board meetings and one conference.
Number of Government Industry Skills Council meetings at which the Commission contributes the Commonwealth perspective—target is 75% of meetings held.	Exceeded. Commission representatives contributed to 100% of Government Skills Australia (GSA) meetings.
Quality	
Percentage of responding LAFIA participants who when surveyed indicate a high level of satisfaction with the programme and give a rating of 5 or 6 on a 6-point scale for:	
• achieving objectives	Exceeded. 100% of respondents
• programme content	Exceeded. 100% of respondents
• programme coordination and administration.	Achieved. While a specific percentage result is unable to be identified, direct feedback provided by clients indicates a high level of satisfaction by participants with the LAFIA programme.
Target is 85%.	
Estimated price: \$1.902 million	Actual price: \$1.458 million

initiative, designed for senior public leaders working within a Westminster system. The Commission (also representing New Zealand), the Canada School of Public Service and the United Kingdom National School of Government collaborated to create this exciting programme. With week long modules in each of the United Kingdom, Australia and Canada the programme will create a unique network of high-potential senior leaders covering both hemispheres.

The inaugural programme was launched in February 2008 and attracted 10 Australian, two New Zealander, 12 Canadian and 12 United Kingdom SES Band 2 (equivalent) participants.

Australia and New Zealand School of Government

The Australia and New Zealand School of Government (ANZSOG) is a first-tier professional school established collaboratively in 2002 by a consortium of Australian and New Zealand governments, universities and business schools to help develop the skills of those destined to be leaders in the public sector.

Governance

The Australian Government is a foundation member of ANZSOG. Following the departure of Dr Peter Shergold as ANZSOG Board Chair, Australian Government representation on the Board remained vacant. Dr Ian Watt, Secretary for the Department of Finance and Deregulation, became the Government's representative in July. Dr Ken Henry, Secretary to the Department of the Treasury, continues as Chair of the ANZSOG Research Committee.

An academic board is responsible for encouraging and maintaining the highest possible standards in curriculum and teaching in ANZSOG's programmes.

Teaching

The Commission, in consultation with other agencies, continues to help ANZSOG ensure it meets APS needs by providing high quality, high profile programmes that represent value for money. The Australian Government has met its commitment to fund 20 and 30 places, respectively, on ANZSOG's annual flagship teaching programmes until 2008. The programmes are:

- *Executive Fellows Programme*, a three-week residential for SES Band 2 and 3 employees, in 2007 attracted 80 participants from Australia, New Zealand and the Pacific; 22.5% were from the APS.
- *Executive Masters of Public Administration*, a two-year part-time programme for high-performing Executive Level 2 staff and equivalents. In 2008, 137 new students began the programme; 22.6% were APS employees. The programme's core subjects are taught in five-day residential blocks in various Australian and New Zealand locations.

The level of participant satisfaction with ANZSOG teaching programmes in 2007–08 was high.

Research

The ANZSOG Research Committee coordinates the school's research priorities. The Secretary of the Department of the Treasury, Dr Ken Henry, is the Australian Government representative on, and chair of, the research committee. The committee contributes to continued public sector reform by supporting development and transmission of good practice in policy and management. It also informs debate on key issues in public administration and maintains the quality and relevance of ANZSOG's teaching programme.

The Australian Government's financial support for ANZSOG research continued through previously established mechanisms, namely:

- A \$10 million grant (governed by a deed of agreement) was made to the ANZSOG Foundation in May 2005. Interest generated is used to support the Sir John Bunting Chair of Public Administration at the Australian National University and other academic appointments to develop research activities. Effective financial and qualitative reporting requirements have been developed with ANZSOG consistent with the deed of agreement, and a full account of how the interest for each financial year has been spent is provided annually to the Commission.
- The Australian Government committed to provide \$200,000 per year for three years between 2003 and 2006 to support ANZSOG's research capacity. The Australian National University matched this funding. In 2006–07, the APS Management Advisory Committee (MAC) provided funding for ANZSOG's research programme through a \$200,000 grant with the cost being shared equally between MAC agencies. The two ANZSOG research projects approved by MAC in 2006–07 are currently being finalised. The first project relates to the role of central agencies in government strategy formulation across ANZSOG jurisdictions. The second focuses on attraction, recruitment and retention in the APS, including succession planning.

In early 2008, ANZSOG released a paper, *Australia under construction: nation-building past, present and future*, drawn from the *Governing by looking back* conference held at

the Australian National University in December 2007.

Public Sector Management Programme

The Public Sector Management Programme targets motivated middle to senior managers, at the APS 6, Executive Level 1 and 2 and equivalent levels in other Australian public sector jurisdictions, to provide them with broader skills for use at their present level as well as those needed for more senior positions. The Commission coordinates Australian Government, State and Territory participation by providing secretariat services to a board of management that oversees the programme.

A 2006–07 evaluation of the programme found that enrolment and completion rates had declined. As a result, the Commission helped raise awareness of the programme throughout the APS, which has resulted in increased enrolments. The secretariat's leadership in developing a national marketing framework and reviewing the curriculum continues to strengthen the programme's reputation and relevance.

Public Sector Training Package

The *Public Sector Training Package* provides the basic building blocks for the vocational education and training system to respond to the public sector's training needs. It provides individuals with clear skills and career pathways through recognised national qualifications and gives Commonwealth agencies access to the National Training Framework. Government Skills Australia, the industry skills council for government and community safety, maintains the training package. The Commission represents the Commonwealth on the Public Sector Industry Advisory Committee, the authoritative and representative voice advising Government Skills Australia and

the Government on public sector vocational and educational training needs.

The Commission actively promotes the training package to APS agencies as an important learning and development option. The Commission's accreditation as a registered training organisation means that as at 1 July 2008 it can provide nationally accredited training programmes and skills recognition across government agencies. The Commission is using qualifications and competencies from the *Public Sector Training Package* to design assessment pathways, recognition tools and accredited training programmes.

OUTPUT 3 BETTER PRACTICE AND EVALUATION

Output 3 derives from the Public Service Commissioner's statutory role set out in sections 41 and 44 of the *Public Service Act 1999*. The Commission's Better Practice and Evaluation Groups contribute to enhanced APS performance by preparing the Commissioner's annual State of the Service Report to Parliament and by conducting evaluation and research into current challenges facing the APS. Both Groups promote and advise on better practice approaches to governance, agency performance and people management. Ongoing research and secretariat support to the Management Advisory Committee and Public Service Commissioners' conferences is also provided.

ACHIEVEMENTS

The Commission's achievements under Output 3 continued to support agencies in improving strategic people management practices and overall organisational capability, through providing better practice advice and information on key challenges facing APS agencies.

The Commission's achievements under Output 3 included:

- developed and delivered the first National Conference of Indigenous Employees in the APS drawing 140 delegates from 50 agencies
- delivered 27 development workshops to over 390 Indigenous employees across the country
- developed and launched the *Indigenous scholarship programme*
- coordinated the *Indigenous pathways recruitment* programme for graduates, cadets and trainees
- developed and implemented the *Indigenous mentoring* programme for trainees
- established the *Indigenous Pathways alumni*
- finalised two new better practice tools for agencies on *Succession planning and leading productive people*
- piloted a whole-of-APS recruitment campaign targeting finance and accounting skills
- published the *State of the Service Report 2006–07* with special emphasis on key challenges facing the APS, including agency health and agency culture, new ways of doing business, modernising APS employment, interactions with Government, and leadership
- conducted a rolling series of information sessions on the *State of the Service Report 2006–07* to disseminate results among APS leaders and employees
- produced four publications in the new *Contemporary Government Challenges series*—*Agency health: monitoring agency health and improving performance*; *Building better governance*; *Tackling wicked problems: a public policy perspective*; and *Changing behaviour: a public policy perspective*
- maintained the APS Employment Database (APSED) for use in the State of the Service Report and specific-purpose projects
- enhanced the APS Employment Database Internet Interface (APSEDII)
- provided ongoing secretariat support to the Management Advisory Committee and assisted with preparation of its report, *Note for file: a report on recordkeeping in the Australian Public Service*, which was released in August.

PRICE FOR OUTPUT 3

The total price for Output 3 in 2007–08 was \$9.567 million. This was \$0.008 million lower than the estimated price of \$9.575 million published in the Portfolio Budget Statements 2007–08.

OUTPUT 3.1 INDIGENOUS EMPLOYMENT

Employment of Aboriginal and Torres Strait Islander people in the APS helps achieve government policy development and programme and service delivery goals. It also contributes towards achieving social and economic equity for Indigenous Australians.

Continuing to foster Aboriginal and Torres Strait Islander employment in both mainstream and Indigenous-specific areas in the APS through strategies to attract, recruit, develop and retain Indigenous employees remained a top priority for the Commission. The vehicle for this has been through implementation of the APS employment and capability strategy for Aboriginal and Torres Strait Islander employees.

Achievements against Output 3.1 enabled the Commission to contribute significantly to the stabilisation of Indigenous employment numbers in the APS, and to work closely with agencies on improving employment outcomes for Indigenous Australians. Key achievements under Output 3.1 were the National Conference of Indigenous Employees in the APS, the expansion of our pathways initiatives and establishment of the *Indigenous pathways alumni*, and the successful Indigenous Career Trek workshops delivered nationally to over 390 Indigenous employees.

Implementing the APS Indigenous employment strategy

The *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees* was implemented in August 2005 with funding of \$6.4 million until 30 June 2008. In the 2008 Budget the Government announced extension of the strategy to 30 June 2009 with a further \$2.6 million provided to support its activities.

The strategy aims to increase employment and career development opportunities in the APS for Aboriginal and Torres Strait Islander Australians; it was structured on the themes of:

- supporting whole-of-government work on Indigenous policies and programmes
- developing pathways to APS employment
- supporting Indigenous employees in the APS
- supporting agencies to be good employers of Indigenous employees
- developing partnerships.

This year an evaluation of the strategy, conducted under Department of Finance and Deregulation guidelines, indicated the Commission had made significant and measurable progress toward meeting the strategy objectives.

The evaluation found the strategy had been instrumental in stabilising Indigenous employment levels in the APS and mobilising agencies to focus on Indigenous employment issues and strategies. It also suggested areas where the Commission could consolidate existing achievements.

The evaluation recommended extending the strategy to maintain the momentum in Indigenous employment and highlighted the important leadership role the Commission is playing. Good feedback was provided by both

agencies and Indigenous staff through the evaluation process. While key issues continue to exist around the opportunities for regional employment and retention, it is clear that the strategy has established the groundwork for building positive outcomes in the future.

The Commission will consider the associated recommendations in the context of the Budget cycle for the period beyond 30 June 2009.

TABLE 16: PERFORMANCE INFORMATION—OUTPUT 3.1 INDIGENOUS EMPLOYMENT

Target	Result
Quantity	
1. Medium and long-term strategies developed and implemented to support employment and retention of Aboriginal and Torres Strait Islander people in the APS.	Achieved. Strategies under the <i>APS employment and capability strategy for Aboriginal and Torres Strait Islander employees</i> have been extended for another 12 months and planning has begun on a replacement strategy to take effect from 1 July 2009.
2. Number of agencies involved in initiatives to increase the knowledge, skills and capacity of Indigenous employees and their employers across the APS.	Achieved. 50 agencies participated in the APS National Indigenous Employees Conference. 40 agencies participated in <i>Indigenous career trek</i> . Nine agencies participated in the Horizons secondment programme.
3. Satisfaction with levels of access to support networks and development programmes, as measured by response to annual State of the Service employee surveys	Achieved. The <i>State of the Service Report 2006–07</i> data indicated that 54% of Indigenous employees were satisfied with their access to learning and development. Although this was lower than the APS overall (60%), the low number of Indigenous respondents means that drawing meaningful conclusions concerning the apparent comparative data is problematic. Nonetheless, this is an issue that will remain a key focus of the employment and capability strategy for Aboriginal and Torres Strait Islander employees. During the financial year the number of Indigenous APS Employee Networks (IAPSENs) has expanded to cover Alice Springs, and discussions commenced with a view to establishing networks in the Torres Strait and Tasmania. Access to IAPSEN activities has also been improved by the establishment of a dedicated IAPSEN website sponsored by the Australian Public Service Commission.
4. Agencies' implementation of strategies has a positive impact on engagement and separation rates of Indigenous employees – target is proportional representation consistent with the wider APS workplace and community.	Partly achieved. The <i>State of the Service Report 2006–07</i> reported an encouraging decline in the separation rates for Indigenous employees from 4.2% to 3.5% in 2006–07. In the same period, the engagement rate for Indigenous staff rose from 1.8% to 2.7% and the number of Indigenous employees engaged during the year increased from 372 to 513.
Quality	
1. Levels of Aboriginal and Torres Strait Islander employee satisfaction with working in the APS—target is an increase compared to the State of the Service Report timeline data.	Partly achieved. The <i>State of the Service Report 2006–07</i> reported that the overall job satisfaction levels of Indigenous staff trailed those of other staff. In 2006–07, 75% of Indigenous employees were on average satisfied with their most important job satisfaction attributes. This was substantially lower than the previous year (86%) and lower than for the APS overall (81%). It was, however, still higher than the same measure in earlier years and is, therefore, still an increase on the timeline data. These figures should be treated with some caution as Indigenous job satisfaction results have been very volatile over the life of the employee survey and are likely to reflect the relatively small number of Indigenous employees in the sample.
2. Levels of agency participation in cross-agency and cross-jurisdictional projects.	Achieved. 33 agencies participated in the graduate programme, 23 in the National Indigenous Cadetship Programme and 10 in the entry level recruitment programme.
Estimated price: \$4.663 million	Actual: \$4.886 million

Supporting whole-of-government initiatives

The Commission supports whole-of-government initiatives in Indigenous employment by working with other APS agencies on mentoring and networking programmes, and national conferences and workshops.

Mentoring programme

In 2006–07 the Commission piloted a mentoring programme matching selected Indigenous Coordination Centre managers with mentors at the SES Band 3 level from across the APS. Based on the positive feedback received, the Commission worked with the Department of Families, Housing, Community Services and Indigenous Affairs, to allocate mentors to the remaining Indigenous Coordination Centre managers early in 2007–08.

National Indigenous Employees Conference

The Commission sponsored and organised the first National Conference of Indigenous Employees in the APS in May 2008.

Through a series of facilitated workshops, delegates were given an opportunity to identify potential strategies to support employment of Indigenous Australians in the APS. The outcomes of the conference and workshop discussions will inform directions for future action under the APS Indigenous employment strategy.

Featured Highlight

NATIONAL INDIGENOUS EMPLOYEES CONFERENCE

The Commission sponsored and organised the first National Conference of Indigenous Employees in the APS in May 2008. The conference examined a range of issues relevant to Indigenous employees.

The conference attracted 140 delegates from 50 Commonwealth agencies across the country, from entry level recruits through to agency heads. They came together to consider the state of Indigenous employment in the APS and identify areas for future action, including skills and capacity development, and approaches to cultural competency in the workplace.

The conference was addressed by a number of speakers including the Cabinet Secretary, the Hon. Senator John Faulkner; the Public Service Commissioner, Ms Lynelle Briggs; and the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs, Dr Jeff Harmer.

Delegates also heard reports from participants at the Australia 2020 and the Youth 2020 Summits. These included presentations from Dr Peter Buckskin, Dean and Head of School, David Unaipon College of Indigenous Education and Research, University of South Australia; Mr Steven Larkin, Principal of the Australian Institute of Aboriginal and Torres Strait Islander Studies; and Ms Jessica Graham, a member of the Commission's own staff.

Feedback from delegates and speakers has been overwhelmingly positive and the Commission plans to make conferences of this kind an annual event.



Learning and development

Through the *Indigenous career trek* initiative the Commission has delivered APS Career Management workshops to 392 Indigenous employees across Australia. During these workshops the need for APS employees to work in a whole-of-government way is highlighted, the skills needed to perform in this way are explored and participants are encouraged to include developing whole-of-government capability as part of their career management and advancement strategies.

Whole-of-government working is further promoted and supported through various events and networking opportunities the Commission provides to Indigenous graduates, cadets and trainees recruited through the *Pathways* programme.

Developing pathways to APS employment

The Commission partnered with various APS agencies to deliver three recruitment programmes for Indigenous graduate, cadet and entry-level positions. Support programmes and services to these recruits were increased to enhance short- to medium-term retention prospects.

Through the *Indigenous graduate recruitment* programme, the Commission recruited and placed 26 Indigenous graduates in 17 APS agencies. The Commission expects a similar number will be engaged through the 2009 intake which was advertised in May with 28 APS agencies involved.

The Commission also recruited and placed 35 Indigenous tertiary students in cadet positions with 15 agencies through its bulk recruitment initiative under the National Indigenous Cadetship Project. Applications for the fourth intake closed in June.

The *Indigenous entry level* programme provides a pathway to employment for

Indigenous Australians who do not have tertiary qualifications. This year the Commission recruited and placed 23 trainees across eight APS agencies through this programme and coordinated delivery of formal training towards a Certificate III or IV in Government for Indigenous participants engaged as entry-level recruits.

Pathways support programmes

To enhance short- and medium-term retention of new recruits and to promote a whole-of-government view in career planning and development, the Commission increased the support programmes it delivers to *Pathways* recruits. New initiatives developed and implemented included:

- a transition programme for incoming 2008 graduates to familiarise them with the APS environment, introduce them to Indigenous APS networks and orient them to Canberra and their home agencies
- a whole-of-government induction programme for 2008 graduates that provided a strategic overview of the structure and role of the APS and its relationship to government; keynote speakers included central agency heads, key ministerial advisors and senior Indigenous employees
- additional skills development in APS leadership, career management and communication
- training in mentoring for Indigenous APS employees who will act as mentor to new recruits
- establishment of an *Indigenous pathways alumni* in Canberra and Sydney.

To achieve these outcomes the Commission partnered with numerous APS agencies; see 'Supporting partnerships' on page 65.

Supporting Indigenous employees

The Commission delivered 27 professional development workshops across the country, launched a new range of scholarships to support career advancement, and established an *Indigenous pathways alumni* to support Indigenous employees in achieving their career goals and aspirations. As well it continued the *Horizons* programme and the work to support the Indigenous APS employee networks in each jurisdiction.

Indigenous career trek

Over 390 Indigenous employees attended the *Indigenous career trek* workshops during the year. The Commission delivered 11 workshops on APS career management skills to APS 1–6 employees, eight communication skills workshops to APS 1–4 employees, and eight workshops on influencing skills to APS 5 to Executive Level 1 employees. The programmes were extremely well received; 96% of evaluations rated the quality of the programme content, relevance and currency very highly.

Indigenous scholarship programme

The Commission launched the *Indigenous scholarship programme* in April. The programme provides access to higher-level study and development programmes for Indigenous employees at the APS 6 to Executive Levels and research/study opportunities for Indigenous members of the SES. Scholarships are available for

Indigenous participation in the Public Sector Management Programme, the Masters in Public Administration through ANZSOG, the Commission's *Leadership dimensions* programme and a fellowship opportunity at the senior executive level.

Scholarships based on merit will be awarded in the second half of 2008.

Horizons

In 2007–08, *Horizons* (the APS Indigenous secondment programme) facilitated six placements for Indigenous employees at the APS 4–6 levels in the Departments of the Prime Minister and Cabinet; Health and Ageing; Education, Employment and Workplace Relations; as well as the Australian Crime Commission and AusAID.

Horizons broadens the experience, skills and career progression opportunities for Indigenous employees and has, to date, facilitated 10 inter-agency secondments. The Commission provides *Horizons* participants with coaching, mentoring, development and network opportunities during their secondment to create stronger development and career progression outcomes. Participants' home agencies receive a scholarship grant of \$15,000 to help offset the costs of releasing staff for secondments.

Horizons will be expanded next year to offer secondment opportunities to Indigenous employees at the executive levels.



Indigenous career trek workshop: participants in Brisbane, 2008

Indigenous APS Employment Network

The Commission's commitment to improving employment outcomes for Indigenous staff is reflected in its support for the Indigenous APS Employment Network (IAPSEN).

Networks are currently located in Sydney, Melbourne, Canberra, Brisbane, Perth, Adelaide, Darwin and Townsville. As well, an inaugural meeting between the Commission and other stakeholders in Alice Springs established support for a Central Australian IAPSEN and preliminary discussions are underway to establish a network in Tasmania.

The Commission supported two face-to-face meetings of the IAPSEN Chairs' Forum. These meetings highlight common issues across the APS and inform networks about regional issues.

In consultation with the network, the Commission launched a national website in May at the National Conference of Indigenous Employees in the APS. This site provides information on each network, provides contact and event information, and promotes the work of IAPSEN. It can be accessed at <www.apsc.gov.au/iapsen>.

The New South Wales IAPSEN was strengthened during the year by introduction of a small executive group to support the Chair and to drive a number of events-based initiatives. The Victorian IAPSEN organised a special screening of *My*

brother Vinnie at the Australian Centre for the Moving Image; and the Western Australian IAPSEN was involved in a NAIDOC week event that included a tour of the Aboriginal Art Gallery in Kings Park and a talk by prominent Indigenous artist, Norma MacDonald.

Supporting agencies to be good employers of Indigenous employees

Support for agencies includes running promotional campaigns to raise the profile of the APS as an employer, funding scholarship programmes and attending careers fairs and expos to promote the APS as employer of Indigenous people.

The Commission also provided assistance to agencies in direct form by helping with recruitment exercises, providing advice on request in relation to particular issues, and giving agencies guidance on the development of their own Indigenous employment strategies.

Public calling campaign

The Commission's successful *Public calling* promotional campaign continued to raise the profile of the APS as an employer of choice to Indigenous Australians.

Seven Indigenous employees from various agencies are the faces of the *Public calling* campaign and act as APS Indigenous career



Patrick Palmer (b.r. far left) and Lynne Tacy (f.r. centre) with APS Indigenous Career Ambassadors.

ambassadors. This year the ambassadors have helped deliver several promotional events and leading presentations, including playing a substantial role as facilitators in the National Conference of Indigenous Employees in the APS.

In June 2007 the Commission launched a three-month National Indigenous Radio Service campaign featuring the career and personal journey stories of the ambassadors complemented by a refreshed *Public calling* web interface featuring each of the ambassadors; see <www.apsc.gov.au/publiccalling>.

Preparations for another round of advertising were delayed due to the federal election and this campaign is now being negotiated for later in 2008.

Indigenous capability fund

The Commission implemented the *Indigenous capability fund* in 2006 to enhance access to development opportunities for Indigenous employees in small- to medium-sized agencies. A Commission review of the fund's performance in 2006–07 indicated that many agencies were, for various reasons, unable to apply the funding within the allotted financial period. As a result, the Commission revised the eligibility requirements for the fund in 2007–08.

Four agencies received funding during the year and the remaining funds were allocated to delivering free career development programmes and a range of scholarships for all ongoing APS Indigenous employees. More than 400 Indigenous employees have accessed these new opportunities indicating a more efficient and effective application of funds.

In 2008–09 the *Indigenous capability fund* will continue to be applied to deliver the *Indigenous career trek* programmes and the *Indigenous scholarship programme*.

Indigenous liaison officer

During the reporting period the Commission attended various careers fairs and job expos in Sydney, Darwin, Newcastle and Nowra to introduce the APS and promote it as an employer of choice to Indigenous Australians. Attendance at these functions was based substantially on a recognition that they would attract significant interest from Indigenous Australians in regions with a strong APS employment presence.

The Commission's Indigenous liaison officer met Indigenous staff and supervisors of Indigenous staff to discuss the APS, the assistance available in the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees*, and to provide guidance on supervising Indigenous staff.

Supporting partnerships

Working collaboratively and creating productive partnerships continues to be a critical element of implementing the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees*.

In 2007–08 the Commission collaborated with 35 agencies to deliver the *Pathways* graduate, cadetship and entry-level recruitment programmes; and with the Department of the Senate, central agencies, and the ACT Government to provide orientation and induction programmes for new recruits.

As well, the Commission maintained its partnership with the Department of Education, Employment and Workplace Relations (DEEWR), in its new form, to coordinate the national APS bulk cadetship recruitment under that department's National Indigenous Cadetship Programme and to administer APS access to the Structured Training and Employment

Programme (STEP) to increase entry-level pathways to APS careers for Indigenous people without tertiary qualifications. In 2007–08, APS agencies independently recruited 62 Indigenous trainees and then applied, through the Commission, for access to STEP funding.

The Commission also partnered with Centrelink to deliver some aspects of the *Indigenous career trek* programmes. Centrelink provided trainers to join Commission staff to co-facilitate some programmes and assisted in coordinating access to training facilities in some locations outside Canberra.

OUTPUT 3.2 PROMOTE BETTER PRACTICE

In promoting better practice the Commission adopted a number of new initiatives in relation to people management, organisational capability, and an emerging

focus on attracting, recruiting and retaining employees.

Consultation with APS agencies remained a key component of developing and distributing relevant and high quality advice. There was also increased consultation with external stakeholders, particularly in relation to a number of the recruitment initiatives undertaken.

Achievements under Output 3.2 enabled the Commission to work strategically with agencies to continue to promote the APS as an employer of choice, and streamline the recruitment process. Key achievements under Output 3.2 were the release of the *Better faster* publication and the whole-of-APS recruitment campaign targeting finance and accountability skills.

TABLE 17: PERFORMANCE INFORMATION—OUTPUT 3.2 PROMOTE BETTER PRACTICE

Target	Result
Quantity	
Number of better practice forums developed and offered:	
• Connect Government Series—estimate 4	Under achieved. 2 Connect Government Series held
• HR Capability Programme—estimate 4	Under achieved. 3 HR Capability Development programmes were completed and 3 commenced
• Commonwealth Management Forum meetings—estimate 2	Achieved. 2 Forums were held.
• Development, networks and special events—estimate 62	Exceeded. 74 activities were held comprising development workshops, networks and special events.
Quality	
85% of responding participants, when surveyed, give a rating of 5 or 6 on a 6-point scale for: <ul style="list-style-type: none"> • achieving objectives • programme content • quality of presenters or <ul style="list-style-type: none"> • relevant • useful • high quality. 	Achieved. Events were both formal and informal. Quantitative information collected for HR Capability Programme indicated a high quality. The agenda for the networks were determined according to the requirements of participants. Informal feedback was good or above.
Estimated price: \$2.016 million	Actual: \$1.737 million

Attracting, recruiting and retaining skilled employees

The Commission continued to identify the need to recruit for specific professions and work with agencies to support them in addressing skills shortages. The Commission has undertaken significant work to attract, recruit and retain Indigenous employees at all levels under the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees* (see Output 3.1). The *Finance Jobs* recruitment campaign is discussed below.

The Commission held a series of workshops, *Remaining ahead of the game*, around the country to promote its good practice guidance on streamlining recruitment practices and the new *APSjobs* website. These interactive workshops also provided senior people managers with the opportunity to share new initiatives and to network with colleagues dealing with similar issues. The Australian Taxation Office provided a case study on the measures it has adopted to attract accountants in the current labour market.

In Victoria, the Commission delivered sessions to the Australian Quarantine and Inspection Service and the Defence Materiel Organisation about managing unplanned absences which drew heavily on the Commission's publication, *Fostering an attendance culture*.

Finance jobs

Finance Jobs is part of a continuing effort to help agencies address shortages in particular skills.

Finance Jobs was a centralised recruitment exercise piloted in September 2007 to recruit experienced finance and accounting professionals from APS 3 to Executive Level 2 on behalf of 17 APS agencies. The initiative trialed an innovative recruitment method

with applications based on curricula vitae only. A single gazette advertisement attracted applications from more than 1000 candidates.

The approach has been refined to include a new online employment register, with a longer-term rolling recruitment campaign beginning in June.

Better faster

In August the Commission launched two publications aimed at streamlining recruitment and demystifying the APS job application processes. *Better, faster: streamlining recruitment in the APS* and *Cracking the code: how to apply for jobs in the Australian Public Service* are part of the Commission's comprehensive approach to improving the capability and performance of the APS through more effective recruitment and retention practices.

Better faster aims to streamline recruitment processes across the APS by helping agencies redesign and simplify their processes. It is targeted predominantly at human resource areas to help them understand the delays in their recruitment processes and ways those processes can be improved. To date, 1430 hard copies have been distributed, with the publication also available electronically on the Commission's website. See <www.apsc.gov.au/publications07/betterfaster.htm>.

Cracking the code

Cracking the code is a series of 11 online fact sheets to help job candidates understand and navigate APS application and recruitment processes. The fact sheets address the myths and misconceptions that often affect the image of the APS as an employer of choice. About 400 copies of the publication have been distributed and the guide is available on the Commission's website as well as through the *APSjobs* site. See <www.apsc.gov.au/publications07/crackingthecode.htm>.

Careers fairs and expos

The Commission attends careers fairs and expos to promote the APS as an employer of choice and to promulgate newly produced resources such as *Cracking the code* and the *APSjobs* website. Fairs and expos the Commission has attended this year include:

- A Centrelink Career expo in Nowra in November. The Commission's stall promoted the *APSjobs* website and other Commission resources. Over 400 people attended.
- The CeBit expo, in conjunction with the ACT Government, the Australian Government Information Management Office and other APS agencies in Sydney in May. The Commission provided marketing materials and staff to promote ICT careers in the APS. Commission staff spoke directly to about 300 delegates.
- The DEEWR Career expo in Canberra in June, where about 750 DEEWR staff were exposed to Commission products and services.

Improving people management

To help the APS improve its people management skills the Commission has developed two booklets and a training programme.

Succession management

Succession planning is a critical issue for the APS, with over 40% of the current workforce eligible for retirement in the next 10 years. This potential loss of employees with considerable corporate knowledge continues to be a challenge for agencies in terms of succession planning and knowledge management.

The Commission has continued to help agencies address succession management

within their organisations. Secretaries have considered a strategic paper from the Commission on succession management. The Commission has developed a booklet, *Ensuring leadership continuity in the Australian Public Service: a guide to succession management*, that includes practical tools for agencies to use in their succession planning processes. This will be launched in early 2008–09 and supported by professional development workshops to be delivered throughout the year.

Employee life cycle

During the year the Commission produced the guide, *Leading productive people: a manager's seven steps to success*, to consolidate its earlier work emphasising managers' core responsibilities in attracting, building and sustaining the workforce.

The guide identifies the essential steps new managers can take that make the biggest difference to leading productive people. The guide will serve as a gateway for managers and is designed to sit on APS agencies' websites with links to further information and resources on people management available in the APS.

The Commission also developed a training programme to support the guide, the first of which was delivered in June 2008.

Supporting networks and forums

The Commission has continued its active involvement in many APS networks and forums this year.

SES Human Resource Roundtable and Human Resource Directors Forum

The SES Human Resource Roundtable and Directors Forum continue to provide an opportunity for human resource leaders across the APS to exchange ideas and information.

The SES Human Resource Roundtable met five times and discussed topics including recruitment processes, workplace bullying, Indigenous issues, machinery of government changes, workforce planning, the new lobbyist code and workplace relations.

The Human Resource Directors Forum was held four times this year and continues to receive strong support and positive feedback from the APS human resource community, with attendance increasing significantly.

Corporate Management Forum

This forum (formerly the Commonwealth Managers Network, COMNET) provides networking opportunities for APS heads of corporate areas, encouraging two-way flow of ideas and discussion of significant issues. A new structure has proved effective and the forum is well attended.

Regional networks

Networks are important in keeping APS and other government employees connected, and regional offices have an important facilitation role. In each State and Territory, there is a strong and active network of senior leaders of Australian Government departments and agencies. These networks provide a valuable opportunity for collaboration, professional development and mutual support through a range of activities. The Commission has been working directly with network chairs to develop greater uniformity in the way in which the networks are named, managed, branded and supported. The Commission is keen to raise the networks' profiles and make them easily identifiable to senior APS staff across the nation.

The Commission also supports people management networks in most regions. Network events this year included briefings by:

- the Merit Protection Commissioner, examining better people management initiatives in the APS
- Dr Peter Cotton, Organisational and Clinical Psychologist, and *beyondblue* (the national depression initiative), on health at work
- Richard Harding from the Australian Government Solicitor, on workplace relations
- a number of agencies promoting their own initiatives and providing case studies.

The Western Australian regional office continued to sponsor the WA Public Sector Fellowship Programme that facilitates applied research in public policy and public management leading to a better understanding of contemporary issues for public sector organisations. The programme provides an APS employee the opportunity to undertake a full-time research placement at the John Curtin Institute of Public Policy.

Human resource capability development programme

The Commission continued to build the capability of HR practitioners in the APS through the *Human resource capability development programme*. This year three programmes were completed and three new programmes commenced. The programme is regularly updated to ensure the most relevant issues and ideas are incorporated.

Getting connected

The *Getting connected* seminar series presented by senior public servants with extensive whole-of-government experience continued. Two sessions were held during the year, namely:

- *Connected to whom: reality or talk*—an exploration of how technology can be

better used to connect citizens to government services.

- *Rebuilding the Federation*—looking at how the Council of Australian Governments is working and the impact of new arrangements on the Federation and on Commonwealth and State officials.

Encouraging workplace diversity

The Commission remains strenuous in its endeavours to encourage workplace diversity in the APS.

Employing people with disability

The Commission continued to promote employment of people with disability.

In 2006–07 it published *Ability at work: tapping the talent of people with disability* that provided advice to APS agencies on strategies they could use to increase their employment of people with disability. This year the Commission reached out to the employment sector through its publication *Ability at work: working better together*. The publication is designed to be a brief, plain English guide giving employment providers information to help them find employment in the APS for their clients with disability. The document outlines a number of topics, such as what makes the APS a good place to work, how recruitment processes work and options for seeking employment in the APS.

The Commission is grateful to those people in the disability support sector and their peak bodies and APS agencies that helped design this publication.

The Commission has had limited results in terms of improving employment outcomes in this area, which remains a significant challenge for agencies.

Productivity Commission inquiry into paid maternity, paternity and parental leave

In March the Deputy Prime Minister and Minister for Employment and Workplace Relations and Social Inclusion, the Hon. Julia Gillard, MP; and the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, MP, announced a Productivity Commission inquiry into paid maternity, paternity and parental leave.

The Commissioner made a submission to the inquiry outlining the effect of the extensive APS experience in providing paid maternity leave and flexible working arrangements. The submission highlighted that the combination of paid maternity leave and flexible working arrangements contributed to retaining women in the APS. The submission noted that:

- the retention rate of women in the APS who had taken maternity leave was approximately the same as their counterparts who had not taken maternity leave
- the large majority of women returning to work after maternity leave returned on 35 hours a week or less
- the majority of employees accessing flexible working arrangements were satisfied with these arrangements.

One area of concern the submission identified was the impact of taking maternity leave on the relative rate of promotion, with women who return from maternity leave apparently less likely to be promoted than their colleagues in following years.

The causes of this disparity have not been examined but may be affected by a number of factors, including personal choices made by employees about balancing new family commitments with the increased demands of

more senior positions, and greater access to part-time work at more senior levels. The figures may also be distorted by the fact that women having children tend to be at relatively more senior classifications already and simply have less scope for promotion.

The Commission will consider doing further research to identify the causes of this apparent disparity as part of its future work programme.

International Women's Day

The Commission continued its tradition of running highly successful and popular events celebrating International Women's Day in a number of states. Speakers this year included successful business director and inventor, Linda Lowndes, in Brisbane; comedian and journalist, Julie McCrossin, in Perth; and Sex Discrimination Commissioner, Elizabeth Broderick, in both Melbourne and Sydney.

The Commission's Regional Director South Australia, Jo Saies, was guest speaker at an International Women's Day event hosted by the Department of Veterans' Affairs in Adelaide.



Sex Discrimination Commissioner, Elizabeth Broderick, Melbourne, March 2008

OUTPUT 3.3 STATISTICAL/ INFORMATION SERVICES

The Commission collects and analyses workforce statistics to support a high-performing APS. This data collection and analysis helps identify significant workforce challenges for the APS, and assists agencies to plan their workforce and benchmark their performance against that of the whole APS.

Achievements that contributed to this output included preparation and dissemination of the annual APS Statistical Bulletin, improvements to the data quality of APSED as well as the internet interface.

TABLE 18: PERFORMANCE INFORMATION—OUTPUT 3.3 STATISTICAL/INFORMATION SERVICES

Target	Result
Quantity	
1. Maintain and analyse data on APS employment for research within the Commission and by other organisations.	
• APS Employment Database	Achieved. APSED was used for APS-wide workforce analysis and reporting, including for the State of the Service report and briefing on workforce issues for Portfolio Secretaries.
• Internet accessible data reporting tool	Achieved. The APSED Internet Interface is fully functional, with enhancements made during the year.
• Australian Public Service Statistical Bulletin—target 1 per year	Achieved. The APS Statistical Bulletin was published in hard copy and electronically.
Quality	
1. Comprehensive and reliable data in a useful format.	Achieved. Improved data quality was achieved through ongoing liaison with agencies and by enhancements to APSED.
Estimated price: \$1.368 million	Actual price: \$1.422 million

Throughout the year APSED was used to support research on APS issues including for the State of the Service Report.

Maintaining APS Employment Database and undertaking related research

The Commission maintains the APS Employment Database (APSED), the central database source on APS employment and a major source of information on APS workforce trends. It is an important tool for ensuring cross-service accountability, particularly for the State of the Service Report. APSED is used extensively as the sampling frame for many surveys including the State of the Service Employee Survey.

It is an important resource for research, including for MAC projects and, this year, analysis of the Executive Level 1 cohort as well as in preparing the Commission's submission to the Productivity Commission inquiry into paid maternity, paternity and parental leave. In addition, APSED time series data is used regularly to respond to requests about trends in APS employment, including for particular classification levels, such as for the SES.

Agencies' provision of data continues to improve, with almost all providing data regularly through automated processes. The Commission liaises closely with agencies to ensure APSED requirements are incorporated into system updates and to secure the integrity of the data they submit. It is important that agencies allocate sufficient resources to ensure data meets APSED specifications—providing accurate data means fewer resources are needed to answer queries.

The Commission undertook a scoping project to improve the quality of employee-provided data. Employees were contacted

directly to address any inconsistency in data items provided by agencies. The project was successful, and demonstrated employees' willingness to provide such data if agencies establish mechanisms and processes for its collection.

This year the Commission worked closely with several agencies moving into coverage by the *Public Service Act 1999*. Another major project involved updating APSED details of employees affected by the changes to Administrative Arrangements Orders announced in December.

In the 2007–08 Budget, the Commission received additional funding to redevelop APSED. This project is designed to improve data management for all employees as well as allow analysis of data for core SES employees. The upgrade is largely complete and will facilitate future enhancements to the database.

APS Employment Database Internet Interface

Agencies and other users can access aggregated data directly through the APSED Internet Interface (APSEDII) at <www.apsedii.gov.au>. The interface enables users to produce data similar to that published in the APS Statistical Bulletin in order to support better practice workforce planning and benchmarking. APSEDII produces charts and tables that users can download for further manipulation. Some 75 users in 31 agencies have gained access to more detailed information on APSEDII through a secure logon and password procedure. This level of access allows designated users to examine unit record information for employees in their agency to aid workforce planning and improve data quality.

This year, APSEDII was enhanced to improve compatibility with a range of

Internet browsers and the functionality of the secure site.

APS Statistical Bulletin

The *APS Statistical Bulletin 2006–07* contained a snapshot of APS-wide staffing as at June 2007, and of staff movements during 2006–07. The bulletin also provided summary data for the past 15 years and its format largely followed that of previous years, with the addition of further tables relating to equal employment opportunity (EEO).

The bulletin contains information useful to agencies in benchmarking themselves against APS-wide trends. It is distributed to all APS agency heads, State and Territory public service commissioners, New Zealand's State Services Commissioner, and leading public and tertiary education libraries. It is available in hard copy and electronically on the Commission's website.

OUTPUT 3.4 RESEARCH AND EVALUATION

The Commission's research and evaluation activities are designed to help the APS and the Government achieve optimal governance outcomes. It pursues research and evaluation activities through:

- statistical assessment of APS performance
- comprehensive annual surveys of APS operations and employee attitudes
- public administration research, both Australian and international
- production of speeches and presentations for the Commission's Executive.

These activities equip the Commission to assess the capacity of the APS and its employees to meet Government objectives, address future challenges and develop guidance and recommendations for change. The research and evaluation work also

enables the Commission to learn from and benchmark APS performance against that of comparable overseas public sector jurisdictions.

A significant achievement that contributed to this output was the launch of a new research series, the *Contemporary Government Challenges* publications, which explore key issues of relevance to APS leaders and managers and are intended to stimulate wider public debate about future challenges facing the APS.

Research and advise on public administration

The Commission undertakes research into public administration developments within the Australian Government, and in Australia's jurisdictions and overseas to assist agencies improve their performance. This research is also used to support the Commission's publications, speeches, presentations and learning and development programmes.

Evaluating and reporting on APS performance

APS performance is evaluated through the Commissioner's State of the Service Report to Parliament and through specific issues-based research and evaluation projects.

Under section 44(2) of the *Public Service Act 1999*, the Commissioner is required to report annually on the state of the APS. Although the Act does not specify the issues to be covered in the report, the Commissioner's approach has been to focus on contemporary issues confronting the APS while maintaining her evaluation of the extent to which agencies incorporate and uphold the APS Values (section 41(1)(a)). The Commissioner is required to table the report in Parliament by 30 November each year.

TABLE 19: PERFORMANCE INFORMATION—OUTPUT 3.4 RESEARCH AND EVALUATION

Target	Result
Quantity	
1. Undertake research into and advise on public administration.	Achieved. A range of papers, speeches and presentations encompassing contemporary public administration issues were produced and research undertaken on public administration challenges facing other jurisdictions for the State of the Service Report and the Executive. Research for four papers on contemporary governance challenges was also completed.
2. Evaluate and provide information on the performance of the APS through an annual State of the Service Report.	Achieved. Produced the <i>State of the Service Report 2006–07</i> , <i>State of the Service employee survey results 2006–07</i> and the <i>State of the Service 2006–07: at a glance</i> publications.
3. Provide large agencies with agency-specific survey reports aimed at helping agencies assess their performance compared to the APS overall.	Achieved. Produced 45 agency-specific employee survey reports.
4. At least one new evaluation aimed at improving the performance of APS departments and agencies.	Achieved. A new series of publications, <i>Contemporary Government Challenges</i> , that aims to improve the performance of APS agencies, was launched. Four publications, based on the findings of research and evaluations, were released: <i>Agency health: monitoring agency health and improving performance</i> ; <i>Building better governance: Tackling wicked problems: a public policy perspective</i> ; and <i>Changing behaviour: a public policy perspective</i> .
5. Secretariat and research support services provided to the MAC, and MAC Deputy Secretaries' Groups responsible for overseeing particular MAC projects; and operational support to the Commissioner as the Executive Officer of the MAC—estimates: <ul style="list-style-type: none"> • 2 MAC meetings • 8 Deputy Secretaries' Group meetings • 2 projects to be supported. 	<p>Overestimated. The Commission provided support for one MAC meeting in 2007–08.</p> <p>Overestimated. The Commission provided support for five Deputy Secretaries' Group meetings for the citizen-centred service delivery project.</p> <p>Achieved. The eighth MAC report, <i>Note for file: a report on recordkeeping in the Australian Public Service</i> was launched in August 2007.</p> <p>Work continued on the citizen-centred service delivery project commissioned in May 2007.</p>
Quality	
1. High level of client use of research outputs.	Achieved. Papers, speeches and presentations prepared, including four <i>Contemporary Government Challenges</i> publications, met all relevant requirements.
2. High level of client use of the State of the Service Report.	<p>Achieved. Received positive feedback on the usefulness of the 2007 State of the Service publications from a wide range of APS staff. The evaluation questionnaire revealed that 90% of respondents believed the report a useful resource.</p> <p>More than 600 APS staff nation-wide attended presentations promoting the report by the Commissioner, Deputy Commissioner and Evaluation Group staff.</p> <p>More than 1000 delegates nation-wide attended presentations by Evaluation Group staff as part of the Comcare National Customer Seminar Series on:</p> <ul style="list-style-type: none"> • Agency health—the first in the <i>Contemporary Government Challenges</i> series • <i>State of the Service Report 2006–07</i>.

3. 100% compliance with tabling requirements.	Achieved. The State of the Service reports complied with Government tabling requirements. All reports were produced to high standards of accuracy and drew on the latest available research material from international and Australian jurisdictions.
4. High level of satisfaction that individual agency reports are useful to agencies.	Achieved. Human resource management employees who were drawing on their agency-specific reports to brief senior managers on a range of issues contacted Commission staff to provide positive feedback.
5. High level of satisfaction of agencies directly involved in the evaluation and a high level of satisfaction that the evaluations are useful to agencies	Achieved. Survey data on the outcomes of the <i>Contemporary Government Challenges</i> papers has been positive. <i>Tackling wicked problems</i> and <i>Changing behaviour</i> have been included in reference material for a number of tertiary public administration courses, including those of ANZSOG. In response to questionnaires, the two agencies involved in the evaluation case studies of the National Landcare Programme and the National Tobacco Strategy (Department of Agriculture, Fisheries and Forestry and Department Health and Ageing) said Commission staff had conducted their respective case studies professionally and that they were a valuable resource for stakeholders.
6. A high level of satisfaction of the MAC and its Deputy Secretaries' Groups with the relevance, quality and timeliness of advice and support provided.	Achieved. MAC and its Deputy Secretaries' Groups have indicated broad support for the Commission's Secretariat work to underpin MAC projects.
Estimated price: \$1.528 million	Actual price: \$1.522 million

The *State of the Service Report 2006–07* covered perennial issues such as merit, workplace diversity, upholding the APS Values and Code of Conduct, leadership and job satisfaction. It featured an in-depth analysis of attracting, recruiting and retaining staff in the APS, including why people choose to join the APS. The report also focused on areas where agencies can improve their efficiency and/or effectiveness. The report highlighted five key challenges facing the APS as a whole, namely, agency health and culture, new ways of doing business, modernising APS employment, interactions with Government, and leadership.

The Commission drew upon diverse and complementary data sources to develop the report. These sources included the Commission's own research and databases (particularly APSED), published and unpublished material from other agencies, Australian National Audit Office reports

and, where available, comparable data from other Australian and international jurisdictions.

The Commission also conducted two surveys that contributed to the report:

- The agency survey provided information on a wide range of management and capability issues in agencies with 20 or more APS employees. For the fifth consecutive year the Commission conducted the agency survey online and this year achieved a 100% response rate from the 88 agencies in scope.
- The second survey, sent to about 9000 randomly selected APS employees, provided data on employee attitudes to, and understanding of, a variety of issues including the APS Values, Code of Conduct, merit, work–life balance, job satisfaction, whole-of-government, working with external stakeholders, diversity, individual performance

management and harassment and bullying. The 2007 employee survey had a high response rate, for a voluntary survey, of 64%—an outcome identical to the 2006 result.

Following the success of agency-specific employee survey reports in previous years, the Commission expanded the coverage of these reports to all agencies which it has provided to agency heads with at least 400 employees and all departments. These reports summarise the agency's own employee responses and compare their results with the APS-wide results. Statistically valid differences are marked appropriately. Small and medium-sized agencies are provided with a benchmark summary of all similarly sized agencies, respectively.

The Commission also produced two associated publications: the *State of the Service employee survey results 2006–07*, which provided the results of the employee survey in a collated, aggregate form; and the *State of the Service 2006–07: at a glance* pamphlet, which contained a succinct summary of findings.

Copies of reports were distributed to APS agency heads, members of the Corporate Management Forum, all SES staff and agency contact officers for the two surveys. Copies were also made available to State and Territory public service commissioners, New Zealand's State Services Commissioner, selected non-APS agency heads, relevant academics and overseas contacts and all those employees attending Commission briefings on the report. All three publications are available on the Commission's website. See <www.apsc.gov.au>.

The Commissioner, Deputy Commissioner and Evaluation Group staff delivered over 20 presentations nation-wide, which were

attended by more than 600 APS staff. These included a keynote address by the Commissioner in each Australian capital city.

To evaluate readers' perceptions of the report, a short questionnaire was included with each copy of the 2007 report. The questionnaire asked readers for general impressions of the report, the usefulness of the chapters and the value of the *At a glance* pamphlet. The feedback—from 361 respondents—was generally positive. Nine out of 10 agreed that the report is a valuable resource, that the information presented is easy to understand and that the inclusion of time series data is useful.

To maintain the relevance of the State of the Service Report within an ever-changing and challenging environment, planning the focus and direction of the next report began in January 2008. One of the key considerations in the development of the 2008 report has been identifying issues that will enable the report to drive improvement across the APS.

Particular focus was given, in the employee survey, to employee engagement, individual productivity, interactions with ministers and the Parliament, employees' ideas for improving citizen access to government services, and their views about what the APS can do to meet the challenges facing Australia—today and in the future. The 2008 employee survey, which was in the field for two months, achieved a response rate of 65%—the highest ever recorded for the survey. Consistent with the approach taken in 2007, in December 2008 agencies with at least 400 employees will be provided with a copy of their results, benchmarked against the results for the APS as a whole.

The agency survey also included a focus on the issues, but from an employer perspective. It examined areas such as the impact of the

additional efficiency dividend on agencies and their staff, agencies' leave management practices, succession management strategies and the actions the APS could take to improve the efficiency and effectiveness of ICT in the APS. It was sent online to agencies in early June for completion and return by mid July 2008.

Undertake specific-issue evaluations

In 2007–08, the Commission focused its specific-issue evaluation and research activity on cutting-edge subjects relevant to senior APS managers.

In October the Commission launched four publications in its *Contemporary Government Challenges* series, providing information and advice to help APS agencies improve their performance.

The publications launched were:

- *Agency health: monitoring agency health and improving performance* identifies ways to help agencies monitor their corporate health.
- *Building better governance* provides case studies to show how some APS agencies have tackled improved governance
- *Tackling wicked problems: a public policy perspective* aims to stimulate debate around tackling seemingly intractable problems
- *Changing behaviour: a public policy perspective* explores how democratic governments can influence citizens' behaviour

The launch was followed by a series of seminars designed to make the publications more accessible to agencies, and more seminars are planned.

The publications offer a mix of practical solutions, case studies, and issues to be further considered and debated.

Upcoming publications will tackle the accountability framework, and approaches to reducing regulation.

Agency health: monitoring agency health and improving performance

This publication focuses on helping agencies monitor their corporate health. 'Corporate health' refers to the broad spectrum of agency governance issues, such as organisational direction and capability, leadership, corporate governance processes, relationships and integrity, and agency culture. High levels of corporate health are linked directly to high rates of overall performance, which allow agencies to realise their goals, fulfill their mission and deliver the outcomes their Government requires. Conversely, poor corporate health can lay the foundations for poor performance or organisational failure. By paying close attention to indicators of corporate health, agencies can identify and address early warning signs of poor performance before they begin to adversely affect outcome achievement.

Agency health takes a practical approach. It includes a two-part health checklist for agencies' use. The first checklist comprises corporate health indicators for agencies that perform well, and the second sets out corporate health indicators associated with agencies at risk of poor performance. Case studies are used to illustrate key points. The Commission's Evaluation Group staff were requested by Comcare to assist in a range of seminars on agency health, which drew on this publication.

Building better governance

This publication was developed as a result of a series of discussions held in 2006 with APS departmental executives, who wanted to hear case studies that illustrate what agencies are doing to improve their practices and

approaches to governance. The resulting publication contains 13 case studies developed in conjunction with APS agencies.

A number of common themes emerged from the case studies, and these became the seven ‘building blocks’ to better governance outlined in the document. One of these building blocks is the need to have in place appropriate governance committee structures—a number of the case studies are centred on ensuring this happens. The other building blocks to better governance are:

- strong leadership, culture and communication
- clear accountability mechanisms
- working effectively across organisational boundaries
- comprehensive risk management, compliance and assurance systems
- strategic planning, performance monitoring and evaluation
- flexible and evolving principles-based systems.

Tackling wicked problems: a public policy perspective

This publication recognises that the APS is increasingly being asked to deal with highly complex and intractable policy problems. Some of these problems are so complex that they have been called wicked problems—the term ‘wicked’ being used in the sense of describing tough issues, highly resistant to resolution. High-profile examples include climate change, ongoing Indigenous disadvantage and land degradation.

This publication is designed to stimulate debate about what is needed to successfully tackle wicked problems. It makes the point that it is important, as a first step, for wicked problems to be recognised as such. Wicked problems usually do not have clear solutions,

and such solutions are also often not verifiably right or wrong, but rather rely on a relative assessment such as better or worse or good enough.

Tackling wicked problems emphasises that wicked problems rarely sit conveniently within the responsibility of any single organisation or jurisdiction. Instead, they reinforce the vital importance of being able to work in a whole-of-government way, and require the engagement and cooperation of a range of stakeholders.

The paper discusses a range of approaches that can help deal with these issues. Successfully solving or at least managing wicked problems requires reassessment of some of the traditional public service ways of working and solving problems. These problems challenge the APS governance and accountability structures, skills base and organisational capacity.

Changing behaviour: a public policy perspective

This publication deals with the challenge of how democratic governments can most effectively influence their citizens’ behaviour. *Changing behaviour* presents numerous examples and outlines the main theories and empirical evidence in relation to behavioural change. It also aims to help agencies develop and implement more effective policies. Two detailed case studies were finalised in 2007–08.

One case study examined the National Landcare Programme administered by the Department of Agriculture, Fisheries and Forestry. One of the key goals of this programme is to influence landholders’ behaviour by enabling them to identify, develop and implement improved natural resource management practices at the farm level.

The other examined the National Tobacco Strategy administered by the Department of Health and Ageing. This strategy aims to prevent uptake of smoking, encourage and assist smokers to quit, eliminate harmful exposure to tobacco smoke among non-smokers and, where feasible, reduce the harm associated with continuing use of, and dependence on, tobacco and nicotine.

Although the case studies were not published, they were provided to the relevant agencies and used to inform *Contemporary Government Challenges* publications as well as the Commission's training programmes and the State of the Service Report.

Undertaking other research projects

The Commission commenced three more projects, the results of which are expected to be published in the first half of 2008–09 in the *Contemporary Government Challenges* series. One examines the broad accountability framework and its congruence with contemporary modes of public service; one looks at devolved government arrangements; the other focuses on smarter ways of developing regulatory systems in order to achieve better policy outcomes.

Management Advisory Committee

The Commission continued to provide research and secretariat services to MAC. The committee was established under section 64 of the *Public Service Act 1999* to advise the Government on matters relating to the management of the APS. MAC is chaired by the Secretary of the Department of the Prime Minister and Cabinet, with the Commissioner as executive officer. MAC last met in October 2007. The Committee chair decided to consider how MAC can best function in the future and, in early 2008–09 a proposed new committee charter was

developed with a new Executive Sub Committee to recommend, conduct and advise on the forthcoming MAC agenda.

MAC currently has 24 members, including all Portfolio Secretaries, the Commissioner and the heads of the Australian Bureau of Statistics, the Australian Customs Service, the Australian Taxation Office and Centrelink. The Auditor-General is invited to attend MAC meetings as an observer. The proposed new Executive Sub Committee will have a core membership of six and will comprise the secretaries of the Department of the Prime Minister and Cabinet, the Department of Finance and Deregulation, the Department of Health and Ageing, the Department of Immigration and Citizenship, the Commissioner and the Commissioner of Taxation.

During 2007–08, MAC focused its efforts on:

- preparing the eighth MAC report, *Note for file: a report on recordkeeping in the Australian Public Service*
- overseeing a project on citizen-centred service delivery.

Recordkeeping in the APS

The MAC project on recordkeeping commenced in August 2006 in order to articulate the purpose of, and the business case for, recordkeeping; identify any impediments to recordkeeping approaches in the APS context; and explain how recordkeeping requirements are affected by information collection, use and disclosure obligations. It also examined how agencies can best achieve efficient and effective recordkeeping in today's world (including in relation to electronic communication). The report, *Note for file: a report on recordkeeping in the Australian Public Service* was released in August 2007 and has been circulated widely.

It has formed the basis of the new approach to dealing with agencies by the National Archives of Australia. Recordkeeping requirements have become more streamlined and less prescriptive for agencies. *Check-up*, the Archives' interactive self-assessment tool, was also launched to assess the state of records management in agencies.

Citizen-centred service delivery

In May 2007, MAC commissioned a project on citizen-centred service delivery in order to:

- examine and map government service provision around three major life events—the birth of a child, the transition from school, and supporting the care needs of elderly Australians
- advise on possible improvements.

MAC considered an interim report in October. Finalisation of the project is pending, having regard to wider developments in the service delivery area.

Public Service Commissioners' Conference

The Public Service Commissioners' Conference (PSCC) is a cross-jurisdictional forum for Commonwealth, State and Territory Public Service commissioners and New Zealand's State Services Commissioner. The Commission provides secretariat and research support to the conference. The PSCC identifies and discusses policy, service delivery and other matters of common interest and strategic significance that are central to improving public administration. The location and chair of meetings rotate through each jurisdiction.

The PSCC provides opportunities for Commissioners to frame the agenda for consideration of public sector reform issues and future public administration directions. It also serves as a vehicle for exchanging

information and experience and advancing Commissioners' discussion of issues by:

- determining the nature and extent of data and information collection
- comparing and analysing performance and best practice across public sector jurisdictions
- setting priorities and formulating an ongoing work programme
- suggesting possible cross-jurisdictional projects and establishing senior officer working groups to advise and make recommendations to commissioners
- evaluating research and evaluation outcomes
- assessing the feasibility of joint service delivery approaches.

These joint activities enhance Commissioner interaction and strengthen the individual Commissioner's ability to shape development and implementation of public sector employment policies and practices within their jurisdictions.

The PSCC, which first met in 2000, has met twice a year since 2003. It met in October 2007 in Sydney and in March 2008 in Brisbane. The main issues discussed were governance and accountability; workforce planning, including recruitment and retention strategies; citizen-centred service delivery; trust in government; and public sector reform.

The background of the slide features a close-up photograph of a green leaf, showing its intricate vein structure. A prominent white diagonal line runs from the top right towards the bottom left, bisecting the leaf image. The text is overlaid on the upper portion of the leaf.

Part three

Management and accountability

MANAGEMENT AND ACCOUNTABILITY

This part of the annual report sets out the Australian Public Service Commission's approach to corporate governance and management of resources.

ACHIEVEMENTS

The Commission's achievements in the management of its resources have been delivered against a background of a tight budgetary climate and rising fixed costs. The Commission has sought to improve its efficiency and effectiveness through the year, which is reflected in the strategic priority of 'improving the way we do business in the Commission'.

Achievements included:

- delivery of incoming government briefing and a review of ministerial services to ensure a smooth transition for the new Government and Minister
- completion of a review of the Commission's corporate governance arrangements and implementation of new charters for senior committees
- implementation of new arrangements for employing SES and other senior staff on determinations under section 24(1) of the Act
- implementation of the first stage of new Health and Safety Management Arrangements
- establishment of a National Archives of Australia approved Records Disposal Authority to enable the Commission to sentence records unique to its business functions
- relocation of the Commission's Sydney office to new accommodation, including improved facilities for delivery of training programmes and events and the implementation of Voice over Internet Protocol telephone services
- progression of plans for the delivery of ICT services following the end of the Commission's existing contract in June 2009
- provision of high quality ongoing HR, communications, financial, legal, property services, records management and ICT services to support the delivery of the Commission's outcome and outputs.

EXECUTIVE AND SENIOR MANAGEMENT STRUCTURE

The Public Service Commissioner, Ms Lynelle Briggs, is the agency head and chief executive officer of the Australian Public Service Commission. She heads the Commission's Executive, which also includes Ms Lynne Tacy, the Deputy Public Service Commissioner and Ms Annwyn Godwin, who was appointed acting Merit Protection Commissioner on 16 October 2007 and Merit Protection Commissioner on 25 January 2008 for a period of five years.

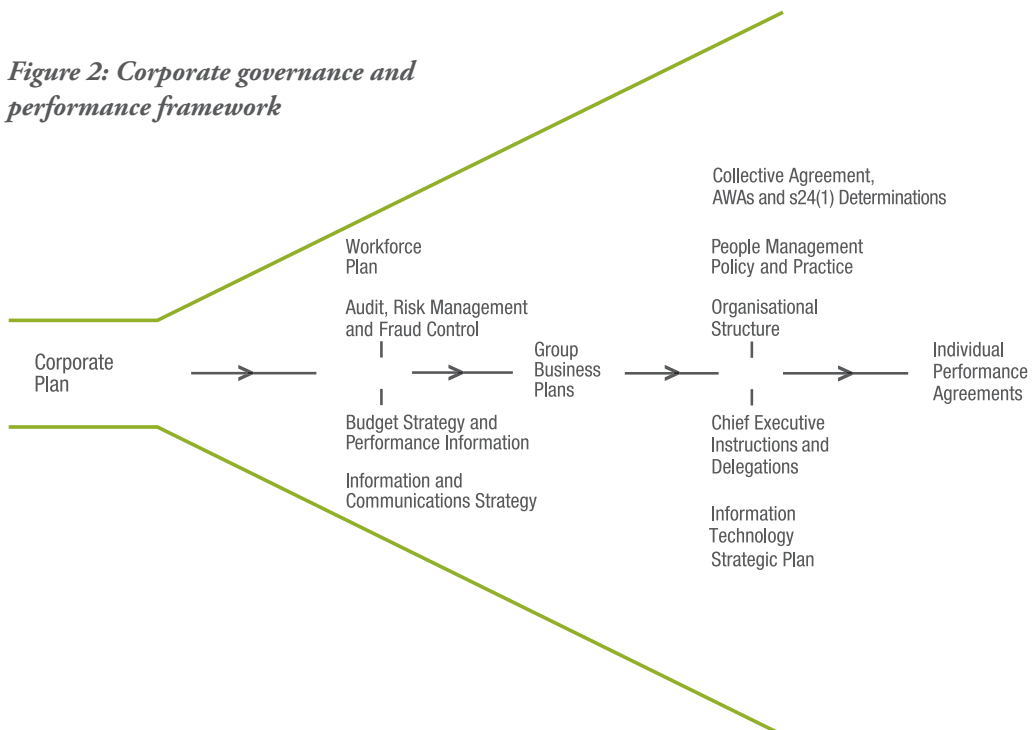
The Commission's Executive is supported by six Group Managers. Ms Nicole Pietrucha joined the Commission in February to lead the Evaluation Group following the departure of Ms Ngaire Hosking to the Department of the Prime Minister and Cabinet. Ms Karen Wilson joined the Commission in March and she will lead Policy Group in 2008–09 while Ms Georgia Tarjan takes leave.

CORPORATE GOVERNANCE FRAMEWORK

The Commission's performance expectations and planned use of resources are set out in the Portfolio Budget Statements and corporate plan. These performance parameters and plans cascade down through group business plans to individual performance agreements providing the framework for staff compliance and accountability to take place. Figure 2 shows how the Commission's corporate governance mechanisms support the Commission's performance management.

The Commission's *Corporate plan 2007–08* guided the Commission's work for the year by setting out the top strategic priorities, other priorities framed against the output structure and the corporate support and culture necessary to deliver those priorities. See <www.apsc.gov.au/about/corporateplan.htm>.

Figure 2: Corporate governance and performance framework



Towards the end of the year the Commission reviewed its corporate governance arrangements, rationalised the number of committees and put in place new charters. The description below reflects the position at the end of the year.

Corporate committees

The Executive establishes the directions and work programme of the Commission and directs the agenda for the Commission Management Committee. It approves business plans and budgets, and determines senior staffing matters. It meets fortnightly. Five advisory committees support the Executive in its management role.

- *Commission Management Committee* (CMC) is chaired by the Commissioner and comprises the Executive, Group Managers and the Adviser to the Merit Protection Commissioner. Meeting weekly, CMC is the Commission's primary committee for discussing strategic challenges and directions and for providing information updates about Commission activities. CMC provides advice to the Commissioner and the Executive on these issues and on management matters. In particular, the committee is responsible for:
 - developing the corporate plan, including strategic directions, and corporate policies for decision by the Commissioner and the Executive as appropriate
 - monitoring the implementation of strategic priorities
 - reviewing and analysing performance against business plans and budgets
 - incorporating feedback from other committees and staff into discussions.
- *Audit Committee*—established in accordance with the *Financial Management and Accountability Act 1997*, the committee is chaired by the Merit Protection Commissioner and comprises two senior staff members and an external member. Representatives from the Australian National Audit Office attend these meetings as observers, as well as Ernst and Young (the Commission's internal auditors) and the Chief Finance Officer who reports on particular matters. The committee met four times in 2007–08.
- *Information Technology Advisory Committee*—the committee is chaired by the Merit Protection Commissioner and comprises Corporate, Programmes, Evaluation and Regional Services Group Managers. An external member has recently been added to the committee. The committee is responsible for guiding and managing the Commission's information services and oversees the development and implementation of the Commission's information technology (IT) strategy. The committee met six times in 2007–08.
- *Workplace Relations Committee* is chaired by the Deputy Public Service Commissioner and comprises three management representatives and five elected staff representatives. It is responsible for advising the Commissioner on the implementation and development of the Commission's collective agreement. The committee met three times in 2007–08.
- *Occupational Health and Safety Committee* comprises three management representatives and three employee representatives and is chaired on an annually rotating basis. It is responsible

for advising the Commissioner on the administration of the Commission's occupational health and safety. The committee met four times in 2007–08.

Internal audit programme

During 2007–08 four internal audits were started. Of these three were completed and one was carried forward into 2008–09. The completed audit reports were considered by the Commission's Audit Committee, and no significant risks or systemic issues were identified. The Commission is implementing the accepted recommendations.

In June 2008 the Commission undertook an open approach to market tender for the provision of internal audit and other related services as the current contract with Ernst and Young expires on 4 October 2008. The contract with the successful tenderer is expected to start on 5 October 2008 for a period of two years, with the option of two one-year extensions at the end of the second year.

The Audit Committee has monitored the process established last year to support the Commissioner with her annual certificate in relation to the financial management and financial sustainability of the Commission as Chief Executive Officer under the Financial Management and Accountability Act.

Risk management and fraud control

The Commission's participation in Comcover's Annual Risk Management Benchmarking Survey produced an overall rating higher than the all-agencies average for the second successive year. The survey did reveal areas of improvement and work is underway to respond to the better practices. It is evident, however, that staff awareness of the Commission's controls and guidelines around insurable and financial risks is increasing.

The Commission made significant progress with a new risk management framework in 2008. The project included the development of a risk policy, a reporting and recording mechanism for risks and their proposed mitigations; and the development and roll out of a risk management tool and associated user documentation. The framework used better practice recommendations identified in the Comcover Benchmarking Survey and employed by various other APS agencies. Work on the project will continue in 2008–09.

A review of the Commission's fraud control plan was started in late 2007 and a new plan (*Fraud control plan 2008–09*) issued in July 2008. The plan complies with the *Commonwealth Fraud Control Guidelines* issued in May 2002. The Commission has in place fraud prevention, detection, investigation, reporting and annual fraud data collection procedures and processes that meet the Commission's needs and comply with the guidelines.

Ethical standards

The Commission's Executive supports a workplace culture that gives visible and strong commitment to the APS Values. All members of the Executive have given speeches at external fora promoting the APS Values and Code of Conduct.

Other activities include:

- providing information to the Commission's new staff at induction about the APS Values and the Code of Conduct
- scheduling development programmes for all staff which are aimed at making the APS Values and Code of Conduct relevant to their day-to-day work and decision-making
- incorporating references to the relevant APS Values in management policies,

guides and instructions released by the Commission during the year

- assessing for behaviour consistent with the APS Values through the Commission's performance appraisal scheme
- dealing promptly with suspected staff misconduct.

EXTERNAL SCRUTINY

Court and tribunal decisions

There were no court or tribunal decisions in 2007–08 of relevance to the Commission's activities.

Reports by the Auditor-General

There were no reports into the operations of the Commission by the Auditor-General in 2007–08. Reports of general application are considered by the Commission's Audit Committee.

PEOPLE MANAGEMENT

Workforce planning

The Commission's workforce planning strategy sets out the medium to long-term approach to managing workforce issues, in the support of its business planning operations. The strategy is under review to ensure it remains aligned with the Commission's strategic priorities and reflects better the Commission's critical characteristics and culture.

At 30 June 2008, the Commission employed 224 staff, excluding EL1 casual employees employed in the Commission's regional offices (see Output 1—APS policy and employment services) who provide fee-for-service work. Of these 224 staff, 202 were employed on an ongoing basis with the majority of the 224 staff based in Canberra (79.9%).

Notable trends in the Commission's staffing are:

- The Commission's staffing increased between June 2007 and June 2008. The increase largely reflects the start up of the Career Transition and Support Centre, more learning and development programmes, the establishment of the Commission as a registered training organisation and an unusually high number of staff taking long-term leave such as maternity and long service leave. The proportion of non-ongoing employees declined from 13.2% to 9.8%. The Commission employs non-ongoing employees as a way of managing staff turnover and to provide flexibility in managing the organisation's revenue base.
- The proportion of Executive Level 1 and 2 employees increased slightly from 42.4% at June 2007 to 44.2% at June 2008. Consequently, the proportion of APS 1–6 employees decreased slightly from 52.2% at June 2007 to 50.0% at June 2008.

TABLE 20: COMMISSION STAFF NUMBERS AT 30 JUNE, 2001–08

	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008
Ongoing	122	135	159	165	168	167	178	202
Non-ongoing	36	26	27	25	16	27	27	22
Total	158	161	186	190	184	194	205	224

Note: These figures do not include 28 EL1 casual, non-ongoing employees providing fee-for-service work but do include 14 staff on long-term leave and two statutory office holders. More detailed information about the Commission's workforce is set out in Appendix H.

- The proportion of women working in the Commission at June 2008 has remained steady at 73.7% compared with June 2007, although this rate is high compared with 2005 levels when the proportion of women working in the Commission was 66.3%.
- Part-time employment continues to be dominated by women, although the number of men who took up this employment option during the year increased from four to five. The level of access to part-time arrangements by men is consistent with total Commission workforce demographics.
- The proportion of employees identifying as being of Aboriginal or Torres Strait Islander descent has continued to increase, rising from 4.3% at June 2005 to 4.9% at June 2007 and 5.4% at June 2008.
- Eleven SES staff were employed at 30 June 2008 and include three AusAID funded staff who are deployed overseas.

The Commission continued the practice of conducting bulk recruitment campaigns for Executive level employees during 2007–08 with one campaign conducted in early 2008. The aim of bulk recruitment rounds is to achieve orders of merit for filling existing and future job opportunities and to test the potential of internal candidates against the range of jobs in the Commission.

The Commission experienced difficulty in attracting certain skills sets in 2007–08, including ICT, financial, policy development, and learning and development skills.

Entry level recruitment

In January 2008 four graduates, including two Indigenous graduates, started the Commission's graduate development programme. The programme offers a variety of structured learning and development

activities, including a Diploma of Government (Management) and access to on-the-job and technical learning and development opportunities.

The Commission also recruited one Indigenous cadet. Two Indigenous trainees successfully completed their traineeships in 2007–08.

The Commission also hosted four work experience placements for secondary students during 2007–08.

Corporate learning and development

The 2007–08 corporate learning and development programme continued the practice of linking Commission, Group and individual capability to organisational performance improvements. The programme represents a significant investment by the Commission in the development of all staff including graduate, cadet and trainee staff (see Table 21). The programme includes an online calendar. The availability of this calendar enables staff across the Commission to have access to upcoming courses and allows for constant updating as new course information become available.

The corporate learning and development programme for 2007–08 focused on capability development priorities in the areas of strategic thinking, policy development, people management, financial management and procurement, and presentational/representational skills.

In 2007–08 staff participated in Executive level and SES residential leadership development programmes as well as programmes targeted at staff with high potential such as the Executive Masters in Public Administration from the Australia and New Zealand School of Government and Career Development Assessment Centres.

Staff continue to take advantage of the Commission's Study Encouragement Scheme, which supports study towards qualifications in the fields of public administration, human resource management, learning and development, public policy and governance. The number of staff accessing the Study Encouragement Scheme has remained steady at 11 in 2007–08.

Staff development also occurs through the delivery of Corporate Made Easy and Good Oil sessions on a range of topics aimed at keeping staff informed about the development of the Commission's products and services, the roles and responsibilities of various teams and tools and tips to help them perform effectively in their jobs.

The corporate learning and development programme supplements other development opportunities funded by Groups.

Health Week

Health Week 2007 was conducted between 19 and 23 November, with some team participation activities held in the lead up to Health Week. During the week staff were able to participate in a range of health screenings, activities such as golf, pilates, tai chi and yoga. Dynamic and interactive health and lifestyle related information sessions and daily emails with healthy recipes and health tips were also provided.

State of the Service agency and employee surveys

The Commission is oversampled in the annual State of the Service employee survey so that we can access a report for our agency—the Commission results would otherwise be too small. The results of the 2006–07 employee survey compare very favourably with APS-wide survey results. A high percentage of those surveyed said that the Commission is a good place to work (83%) and the majority were proud to work in the Commission and would recommend it to others as a good place to work (77%). The result complemented the positive results for the Commission from our all-staff survey conducted in March and April 2007. However, the survey identified a small number of areas which required improvement or further exploration, such as recordkeeping practices and the management of underperformance.

The *State of the Service Report 2006–07* identified the need for work on the management of unplanned absences in the Commission. As a first step the arrangements for monitoring the data were strengthened and the Commission Management Committee discusses trends and causal factors impacting on workplace absences on a regular basis. This work will continue in 2008–09.

TABLE 21: PARTICIPATION RATES IN TRAINING AND DEVELOPMENT ACTIVITIES, 2000–01 TO 2007–08

Participation rates	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
Total staff days	761	562	678	1176	570	420	351	312
Average days per staff member	4.8	3.5	3.7	6.1	3.1	2.3	1.7	1.4
Total cost (\$)	140,000	145,000	247,000	617,000	280,000	175,000	124,000	235,034
Average cost per staff member (\$)	886	900	1330	3250	1519	902	605	1049

Note: Figures include indirect costs (e.g. salary during training).

The Commission was again oversampled in the 2008 State of the Service employee survey and the results will be available towards the end of 2008. The Commission is also planning an all staff survey in September 2008 which will be used to help inform the development of the Commission's next collective agreement.

Employment Agreements

The *Australian Public Service Commission Collective Agreement 2006–2009* is in its third year of operation after being approved by staff on 20 June 2006. It is a comprehensive agreement made directly with staff under section 327 of the *Workplace Relations Act 1996* and nominally expires in June 2009.

The Commission provides terms and conditions of employment under its collective agreement to 154 employees (68.7%). Of those 154 employees 11 have those terms and conditions supplemented by a determination made under section 24(1) of the *Public Service Act 1999*.

Supplementation typically covers terms and conditions such as salary and access to performance bonus.

A further 1% of employees (two SES officers) have all of their terms and conditions set out in a determination made under section 24(1) of the *Public Service Act 1999*.

Sixty-six employees (29.5%), including nine SES employees, continue to have their terms and conditions set out in AWAs.

The terms and conditions of the Commission's two statutory office holders are determined by the Cabinet Secretary taking into account the advice of the Remuneration Tribunal.

The salary ranges for the Commission's classification levels covering the collective agreement, section 21(1) determinations and AWAs are set out in Table 22.

Performance management

The Commission's performance appraisal scheme directly links annual assessment of individual performance with remuneration. The scheme integrates corporate, group and individual performance planning, providing a basis for consideration and development of individual needs and, where necessary, management of poor performance.

The Commission's scheme provides for annual productivity increases in base pay and depending on performance, the possibility of salary advancement.

In July 2007 the Commission paid \$64,656 in performance bonuses to 19 employees covered by AWAs during the 2006–07 assessment cycle. Details of payments made to staff are included in Table 23.

TABLE 22: SALARY RANGES, 30 JUNE 2008

Classification	Minimum	Maximum
APS 1–2	\$34,275	\$43,680
APS 3–4	\$45,620	\$54,080
APS 5–6	\$56,375	\$69,680
EL 1	\$75,382	\$93,392
EL 2	\$86,868	\$114,566
SES 1	\$120,000	\$154,669

Note: The Commission employs only one SES Band 2 and one SES Band 3 employee and therefore their salaries are not included in this table.

Other people management matters

The Commission conducted an investigation into the conduct of a member of staff under the Commission's procedures for dealing with suspected breaches of the APS Code of Conduct. It was determined that the employee had breached the Code of Conduct and a sanction was imposed. The matter related to sections 13(7) and 13(11) of the APS Code of Conduct.

FINANCIAL PERFORMANCE

2007–08 income

The Commission's income for 2007–08 totalled \$40.2 million. Appropriation from government accounted for 51.7%, sales of goods and services accounted for 48.2% and other income the remaining 0.1% (see Table 24).

Appropriation funding

Appropriation funding increased from \$20.6 million in 2006–07 to \$20.8 million in 2007–08. An increase in funding was sourced from the 2008–09 Portfolio Budget

Statement measure to provide a Career Transition and Support Centre of which \$0.4 million related to and was accounted for in 2007–08.

Non-appropriation income

Income from the sale of goods and services in 2007–08 is earned from development programmes (62.7%), employment services (21.9%), international assistance (9.0%), better practice and evaluation (6.3%) and other services (0.1%).

Income from development programmes and employment services amounted to \$16.5 million in 2007–08 and made up 40.9% of the Commission's total income from all sources. This income is earned in an open market where agencies have choice about where they source their services and the level of services they acquire. As demand can be volatile, the Commission devotes considerable effort to estimating income and expenditure and to monitoring its financial performance during the year.

TABLE 23: PERFORMANCE PAY, 2007–08

Classification	No. of staff	No. receiving	Total payment	Average payment	Range
APS 1–6	107	0	0	N/A	N/A
EL 1	60	9	\$26,000	\$2,888	\$2,000–\$4,000
EL 2	27	5	\$21,250	\$4,250	\$3,000–\$5,500
SES	10	5	\$43,380	\$8,676	\$4,240–\$16,640

Note: These amounts represent payments for the performance cycle 2006–07 and were paid in July 2007.

TABLE 24: INCOME SOURCES, 2004–05 TO 2007–08

Income source	2004–05 %	2005–06 %	2006–07 %	2007–08 %
Appropriation from government	52.8	47.3	51.8	51.7
Sale of goods and services	47.1	52.6	48.0	48.2
Other income (gains from sale of assets and resources received free of charge)	0.1	0.1	0.2	0.1

The Commission is reaching the point where it will soon be fully dependent on the recovery of costs for the supply of employment services and leadership, learning and development programmes. The extent of this funding as a proportion of the Commission's overall sources of funds in recent years is set out in Figure 3.

Operating result 2007–08

The Commission's operating result for 2007–08 was a surplus of \$0.1 million (see Table 25). The small surplus reflects careful monitoring and management by the Commission in the light of increasing fixed costs and a tight budgetary climate.

Budget outlook

In developing its 2008–09 Budget the Commission has continued to adopt a conservative approach with the aim of achieving an underlying balanced outcome in the 2008–09 year and forward estimates. There are some risks to the Commission's budget in 2008–09 and in the forward years, arising from a tighter budgetary climate and

TABLE 25: OPERATING RESULT, 2004–05 TO 2007–08

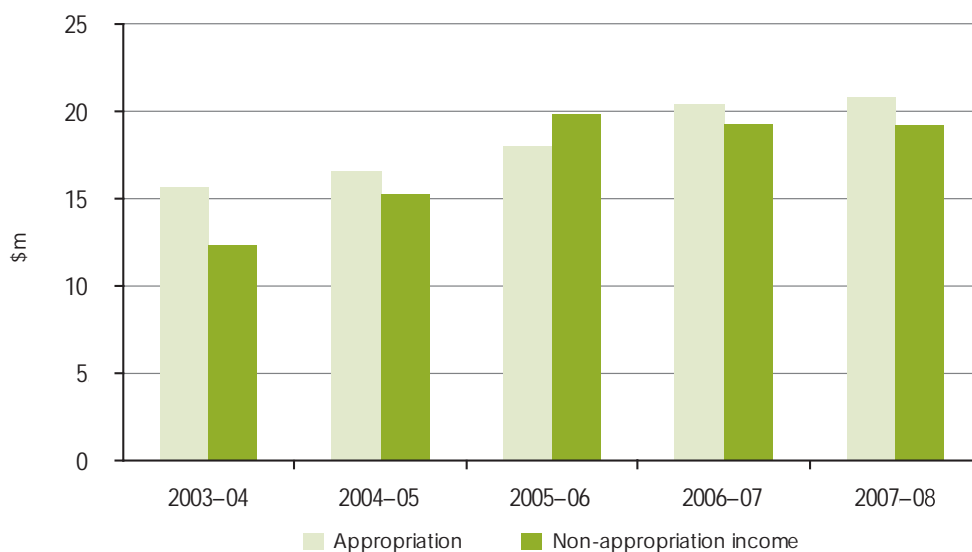
	2004–05	2005–06	2006–07	2007–08
Surplus	\$0.872m	\$1.134m	\$2.344m	\$0.097m

the potential impact on the Commission's revenue, as well as the costs of establishing arrangements for the provision of ICT infrastructure services.

Non-appropriation income is projected to be \$0.2 million lower than 2007–08 levels as agencies continue to scale back recruitment and reduce investment in development programmes.

Funding for the 2008–09 Budget measure to provide a Career Transition and Support Centre, which commenced operations on 1 May 2008, will increase by \$1.0 million, from \$0.4 million for two months of operation in 2007–08 to \$1.4 million for full year operations in 2008–09.

Figure 3: Commission income 2003–04 to 2007–08



Purchasing

The Commission's purchasing is consistent with the Commonwealth Procurement Guidelines, January 2005, our Chief Executive's Instructions and operational guidelines.

The Commission uses a devolved procurement model. To ensure procurement is in line with established policies and practices, relevant information is provided to staff. The Commission has established a framework for managing risks in respect of procurement activities and operational guidelines to support staff accessing risks associated with their projects. The Commission has published the Annual Procurement Plan on Austender (as required under the Commonwealth Procurement Guidelines) to facilitate early procurement planning for 2008–09.

Consultants

The Commission engages consultancy services in circumstances where it requires particular expertise that is not available internally. During 2007–08, 13 new consultancy contracts were entered into involving total actual expenditure of \$313,000. Information on contracts and consultancies for 2007–08 are available through the AusTender website.

Additional details for consultancy contracts over \$10,000 can be found on the Commission's website.

Australian National Audit Office access clauses

The Commission's standard form services and consultancy contracts provide for access by the Australian National Audit Office.

Asset management

The Commission manages assets with a gross value of \$10.1 million. The major asset categories are land and buildings (leasehold improvements), infrastructure, plant and equipment and intangible assets (software and intellectual property). These assets are managed by Groups to meet their business needs. The Commission annually reviews its capital budget and plan. As a result a four year capital investment plan is developed from which the Commission manages its future asset purchases and disposals. All assets owned by the Commission, including any IT assets, are subject to an annual stocktake, which is used to update and verify the accuracy of asset records. Assets are depreciated at rates applicable for each asset class, as verified by the Australian National Audit Office.

Exempt contracts

Under the *Freedom of Information Act 1982*, the Commissioner can issue exemptions from the requirement to publish any contract or standing offer in AusTender, on the grounds that it would disclose matters that might normally be exempt from disclosure under the FOI Act.

TABLE 26: EXPENDITURE ON CONSULTANCY CONTRACTS

	Number of new consultancies let	Number of ongoing consultancy contracts that were active	Total actual expenditure on new consultancy contracts \$'000	Total actual expenditure on ongoing consultancy contracts that were active \$'000	Total actual expenditure on all consultancy contracts \$'000
2005–06	16	4	183	180	363
2006–07	9	9	168	368	536
2007–08	13	6	258	313	571

The Commissioner did not issue any such exemptions during 2007–08.

Discretionary grants

During 2007–08, the Commission did not administer any discretionary grant programmes.

Information management

The Commission outsources its IT infrastructure support services to Volante (Commander) Pty Ltd under the Group 8 cluster arrangement with four other agencies: the Department of Agriculture, Fisheries and Forestry; the Department of the Environment, Water, Heritage and the Arts; the Australian Communications and Media Authority and the Civil Aviation Safety Authority. In 2005 Group 8 extended the Service Agreement for the full term of nine years. The contract expires on 26 June 2009. Work on a cost-effective strategy for sourcing services when the contract comes to an end was started during they year. However, the costs of establishing a new arrangement are likely to be substantial and there is uncertainty about the commercial terms likely to be available to the Commission. Managing the transition to a new contract or other arrangement is a key focus for 2008–09.

In addition to the management of the contract with Volante, the Commission's ICT team supported the release of APSjobs.gov.au and further enhancements of the site during the year (see Output 1.2). Other activities included:

- support for the consolidation and enhancement of the Australian Public Service Employment Database
- the upgrade of the Commission's training courses registration and management systems to provide a robust, flexible and capable IT environment

- support for the relocation of the Commission's Sydney office and temporary accommodation for the Commission's Perth office
- the implementation of Voice over Internet Protocol telephone services in Sydney
- the transition to new telecommunication service and secure gateway providers to an improved service delivery platform.

Communications

A strategy for reaching key decision-makers in agencies was completed during the year so that client agencies receive the information they need in a timely way and in a format which best meets their needs. The work resulted in a small enhancement to the Commission's mailing list database.

A representational pack for Commission staff was also developed to support them in their discussions with agencies about Commission products and services.

The highly successful *Work Shorts*, which is a regular programme of short and entertaining seminars, featuring five-minute updates from Commission staff on programmes, projects and new products continued through the year.

OTHER INFORMATION

New accommodation

The Commission's lease for its Sydney office expired in November 2007, without the option of further extension. Following an evaluation, the Commission relocated the office to 221 George Street, Sydney on a 10 year lease.

The accommodation was designed to achieve a modern, versatile, secure, ergonomic and functional working environment. Best use has been made of natural light, sensor

lighting, energy efficient appliances and sustainable products in the design of the tenancy. The result is high quality accommodation that includes a professional and well designated training room for use by APS employees enrolling in our programmes.

Work started to move the Perth office into new accommodation which is now planned for late 2008. Staff moved into temporary accommodation in February 2008.

Security

The Commission was planning to update its security plan in 2007–08. Owing to other priorities and taking account of a risk assessment this work has again been postponed.

The Commission's security committee met twice between July 2007 and March 2008. In March 2008 the committee was disbanded following a review of the Commission's governance structure. Its work has been allocated to other committees and the Group Manager, Corporate.

Security awareness briefings are provided to new staff as part of induction and focus on internal security practices and procedures.

Australia Day awards

The Commission's Australia Day celebrations include the presentation of Australia Day awards to non-SES members of the Commission. Generally the awards are restricted to employees who have worked in the Commission for 12 months or more.

In January 2008 the Commissioner presented awards to nine of our colleagues: six individual awards and one group award. Awards were presented to:

Stacey Shannon

Professional management of the relocation to the Commission's new premises in Woden

Daniela Schlesier

Exceptional contribution to the delivery of the *APSSjobs* project

Jayne Abel

Ongoing commitment to excellence in the graphic design work of the Commission

Helen Woittiez

Ongoing commitment to supporting public service reform in the Pacific

Andrea Brooker

Provision of high quality business services to Regional Services Queensland

Sarah Hardy

Development and promotion of the APS Induction project and programme delivery

Drawing Together Team (Kerri Russ, Ana Strmota and Thushanthee Wickramasekera)

Contribution to the success of the inaugural Drawing Together competition.

Workplace diversity

The Commission's workplace diversity programme contributes to ensuring the Commission fosters an environment that values diversity of backgrounds and ideas and achieves the creativity and performance that flows from diverse contributions. The programme is under review which will take into account the Commission's *Reconciliation action plan 2007–2010*.

The Commission's representation of women, Aboriginal and Torres Strait Islander people, people born overseas, people born overseas with English not their first language and people identifying as having a disability are set out in Table 27.

The Commission's representation of Aboriginal and Torres Strait Islander people and people with disability compares favourably with APS-wide averages. Historically the Commission has reported

annually on employment of these groups as a proportion of all employees (ongoing and non-ongoing), whereas APS-wide employment figures reported in the annual APS Statistical Bulletin report EEO status for ongoing employees only. The *APS Statistical Bulletin 2007–08* will be released in December 2008.

NAIDOC Week

In July 2007 the Commission celebrated NAIDOC Week with a range of activities. In particular a plaque was unveiled in recognition of the traditional owners of the land in the Commission’s head office in Canberra. The plaque is part of the Commission’s *Reconciliation action plan 2007–2010* which highlights our commitment to reconciliation between Indigenous and non-Indigenous Australians. The unveiling was performed by the Australian Public Service Commissioner, Lynelle Briggs and Ngunnawal Elder, Matilda House, representing the Ngunnawal people. The occasion consisted of speeches and a didgeridoo recital.

Other NAIDOC Week activities included:

- screenings of films provided by the Australian Film Commission – Black Screen

- participation in a touch football competition
- attendance of Commission staff at the Aboriginal Hostels Limited annual luncheon.

Reconciliation action plan

The Commission released its *Reconciliation action plan 2007–2010* in May 2007. Good progress is being made against the majority of the key result areas. Some of these achievements are reported in Output 3.1. The Commission has also established permanent plaques in the entrances to each of its regional offices recognising the traditional owners of the land. Discussions are being held with the owners of the Commission’s Canberra office for a permanent placement of a plaque. Further information on the Commission’s *Reconciliation action plan 2007–2010* can be found on the Commission’s website.

TABLE 27: REPRESENTATION OF EEO GROUPS AS A PERCENTAGE OF STAFF¹, AS AT 30 JUNE

EEO Groups	2002	2003	2004	2005	2006	2007	2008
Women	67.7%	68.3%	68.4%	66.3%	69.1%	73.7%	73.7%
Aboriginal and Torres Strait Islander	3.7%	3.8%	3.2%	4.3%	4.6%	4.9%	5.4%
People with disability	3.1%	5.4%	7.9%	9.2%	8.2%	8.3%	8.5%
Born overseas	16.1%	15.1%	16.3%	20.7%	21.1%	18.0%	16.5%
Born overseas and English not first language	5.0%	7.5%	5.3%	7.6%	7.2%	7.3%	7.1%

Note: Further information on the Commission’s staffing numbers and EEO statistics are included in Appendix H.

¹ The figures include ongoing and non-ongoing employees, but exclude EL1 casual employees providing fee-for-service work.



Part four
***Annual report of the
Merit Protection
Commissioner***



MERIT PROTECTION COMMISSIONER

The Honourable Kevin Rudd MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

I am pleased to present the Merit Protection Commissioner's report for the period 1 July 2007 to 30 June 2008 as part of the Australian Public Service Commissioner's annual report required by section 51 of the *Public Service Act 1999*.

This report is prepared in accordance with the guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit as required by subsection 51(2) of the *Public Service Act 1999*. In accordance with the provisions of the *Public Service Act 1999* detailing the administrative arrangements to support the performance of the Merit Protection Commissioner's functions, some of the required information is published within the Australian Public Service Commissioner's annual report.

In presenting you with the report on the activities of the Merit Protection Commissioner I would like to pay tribute to Mr Boris Budak who acted in the role for the first five months of this period and, made a significant contribution to this function over many years. After an APS career spanning some 48 years, he advised of his intent to retire from the Australian Public Service early in the new financial year. I also take this opportunity to express my thanks to the staff of the Australian Public Service Commission for their assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Annwyn Godwin'.

Annwyn Godwin

October 2008

MERIT PROTECTION COMMISSIONER'S REVIEW



Annwyn Godwin
Merit Protection
Commissioner

Under the *Public Service Act 1999*, a key part of the role of Merit Protection Commissioner is to provide independent external review of employment related actions affecting individual APS employees. This provides support for the APS Value that 'the APS provides a fair system of review of decisions taken in respect of APS employees'—paragraph 10(1)(o) of the Act.

The review system established under section 33 of the Act and the Public Service Regulations enables non-SES APS employees to apply for review of actions that relate to their employment. The powers of the Merit Protection Commissioner are recommendatory only, except in the case of promotion decisions where the decision of a Promotion Review Committee (PRC) is binding on the relevant agency head. In all other cases, the agency head is required to advise the Merit Protection Commissioner of their decision on the recommendation and the reasons for that decision.

As in previous years, in 2007–08 virtually all recommendations made in relation to applications for review of action were accepted in full by the relevant agency heads.

Information on the number of applications for review during the year, their subject matter and discussion of trends is provided under 'Review of performance'. Compared with last year, the numbers of individual cases have increased in most categories. In particular, there was nearly a 30% increase in the number of PRC cases from the previous year. Uncertainty in the context of an election year, combined with the current efficiency dividend measures, may have had a bearing in this respect. Compared with previous years, there was also a large increase, nearly 56%, in the number of applications for secondary review of actions.

On the other hand, there was a 32% decrease in the number of requests for fee-for-service activities from the previous year. This may also have been due, in part, to the current efficiency dividend measures. It also reflects a decrease in selection work undertaken for the Australian Federal Police.

Over the year the Australian Taxation Office has continued to use streamlined Independent Selection Advisory Committee (ISAC) processes for major national recruitment exercises, using innovative selection methodologies supported by third party industry providers. Indicators show the use of these processes has ensured that the placement of successful candidates is more timely and efficient.

During the year, the Merit Protection Commissioner took advantage of a number of opportunities to promote the role and functions, addressing several APS agencies and other government organisations, including the Departments of Defence and Veterans' Affairs, the Australian Taxation Office and Centrelink. The Merit Protection Commissioner also presented at a number of APS development programmes and conferences, hosted events and provided information on the role and that of the Australian Public Service Commission generally to international delegations, including groups from Bhutan, Thailand, Iraq and Bangladesh. The keen interest of these international delegations in the Australian approach to merit and the review function is a testament to our high standing in these fields.

The National Public Sector Appeals Conference, held in Perth in October 2007, was attended by the Acting Merit Protection Commissioner and the Regional Director, Western Australia. The conference is held annually and provides an opportunity for the exchange of views by senior Commonwealth, State and Territory public sector representatives engaged in external review of employment-related decisions.

Last year new timeliness targets were set for completion of review work, which included a benchmark of 70% of cases to be completed within the new targets. This year, there was an improvement in the percentage of cases completed within target times in two of the three review categories in which applications were reviewed (Tables M1 and M1.1). The exception was applications for secondary review. The decrease in the percentage of these applications completed within the target time can be attributed in part to the large increase in the number of applications received and reviewed, and the increasing complexity of those cases. In particular, the cases are presenting more complex and intertwined issues such as overlaps with bullying and harassment allegations, performance management, stress related claims and earlier formalisation of cases by agencies which leads to more firmly held positions and extended timeframes. The benchmark for completion of cases within target times was reached in relation to PRCs with 73% of cases finalised within the target time even though there was a substantial increase in cases.

The practice of including case studies to illustrate the more significant issues encountered during the year has been continued. The four case studies in question can be found on pages 115–119.

OUTLOOK

The Merit Protection Commissioner is committed to enhancing the understanding among APS agencies of the role and how statutory and other responsibilities support a high performing APS. Independent reviews are an important pillar in the integrity and accountability framework by holding APS decision makers accountable for the integrity of their decision-making processes—not just the outcomes. In particular, the Commissioner's role involves providing support to improve the quality of APS employment-related decision making and professional working relationships.

In providing these services the Merit Protection Commissioner seeks to:

- uphold fair, consistent, transparent and quality employment related decision making
- encourage positive, respectful and professional working relationships between all parties
- provide ongoing learning and thought leadership based on unique insights into the APS.

The Merit Protection Commissioner's internal priorities for the coming year are to review and streamline our case management methodologies and identify and enhance capability development. A number of key staff are currently devoting their time to updating support material for our review staff and ensuring they have comprehensive and up-to-date tools to support their activities. The Merit Protection Commissioner will be looking at both formal and informal training and development interventions to continue to build the capability of the staff who undertake the review work as members of the dedicated review team and consider opportunities to extend this to the wider APS review community where appropriate.

The Merit Protection Commissioner's external priorities for the coming year are to develop and implement an external communication strategy and look at scoping a project to define and provide better practice advice to agencies on conducting reviews. The Merit Protection Commissioner expects to be sending out a new suite of pamphlets covering the role, the review scheme and the use of ISACs, to agency heads in July 2008. Further development is under way on complementing these pamphlets with more detailed information on the Australian Public Service Commission website.

ROLE, FUNCTION AND STRUCTURE

The office of the Merit Protection Commissioner, established under section 49 of the Act, is an independent office located with the Australian Public Service Commission.

The Merit Protection Commissioner helps agencies meet the requirements of the APS Values and Code of Conduct through administering the statutory review of actions scheme and performing other statutory functions.

FUNCTION

The Merit Protection Commissioner's functions are set out in section 50 of the Act and include:

- (a) inquiring into reports alleging breaches of the APS Code of Conduct made to the Merit Protection Commissioner, or to a person authorised by the Merit Protection Commissioner (whistleblowing reports)
- (b) inquiring into alleged breaches of the Code of Conduct by the Public Service Commissioner and reporting to the

Presiding Officers on the results of such inquiries including, where relevant, recommendations for sanctions

- (c) inquiring into an APS action, at the request of the Public Service Minister, and to report to the Public Service Minister on the results of the inquiry
- (d) such functions as are prescribed by Regulations made for the purposes of section 33 (review of actions, including review of certain promotion decisions)
- (e) such other functions as are prescribed by the Regulations.

In relation to paragraph (e) above, the Public Service Regulations enable the Merit Protection Commissioner to:

- (a) establish ISACs to make recommendations to an agency head about the suitability of candidates for engagement, promotion or assignment to duties included in APS Classification Groups 1–6
- (b) perform employment-related functions where the Merit Protection Commissioner is not required by a law of the Commonwealth to perform the function
- (c) review an action of a statutory office holder who is not an agency head that affects an APS employee in their employment
- (d) investigate complaints by former APS employees concerning separation entitlements.

The Merit Protection Commissioner charges a fee for establishing ISACs and for performing employment-related functions.

ORGANISATIONAL STRUCTURE

In accordance with section 49 of the Act, the staff necessary to assist the Merit Protection Commissioner are made available by the Public Service Commissioner. They are accountable to the Merit Protection Commissioner for the functions they perform on her behalf.

The staff involved are members of the Commission's Regional Services Group who are located in the Commission's six regional offices and comprise both ongoing and non-ongoing employees. Each regional office maintains a register of appropriately trained and qualified people who are available, as required, for non-ongoing employment. This is in addition to a separate register of APS employees approved to act as members of PRCs and ISACs.

Applications for review are generally lodged and dealt with in the office of the State or Territory in which the applicant resides. In addition, the Victorian office deals with cases arising in Tasmania and the South Australian office deals with cases arising in the Northern Territory. The review casework is managed by a dedicated review team, which draws on regional office employees with the appropriate skills and capabilities. With support from other offices as needed, the Australian Capital Territory office also provides coordination and policy support for the Merit Protection Commissioner.

This report and further information about the Merit Protection Commissioner's role and services are available on the Commission's website at <www.apsc.gov.au>.

MANAGEMENT ACCOUNTABILITY

CORPORATE GOVERNANCE

Mr Boris Budak, Adviser to the Merit Protection Commissioner, acted as Merit Protection Commissioner for the period July to November 2007. Ms Annwyn Godwin acted as Merit Protection Commissioner until her appointment was confirmed in January 2008.

The Public Service Commissioner, as the head of the Australian Public Service Commission, is responsible for its corporate governance. The Merit Protection Commissioner is a member of the Commission's Executive—a senior management group chaired by the Public Service Commissioner.

The Merit Protection Commissioner and the Public Service Commissioner have in place a memorandum of understanding for provision of staff necessary to assist the Merit Protection Commissioner. The Adviser to the Merit Protection Commissioner acts as the main delegate of the Merit Protection Commissioner.

REVIEW OF PERFORMANCE

OUTPUTS AND CONTRIBUTION TO OUTCOMES 2007–08

The Commission is included in the Department of Prime Minister and Cabinet's Portfolio Budget Statements. The Public Service Commissioner, as head of the Commission, is responsible for the Commission's financial and human resources and for assessing the level of the Commission's achievement against its output structure.

Performance information, as described in the Portfolio Budget Statement 2007–08 that relates to the Merit Protection Commissioner’s functions, can be aggregated, where relevant, from Tables M1 and M2 of this report. Table M1 comprises casework arising from APS agencies and Table M2 includes casework arising from both APS and non-APS agencies. Table M1.1 compares the timeliness in handling reviews between 2006–07 and 2007–08.

The review scheme under section 33 of the Act and Part 5 of the Public Service Regulations provides that an APS employee is entitled to review, in accordance with the Regulations, of an action that relates to their employment. Most matters that affect employees personally in the course of their employment can be dealt with in this way, except where specifically excluded by the Regulations.

There are three main categories of reviews of actions conducted by the Merit Protection Commissioner: review of certain promotion decisions, review of breaches of the APS Code of Conduct, and other reviews. Table M1 provides information on the reviews of actions received and completed and the timeliness of these reviews during the year.

Applications for review of promotion decisions up to and including APS classification group 6 jobs can be made by APS employees who were applicants for promotion to those jobs. After assessing the relative merits of the person or persons promoted and of the applicant or applicants for review, a three-member PRC will either confirm or vary the original promotion decision. The PRC’s decision is binding but may be subject to judicial review (see Promotion Review Committees in Table M1).

Applications for review of a determination that an employee has breached the Code of Conduct or of a sanction imposed for a breach of the Code of Conduct may be made directly to the Merit Protection Commissioner (see Primary reviews—Code of Conduct in Table M1).

Certain other applications for review may also be lodged directly with the Merit Protection Commissioner, for example where the relevant agency head was directly involved in the action (see Primary reviews—other in Table M1).

Other applications for review of an action that may be lodged with the Merit Protection Commissioner are where the applicant has been advised by the agency head that the action is not reviewable or where the applicant is dissatisfied with the outcome of the primary review conducted by the agency head (see Secondary reviews in Table M1).

Former APS employees can apply to the Merit Protection Commissioner for review of their entitlements on separation from the APS (see Complaints by former employees in Table M1).

This part of the report also provides information about the Merit Protection Commissioner’s other functions including: inquiring into whistleblowing reports, establishing ISACs, and performing certain other employment-related functions on a fee-for-service basis.

The following tables provide information on reviews of action the Merit Protection Commissioner undertook during the period 1 July 2007 to 30 June 2008.

TABLE M1: REVIEW OF ACTIONS—WORKLOAD, WORK COMPLETED AND TIMELINESS, 1 JULY 2007—30 JUNE 2008

Cases	Promotion Review Committees	Primary reviews—Code of Conduct	Primary reviews—other	Secondary reviews	Complaints by former employees
On hand at start of year	13	14	4	19	0
Received during the period	100	40	14	106	1
Reviewed	78	24	0	54	0
Not accepted	4	9	14	35	1
Lapsed or withdrawn	26	9	0	11	0
Total finalised during period	108	42	14	100	1
On hand at end	5	12	4	25	0
Target completion time (weeks)	8	14	14	14	14
Average completion time for reviewed cases (weeks)	6.71	19.58	0	19.80	0
Completed within target time (number)	57	12	0	20	0
Completed within target time (percentage)	73	50	0	37	0

Table M1.1 compares timeliness figures for 2007–08 with those for 2006–07. In 2007–08 there was an improvement in the percentage of cases completed within target times in two of the three review categories in which applications were reviewed.

TABLE M1.1: COMPARISON OF TIMELINESS IN HANDLING REVIEWS, 2006–07 AND 2007–08

Review type	2006–07 Average time to complete reviews and percent completed within target times Weeks (%)	2007–08 Average time to complete reviews and percent completed within target times Weeks (%)
Promotion Review Committees	7.72 (69)	6.71 (73)
Primary reviews – Code of Conduct	19.00 (43)	19.58 (50)
Primary reviews – other	9.75 (80)	0 (0)
Secondary reviews	15.50 (44)	19.80 (37)
Former employees	19.59 (57)	0 (0)

TABLE M2: FEE-FOR-SERVICE FUNCTIONS—WORKLOAD AND WORK COMPLETED, 1 JULY 2007–30 JUNE 2008

	Independent Selection Advisory Committees	Other fee-for-service functions
On hand at start of year	36	73
Received during the period	73	213
Completed	90	248
Lapsed/withdrawn	0	29
Total finalised during the period	90	277
On hand at end	19	9

REVIEW OF CERTAIN PROMOTION AND ENGAGEMENT DECISIONS

Compared with last financial year, there was an increase in the number of both applications for promotion review and of the cases completed this year. In this report, a case means an application by one or more APS employees for review of a promotion decision or decisions arising from a discrete agency selection exercise.

In 2007–08, there were 439 individual applications for promotion review (303 in 2006–07) and 78 cases were completed during the year (45 in 2006–07). However, the number of applications for promotion review and of the cases completed this financial year were still lower than in 2005–06 (783 individual applications for review, and 105 cases completed) and 2004–05 (658 individual applications for review and 99 cases reviewed). The increase in the number of applications for promotion review this year compared to last year is broadly consistent with an increase in the number of reviewable promotions and engagements gazetted in 2007–08 compared to 2006–07.

Table M3 provides information on the agencies involved in promotion reviews as well as a breakdown of the number of ‘active’

and ‘protective’ applications. Unsuccessful candidates for a promotion may lodge an ‘active’ application in which they are applying for review of the promotion in the classification groups of APS 1–6 decision. Employees who have been promoted and whose promotion may be subject to review may lodge a ‘protective’ application.

During the year, applications for reviews were received in relation to promotion decisions made in 21 agencies. Six agencies with 10 or more applications for review are identified in Table M3. Fifteen other agencies that had less than 10 applications for review are not separately identified.

Requests for review by a PRC varied 19 (4.3%) of the 440 promotion decisions reviewed. While this is higher than the percentage of promotion decisions varied last financial year (2.6%), it is comparable with variation rates of about 5% of decisions reviewed in previous years. The largest promotion reviews were those involving promotion decisions in the Department of Immigration, Multicultural and Indigenous Affairs, one with over 100 applications and one with over 60 applications. Most other promotion reviews involved fewer than 10 applications each.

**TABLE M3: REVIEW OF PROMOTION DECISIONS, BY AGENCY 1 JULY 2007—
30 JUNE 2008**

Agency	Total applications received	'Active' applications received	'Protective' applications received	Promotion decisions considered	Promotion decisions varied*
Department of Immigration Multicultural and Indigenous Affairs	196	31	165	191	3
Australian Taxation Office	114	60	54	78	8
Australian Customs Service	46	23	23	47	1
Centrelink	22	15	7	43	1
Department of Defence	15	10	5	11	2
Australian Bureau of Statistics	14	2	12	26	0
15 other agencies	32	25	7	44	4
Total	439	166	273	440	19

* An APS employee may make an application for review of one or more promotion decisions. Not all applications are considered by a Promotion Review Committee. Some applications are withdrawn, invalid or, in the case of 'protective' applications, may not be activated.

BREACHES OF THE CODE OF CONDUCT AND OTHER REVIEWS

During 2007–08, 161 applications for review, other than for review of promotion decisions, were received. In addition, 37 applications were carried over from the previous reporting period. During the year, the Merit Protection Commissioner completed 78 reviews in this category (two more than in 2006–07).

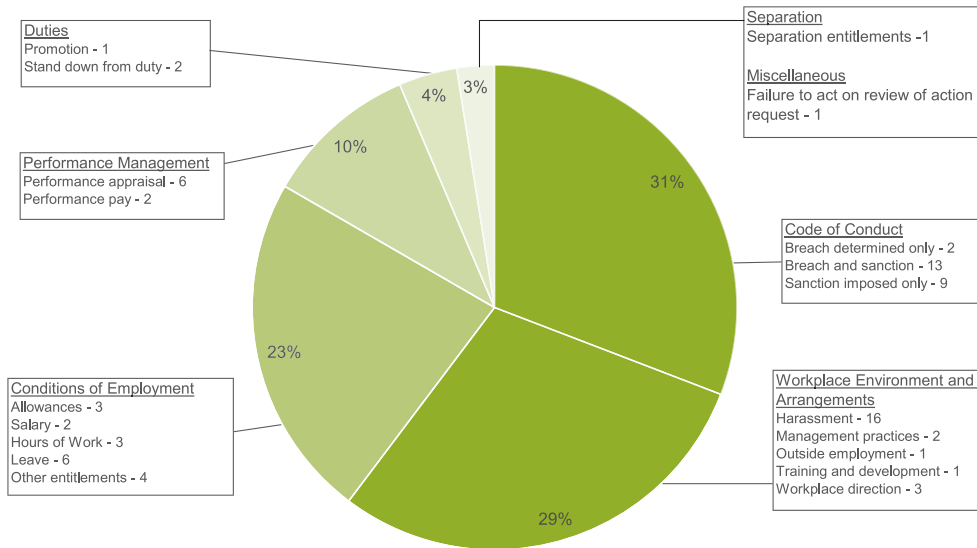
The types of issues raised in the applications are shown in Figure M1. Breaches of the Code of Conduct accounted for 24 applications (31%) of the total. This was a slightly lower percentage than in 2006–07 (37%). Other matters reviewed related to workplace environment, including bullying and harassment, management practices, outside employment, training and development, and workplace direction, 23 (29%); conditions of employment, including allowances, salary, hours of work, leave and

other entitlements, 18 (23%); performance management, including performance appraisal and pay, eight (10%); issues about duties, including promotion and stand down from duty, three (4%); entitlements on separation, one (1.5%); and failure to act on review of action request, one (1.5%).

While it is positive that there has been a decrease in both the number and percentage of reviews in the categories of 'duties', 'separation and miscellaneous' and 'code of conduct' from last year it is also of concern that there is an increase in both the number and percent of reviews on 'harassment' and 'performance appraisal reviews' from last year.

Table M4 provides a breakdown of the number of reviews by agency. As has been the case for the last four years, the agencies with the highest number of applications for review were the Australian Taxation Office, Centrelink and the Department of Defence.

Figure M1: Cases reviewed by subject



Breaches of the Code of Conduct

This year, there was an increase in the number of applications received that related to breaches of the Code of Conduct, 40 in 2007–08 compared with 35 in 2006–07.

During the year, 24 reviews were completed. They included: inappropriate use of email or Internet; harassment and failure to show courtesy and respect; unauthorised accessing of client information (‘browsing’); and unauthorised use of Commonwealth vehicles.

Of these reviews, 13 involved review of both the determination that the applicant breached the Code of Conduct and the sanction imposed for the breach. Nine applicants sought review only of the sanctions that were imposed on them and two applicants sought review only of the determination that they breached the Code of Conduct.

In each of the 24 completed reviews, the Merit Protection Commissioner made a formal recommendation to the relevant agency that the decision under review be either confirmed (15), varied (7) or set aside (2).

Other reviews

This year, 121 applications for review involving matters other than promotion decisions or breaches of the Code of Conduct were received. Of the 54 cases reviewed, the Merit Protection Commissioner made recommendations to set aside or vary the decision in 10 (18%) cases. In all other cases the original actions of the agencies were confirmed.

Other applications for primary review made directly to the Merit Protection Commissioner

In certain circumstances, the Regulations provide for applications for primary review to be made directly to the Merit Protection Commissioner.

Regulation 5.24(3) allows employees to apply directly to the Merit Protection Commissioner where the agency head has been directly involved in the action; or it is not appropriate, because of the seriousness or sensitivity of the action, for the agency head to deal with the application; or where the action is claimed to be victimisation or

TABLE M4: REVIEWS COMPLETED, BY AGENCY 1 JULY 2007—30 JUNE 2008

Agency*	Primary reviews - Code of Conduct	Primary reviews - other	Secondary reviews	Complaints by former employees	Total
Australian Taxation Office	4		16		20
Centrelink	8		10		18
Department of Defence	4		8		12
Australian Customs Service			4		4
Australian Quarantine Inspection Service	2		2		4
Department of Immigration and Citizenship	2		2		4
Australian Securities and Investments Commission			3		3
Child Support Agency			3		3
Department of Education, Employment and Workplace Relations			2		2
Department of Health and Ageing	1		1		2
Department of Employment and Workplace Relations			1		1
Department of Education, Science and Training			1		1
Australian Bureau of Statistics	1				1
Department of Families, community Services and Indigenous Affairs			1		1
Department of Transport and Regional Services	1				1
Department of Veterans' Affairs	1				1
Total	24	0	54	0	78

* The agency taking the action or, if the action is action by an APS employee, the agency in which the employee was employed at the time of the action.

harassment of the employee for having made a previous application for review of action. Also, regulation 5.25(1) allows the agency head, with the agreement of the Merit Protection Commissioner, to refer an application to the Merit Protection Commissioner in similar circumstances.

During the year, 14 employees made direct application to the Merit Protection Commissioner under regulation 5.24(3), however no cases were reviewed under these provisions. The most common reasons for this were that the cases were not assessed as meeting the specified criteria to be reviewed under this provision, or the actions raised were not reviewable actions. Where applications were assessed as not meeting the specified criteria for primary review by the Merit Protection Commissioner, applicants were advised to lodge their applications with their agency head in the first instance. No applications were made during the year under regulation 5.25(1).

Secondary reviews

Regulation 5.29(1)(a) enables the Merit Protection Commissioner to undertake a secondary review where the agency head has told the employee an action is not a reviewable action. Also, regulation 5.29(1)(b) enables an APS employee to apply to the Merit Protection Commissioner for a secondary review where the employee is dissatisfied with the outcome of the primary review conducted by the agency head.

During 2007–08, 106 applications for secondary review were received. Compared with 2006–07, this was an increase of 56%. Fifty-four cases were completed during the period.

Matters covered in the review of these applications included issues relating to conditions of employment such as leave arrangements, salary, allowances and hours of

work; bullying and harassment; performance management and performance pay; training and development; and outside employment.

Investigation of complaints by former employees

Regulation 7.2 provides that the Merit Protection Commissioner may investigate a complaint by a former APS employee that relates to the employee's entitlements on separation from the APS. During 2007–08, one application was received but could not be reviewed as it was out of jurisdiction.

INDEPENDENT SELECTION ADVISORY COMMITTEES

The Merit Protection Commissioner may establish an ISAC at an agency head's request, usually on a fee-for-service basis. An ISAC is an independent three-member committee that makes recommendations to an agency head about the suitability of candidates for employment opportunities at classifications in APS classification groups 1 to 6.

An ISAC consists of a convenor nominated by the Merit Protection Commissioner and two members, one nominated by the Merit Protection Commissioner and one nominated by the agency head. The Merit Protection Commissioner has issued binding instructions about the procedures to be followed by ISACs, but they are otherwise not subject to direction in carrying out their duties, except by a court.

ISACs provide streamlined, cost-effective, merit-based selection processes which offer flexibility to accommodate a range of selection assessment techniques. While they can be used for selection exercises of any size, given that a promotion decision made on the recommendation of an ISAC is not subject to promotion review and that ISACs are independent and impartial, they are particularly suitable for large or sensitive

selection processes. An order of merit established by an ISAC can be used to fill future similar vacancies for 12 months from the initial notification of the employment opportunity.

Table M5 provides information on the number of ISACs established, by agency, and the number of candidates considered and recommendations made. While in 2007–08 there was a decrease in the number of requests for new ISACs (73 compared to 101 in 2006–07), the number of ISACs that were established and that completed their selection exercises during 2007–08 was higher than in 2006–07 (90 compared to 84 in 2006–07). This was due to the high number of ISACs (36) that were on hand at the start of the reporting period. These numbers indicate that the trend established over the last few years of increased use and acceptability of ISACs is continuing. During the year, ISACs considered 10,811 job applications and made recommendations in respect of 2243 candidates.

The Australian Taxation Office and the Department of Defence continued to be the highest users of ISACs during the year. Several other agencies also used ISACs to consider large numbers of candidates which resulted in high numbers of candidates recommended.

WHISTLEBLOWING

The Act and Regulations provide a scheme for APS employees to report alleged breaches of the Code of Conduct (such reports are known as whistleblowing reports). Agency heads are responsible for establishing procedures for dealing with whistleblowing reports. In the first instance, such reports are expected to be made to, and investigated by, the relevant agency head. Where the APS employee is not satisfied with the findings of the agency-based investigation, or in other specified circumstances such as where it is not appropriate for the agency head to deal with the matter, a whistleblowing report may be referred to the Public Service Commissioner or the Merit Protection

TABLE M5: INDEPENDENT SELECTION ADVISORY COMMITTEES CONVENED, 1 JULY 2007—30 JUNE 2008

Agency	Committees established and completed	Candidates considered	Candidates recommended
Australian Taxation Office	33	6866	1185
Department of Defence	31	845	191
Australian Customs Service	8	570	123
Australian Quarantine Inspection Service	6	417	171
Department of Immigration and Citizenship	4	1225	348
Department of Foreign Affairs and Trade	3	572	123
Department of Agriculture, Fisheries and Forestry	2	215	77
Centrelink	1	80	15
Department of Families, Community Services and Indigenous Affairs	1	12	5
Department of Education, Employment and Workplace Relations Indigenous Affairs	1	9	5
Total	90	10,811	2243

Commissioner. Information on whistleblowing reports made to the Public Service Commissioner is contained in her annual report.

At the start of 2007–08, there was one whistleblowing report on hand. During the year, five reports were received, five less than in 2006–07. Three of the reports were not accepted as the Merit Protection Commissioner considered that the relevant matters could more appropriately be considered by the relevant agency head, at least in the first instance. Allegations made included failure to act in relation to occupational health and safety issues and non-compliance with merit in a selection decision.

Inquiries were conducted into two reports, both of which concerned allegations of bullying and harassment by managers in the same agency. The inquiries found that there was insufficient evidence available to support recommendations to the agency head that action be commenced under the agency's procedures for determining breaches of the APS Code of Conduct. There was one report on hand at the end of the reporting period.

OTHER FUNCTIONS

Under the Act, the Public Service Minister can ask the Merit Protection Commissioner to inquire into an APS action and report to the Minister on the results of the inquiry. No such requests were received during the reporting period.

The Act also provides for the Merit Protection Commissioner to inquire into alleged breaches of the Code of Conduct by the Public Service Commissioner and to report to the Presiding Officers on the results of such inquiries. No such allegations were received during the reporting period.

EMPLOYMENT-RELATED SERVICES (FEE-FOR-SERVICE)

The Regulations provide that the Merit Protection Commissioner may, but is not required to carry out a range of employment-related functions on behalf of various non-APS bodies such as Commonwealth authorities to which the Act does not apply. The Merit Protection Commissioner may charge a fee for such services. Some of the services are provided on an ongoing basis under a standing memorandum of understanding.

Fee-for-service work undertaken on behalf of the Merit Protection Commissioner included various training and staff selection services for a number of non-APS agencies, including the establishment of Independent Selection Advisory Panels for the Australian Federal Police, as well as investigation of grievances and career advising.

Table M6 reports on the employment-related services provided during 2007–08. Table M7 provides details in relation to the Independent Selection Advisory Panels established for the Australian Federal Police during the same period. In the second half of the year there was a decrease in the use of Independent Selection Advisory Panels—21 completed compared to 197 in the first half of the year.

TABLE M6: EMPLOYMENT-RELATED SERVICES, 1 JULY 2007—30 JUNE 2008

Nature of service	Number completed
Australian Federal Police Independent Selection Advisory Panels	218
Training	11
Member of Selection Advisory Committee	10
Scribing services for Selection Advisory Committees	6
Investigation of grievances	2
Career advising	1
Total	248

TABLE M7: INDEPENDENT SELECTION ADVISORY PANELS CONVENED, 1 JULY 2007—30 JUNE 2008

Organisation	Number of panels established	Candidates considered	Candidates recommended
Australian Federal Police	218	3461	863

REVIEW OF ACTIONS CASE STUDIES

The following four review case studies highlight some of the more significant issues encountered during the year by the Merit Protection Commissioner, including that:

- sanctions should be proportionate to the seriousness of the breach
- investigations into complaints of staff must have regard to procedural fairness which includes the right for a person whose interests could be adversely affected by a decision to be notified that the decision is to be made, and provided with sufficient information to allow them to make effective use of the right to respond and present arguments
- administrative law requires decision makers to be free from both actual bias and any reasonable apprehension of bias
- Chapter 5 of the Public Service Commissioner's Directions 1999 includes as a minimum requirement that before a determination is made in relation to a suspected breach, the affected employee must be informed of the details of that

suspected breach and given a reasonable opportunity to make a statement in relation to the suspected breach

- in this context, it is not acceptable to tell the employee that a 'draft', 'in principle' or 'preliminary' decision has been made before the employee has been provided with the opportunity to be heard; this opportunity should precede the formation of a 'draft' decision
- workplace harassment can be intended or unintended, and some subtle patterns of behaviour seen as harassment or bullying, or failing to act with respect and courtesy, involve taking responsibility away from staff without explanation and criticising work without offering constructive feedback
- where managers carry out legitimate management actions or decisions, undertaken in a reasonable way and with respect and courtesy, their actions are not workplace harassment
- managers and their employees have a joint responsibility to address employees' career management issues.

CASE STUDY ONE

Breach of the APS Code of Conduct—late lodgement of application—legal representation—severity of sanction

Application

An APS employee applied for review of a decision that by using and home garaging departmental motor vehicles without authorisation they breached subsections 13(2), (5) and (8) of the Act and of the sanction imposed for the breaches—reduction in classification from EL2 to EL1. In addition, they sought review of the decision to recover an amount to cover home garaging charges and Fringe Benefits Tax. These decisions had occurred more than 12 months before the application was made, and the application was lodged on the employee's behalf by their legal representative.

Review

The Regulations provide that an action is not reviewable if lodged more than one year after the action happened, unless there are exceptional circumstances; and that an applicant appearing before a person conducting a review must do so without representation unless the Merit Protection Commissioner (MPC) agrees otherwise.

Here it was argued that the applicant suffered from serious medical problems which had prevented them from dealing with the matter. After consideration, the MPC agreed to accept the late application for review and allow legal representation.

After investigation, the MPC was reasonably satisfied that the applicant had breached subsections 13(2) and (5) of the Act, when after the earlier approval for permanent home garaging expired, the applicant failed to follow correct procedures in relation to the use and temporary home garaging of vehicles

as required under the agency Chief Executive Instructions.

The agency also found that the applicant had used the cars for private purposes thereby breaching subsection 13(8). After investigation, the MPC could not be reasonably satisfied that the applicant had breached this subsection as there was no evidence of private use of the vehicles.

According to the Commission's *Handling Misconduct* sanctions, apart from acting as a deterrent to other staff by sending messages that bad behaviour will not be tolerated, should be proportionate to the seriousness of the breach. In this case, it was the view of the MPC that the sanction was far too severe. A number of factors led to this view, including that there was no evidence that the applicant derived personal gain from use of the vehicles, rather they were used to further the agency's business; the failure to comply with instructions was a result of procedural breakdown and work pressures, rather than any deliberate misbehaviour; and while the more senior and experienced an employee, the higher the expectation of appropriate behaviour, there was no evidence that the applicant could not be trusted with EL2 responsibilities.

With regard to the debt recovery aspect, it was the view of the MPC that the Chief Executive Instructions did not provide authority to raise the debt as they allowed charges only for permanent home garaging.

Outcome

Consequently, it was recommended that the agency decision be varied to say that the applicant breached only subsections 13(2) and (5) of the Act, and that the sanction imposed be a reduction in salary for 12 months. Over the year, this reduction roughly equated to the debt originally raised for garaging and Fringe Benefit Tax.

CASE STUDY TWO

Complaint about denial of procedural fairness—use of frivolous and vexatious application exemption—adverse findings in departmental report

Application

An APS employee applied for secondary review by the MPC after an agency rejected their application for primary review. The applicant contended that they had not been afforded procedural fairness in the conduct of an investigation into staffing matters in their team. The agency rejected their application on the grounds that it was frivolous or vexatious, and that further review was not justified in the circumstances, given the extensive investigation that had already been undertaken.

The MPC decided that the application was not frivolous or vexatious, and the findings in the investigation report were sufficiently critical of the applicant to justify their perception that the outcome was not entirely favourable to them.

Review

The agency undertook an investigation into a number of allegations and counter allegations by members of the applicant's work group, including allegations that the applicant had bullied and harassed two members of the team. While this was not an investigation under the agency's Code of Conduct procedures, as the applicant had been accused of behaviour that may ultimately have been found to be a breach of the Code, any investigation would normally be expected to afford them procedural fairness.

The investigation found that the applicant had not demonstrated bullying and harassing behaviour, but also found that a reasonable person would assess the applicant's behaviour towards a team member to have been, at times, lacking in respect and courtesy. While, the agency decided not to commence an investigation under its procedures for determining whether the applicant had breached the Code of Conduct, the applicant remained concerned that the findings included adverse comments about their behaviour and management of the situation.

The applicant asserted that they were denied procedural fairness, since they had not been given the opportunity to respond to criticisms about their behaviour in the final report.

The MPC considered the advice of the Administrative Review Council Best Practice Guide *Decision Making: Natural Justice* which notes that where a person's interests could be adversely affected by a decision, they should be notified that the decision is to be made, and provided with sufficient information to allow them to make effective use of the right to respond and present arguments.

The MPC concluded that in order for the applicant to be afforded procedural fairness they should have been provided with the draft report, including at least the substance of the information provided by witnesses and the investigator's preliminary conclusions, and given the opportunity to comment, before the report was finalised. It was also the opinion of the Commissioner that there was insufficient evidence to support the finding of the investigation that their behaviour lacked respect and courtesy.

Outcome

The MPC recommended that the agency note the need for investigations into complaints of staff to have regard to procedural fairness and ensure this is reflected in relevant policies; and that a copy of the recommendation be attached to all copies of the report of the investigation to communicate the view that the applicant did not act without respect and courtesy in their dealings with the staff members.

CASE STUDY THREE

Breach of APS Code of Conduct— unauthorised release of information— severity of sanctions—deficiencies in departmental process

Application

An APS employee applied for review of a decision that by releasing a document under the FOI Act which contained confidential information about another person they had breached subsections 13 (2), (5), (11) and (13) of the Public Service Act and of the sanctions imposed for these breaches—a reprimand and a fine of 1% of annual salary.

Review

Subsection 15(3) of the Act provides that agency heads must establish procedures for determining whether an APS employee has breached the Code of Conduct. Chapter 5 of the Public Service Commissioner's Directions 1999 (the Directions) sets out the basic requirements with which such procedures must comply.

When reviewing a decision about a breach of the Code of Conduct, the MPC must consider, as a threshold matter, whether the agency procedures comply with the Directions and, if so, in the case in question, there was substantial compliance with those

procedures – see generally *Walworth v Merit Protection Commissioner & Anor* (2007) FMCA (23 February 2007).

In this case, although the agency procedures complied with the Directions and there was substantial compliance with the procedures, there were a number of areas where, in the opinion of the MPC, the conduct of the agency investigation did not demonstrate good practice. These included that the investigator had been involved in earlier meetings about the case which had led to the decision to undertake Code of Conduct action. In these circumstances, appointing another investigator would have removed any perception of bias.

Also, the applicant was not provided with written notification of the investigation until after it was effectively completed. The notice was attached to a copy of the draft report of the investigator, which included the investigator's conclusions that the applicant had breached the Code of Conduct and the recommended sanctions to be imposed. In respect of the hearing rule, the Administrative Review Council best practice guide *Decision Making: Natural Justice* notes that a notice that refers to a 'provisional' or 'draft' decision, could give rise to an impression that the matter has been decided before the hearing.

Additionally the applicant, after initially refusing to participate in a taped interview—as they were entitled to do—was not given a later opportunity to meet the investigator to put their case. It was only after the draft report was presented to them that they were given a formal opportunity to respond. Finally, much of the evidence collected did not seem to have been relevant to the matter under investigation.

In the Commissioner's opinion, there were reasonable grounds for the agency to find that the applicant had acted without appropriate care and diligence in the course of their employment (subsection 13(2)) and that, by placing their agency in what could have been an embarrassing position, the applicant did not comply with subsection 13(11) of the Act. However, there was insufficient evidence that the applicant failed to comply with a direction to submit their work for quality assessment and therefore breached subsection 13(5).

To support the finding that the applicant breached subsection 13(13), the agency relied on Public Service Regulation 2.1(4) which relates to the duty of an APS employee not to disclose confidential information they obtain in connection with their employment. In the opinion of the MPC, the practical intent of this regulation was not to cover where an FOI officer makes a mistake and releases information that should have been withheld.

Outcome

Consequently it was recommended that the decision that the applicant breached subsections 13(2) and (11) of the Act be confirmed and that the decision that they also breached subsections 13(5) and (13) be set aside. Noting in particular that there were several, fairly significant procedural deficiencies in the subsequent agency investigation, and that the investigation failed to establish that the applicant's mistake was deliberate, it was recommended that the sanction of a reprimand be confirmed while the sanction of a fine be set aside.

CASE STUDY FOUR

Alleged bullying and harassment by management—lack of career advancement—responsibility of employee in performance management

Application

An APS employee applied for secondary review of their allegations of bullying and harassment by their managers. The agency's review had found that there was insufficient evidence to support the allegations.

Review

The applicant cited their lack of career progression as the most compelling evidence that they had been subjected to bullying and harassment by their managers over a period of years. The applicant argued they were both well qualified and hard working and found it inexplicable that they had not won the promotions they deserved. In particular, the applicant alleged that previous managers had not allocated work appropriately, questioning the applicant's technical judgement. It appeared that the applicant felt that not allocating technical work was one of the ways in which their manager's behaviour was disrespectful.

The Commissioner's review considered a range of evidence from the applicant, their agency and other witnesses including the managers in question. The perspective of one manager with regard to the behaviours that the applicant saw as disrespectful was somewhat different, and indicated that the applicant was not accepting of feedback and that they continually questioned the allocation of work. The manager was of the view that it was open to them to allocate tasks on the basis of the capabilities of their staff.

The MPC concluded that the applicant's technical skills had been found wanting at times, that it did not seem unreasonable for managers to allocate tasks to those most able to achieve outcomes and that, to a large degree, such decisions were organisational rather than personal.

Outcome

The MPC noted that the lack of career progression had been a long-standing issue and earlier professional intervention and assistance to the applicant to address their career management issues may have prevented the application for review. Equally, it was the responsibility of the applicant to engage in constructive discussion with their supervisors to address developmental issues.

Having said that, there was no evidence to support the applicant's allegations of bullying and harassment and it was recommended that the agency's decision be confirmed.

The background of the page is a light green color with a faint, repeating pattern of microscopic plant cells, likely from a leaf or stem, visible in the upper half. The cells are arranged in a grid-like structure with some larger, more prominent cells. The overall appearance is that of a scientific or botanical document.

Appendices

APPENDIX A

RESOURCES FOR OUTCOME

OUTCOME:

A confident, high quality, values-based and sustainable Australian Public Service

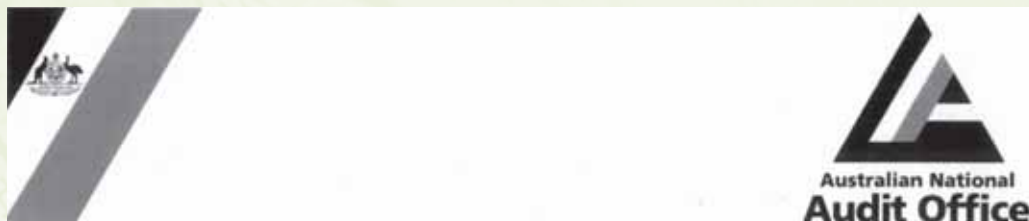
TABLE 28: RESOURCES FOR OUTCOME

	(1) Actual 2007—08 \$'000	(2) Budget 2007—08 \$'000	Variation (column 1 minus column 2) 2008—09 \$'000	Budget 2008—09 \$'000
DEPARTMENTAL PRICE OF OUTPUTS				
Output group 1 – APS Policy and employment services				
Output 1.1 – Advice and support to Minister, Executive and Agency Heads	2,262	2,001	261	1,839
Output 1.2 – Employment services	6,783	5,997	786	8,218
Output 1.3 – International assistance and organisations	2,478	2,906	-428	2,933
Output 1.4 – Merit Protection and other services	2,883	3,165	-282	2,939
Subtotal output group 1	14,406	14,069	337	15,929
Output group 2 – Development programmes				
Output 2.1 – Leadership services	5,027	5,244	-217	7,543
Output 2.2 – Programme delivery	9,773	8,553	1,220	6,314
Output 2.3 – National / International programmes	1,458	1,902	-444	2,189
Subtotal output group 2	16,258	15,699	559	16,046
Output group 3 – Better practice and evaluation				
Output 3.1 – Indigenous employment	4,886	4,663	223	4,693
Output 3.2 – Promote better practice	1,737	2,016	-279	1,543
Output 3.3 – Statistical / Information services	1,422	1,368	54	1,421
Output 3.4 – Research and evaluation	1,522	1,528	-6	1,278
Subtotal output group 3	9,567	9,575	-8	8,935
Total price of outcome	40,231	39,343	888	40,910
Departmental income				
Revenue from Government (Appropriation)	20,804	20,498	306	21,718
Income from other Sources	19,427	18,845	582	19,192
Total Departmental income	40,231	39,343	888	40,910
Average staffing level	214	206	8	216

Note: Budgets are as per Portfolio Budgets Statements 2008–09 amounts excludes budget gains of \$41,000

APPENDIX B

INDEPENDENT AUDITORS REPORT



INDEPENDENT AUDITOR'S REPORT

To the Special Minister of State

Scope

I have audited the accompanying financial statements of the Australian Public Service Commission for the year ended 30 June 2008, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive for the Financial Statements

The Chief Executive of the Australian Public Service Commission is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Public Service Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Public Service Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Australian Public Service Commission's Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Public Service Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Public Service Commission's financial position as at 30 June 2008 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Executive Director

Delegate of the Auditor-General

Canberra

2 September 2008

**AUSTRALIAN PUBLIC SERVICE COMMISSION
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2008 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Lynne Tacy
Acting Chief Executive

1 September 2008



David Mylan
Chief Finance Officer

1 September 2008

**AUSTRALIAN PUBLIC SERVICE COMMISSION
INCOME STATEMENT**

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Revenue from Government	3a	20,804	20,591
Sale of goods and rendering of services	3b	19,390	19,103
<i>Total revenue</i>		40,194	39,694
Gains			
Sale of assets	3c	-	30
Resources received free of charge	3d	37	39
<i>Total gains</i>		37	69
Total Income		40,231	39,763
EXPENSES			
Employee benefits	4a	21,272	19,408
Suppliers	4b	17,343	16,686
Depreciation and amortisation	4c	1,478	1,278
Finance costs	4d	36	47
Write-down and impairment of assets	4e	2	-
Losses from asset sales	3c	3	-
Total expenses		40,134	37,419
Surplus / (deficit)		97	2,344

The above statements should be read in conjunction with the accompanying notes.

AUSTRALIAN PUBLIC SERVICE COMMISSION
BALANCE SHEET
as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5a	542	559
Trade and other receivables	5b	<u>13,654</u>	13,143
Total financial assets		<u>14,196</u>	13,702
Non-financial assets			
Land and buildings	6a,d	3,485	3,079
Infrastructure, plant and equipment	6b,d	2,061	2,147
Intangibles	6c,d	1,067	933
Inventories	6e	187	206
Prepayments paid	6f	<u>544</u>	567
Total non-financial assets		<u>7,344</u>	6,932
Total assets		<u>21,540</u>	20,634
LIABILITIES			
Payables			
Suppliers	7a	3,763	4,004
Prepayments received	7b	2,433	2,930
Other payables	7c	<u>58</u>	43
Total payables		<u>6,254</u>	6,977
Interest bearing liabilities			
Leases	8a	345	386
Lease incentives	8b	<u>1,963</u>	1,421
Total interest bearing liabilities		<u>2,308</u>	1,807
Provisions			
Employees	9a	6,004	5,337
Make good	9b	<u>141</u>	167
Total provisions		<u>6,145</u>	5,504
Total liabilities		<u>14,707</u>	14,288
NET ASSETS		<u>6,833</u>	6,346
EQUITY			
Contributed equity		(1,004)	(1,394)
Asset revaluation reserve		1,013	1,013
Retained surplus / (accumulated deficit)		<u>6,824</u>	6,727
Total equity		<u>6,833</u>	6,346
Current assets		14,927	14,475
Non-current assets		6,613	6,159
Current liabilities		12,202	12,292
Non-current liabilities		2,505	1,996

The above statements should be read in conjunction with the accompanying notes.

AUSTRALIAN PUBLIC SERVICE COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

Item	Retained earnings		Asset revaluation reserve		Contributed equity		Total equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Opening Balance	6,727	4,383	1,013	1,013	(1,394)	(1,894)	6,346	3,502
Income and expenses:								
Surplus / (deficit) for the period	97	2,344	-	-	-	-	97	2,344
Transactions with owner:								
Contributions by owner:								
Appropriation (equity injection)	-	-	-	-	390	500	390	500
Closing balance	6,824	6,727	1,013	1,013	(1,004)	(1,394)	6,833	6,346

The above statements should be read in conjunction with the accompanying notes.

AUSTRALIAN PUBLIC SERVICE COMMISSION
CASH FLOW STATEMENT
for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		22,615	23,796
Appropriations		20,404	20,591
Other cash received		993	483
Total cash received		<u>44,012</u>	<u>44,870</u>
Cash used			
Employees		21,430	19,664
Suppliers		19,558	20,373
Net GST paid to the ATO		121	109
Cash transferred to the OPA		-	1,300
Other cash used		1,075	798
Total cash used		<u>42,184</u>	<u>42,244</u>
Net cash from / (used by) operating activities	11	<u>1,828</u>	<u>2,626</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		3	82
Lease incentive		-	1,384
Total cash received		<u>3</u>	<u>1,466</u>
Cash used			
Purchase of property, plant and equipment		1,438	4,083
Purchase of intangibles		725	389
Total cash used		<u>2,163</u>	<u>4,472</u>
Net cash from / (used by) investing activities		<u>(2,160)</u>	<u>(3,006)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		315	500
Total cash received		<u>315</u>	<u>500</u>
Net cash from / (used by) financing activities		<u>315</u>	<u>500</u>
Net increase / (decrease) in cash held		(17)	120
Cash and cash equivalents at the beginning of the reporting period		559	439
Cash and cash equivalents at the end of the reporting period	5a	<u>542</u>	<u>559</u>

The above statements should be read in conjunction with the accompanying notes.

**AUSTRALIAN PUBLIC SERVICE COMMISSION
SCHEDULE OF COMMITMENTS**

as at 30 June 2008

	2008 \$'000	2007 \$'000
BY TYPE		
Commitments receivable		
GST recoverable on commitments	<u>(4,038)</u>	(4,165)
Total commitments receivable	<u>(4,038)</u>	(4,165)
Capital commitments		
Intangibles	<u>65</u>	2
Total capital commitments	<u>65</u>	2
Other commitments		
Operating leases ¹	<u>36,751</u>	39,213
Other commitments ²	<u>7,612</u>	6,589
Total other commitments	<u>44,363</u>	45,802
Net commitments	<u>40,390</u>	41,639

NB: Commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancellable and include leases for office accommodation, motor vehicles and IT equipment and services.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	<ul style="list-style-type: none"> Lease payments are subject to rent reviews in accordance with the lease agreement. The initial periods of office accommodation leases are still current.
Lease for general IT services, equipment, software and support	<ul style="list-style-type: none"> The lessor provides general IT services, equipment, software and support for the Commission. The initial contract of 5 years has been extended for 4 years. Pricing is subject to review annually.
Agreements for the provision of motor vehicles to senior executive officers	<ul style="list-style-type: none"> No contingent rentals exist. There are no purchase options available to the Commission.

² Other commitments comprise amounts committed for development and administrative activities.

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN PUBLIC SERVICE COMMISSION SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008	2007
	\$'000	\$'000
BY MATURITY		
GST recoverable on commitments		
One year or less	(778)	(779)
From one to five years	(1,068)	(1,113)
Over five years	(2,192)	(2,273)
Total GST recoverable on commitments	<u>(4,038)</u>	<u>(4,165)</u>
Capital commitments		
One year or less	65	2
From one to five years	-	-
Over five years	-	-
Total capital commitments	<u>65</u>	<u>2</u>
Operating lease commitments		
One year or less	4,192	4,119
From one to five years	10,183	11,166
Over five years	22,376	23,928
Total operating lease commitments	<u>36,751</u>	<u>39,213</u>
Other commitments		
One year or less	4,301	4,445
From one to five years	1,576	1,074
Over five years	1,735	1,070
Total other commitments	<u>7,612</u>	<u>6,589</u>
Net commitments by maturity	<u>40,390</u>	<u>41,639</u>

NB: Commitments are GST inclusive where relevant.

The above schedule should be read in conjunction with the accompanying notes.

**AUSTRALIAN PUBLIC SERVICE COMMISSION
SCHEDULE OF CONTINGENCIES**

as at 30 June 2008

	2008	2007
	\$'000	\$'000
Contingent assets	-	-
Contingent liabilities	-	-
Net contingent assets / (liabilities)	-	-

Quantifiable contingencies

As at 30 June 2008 the Commission has no quantifiable contingencies (2007: nil).

Unquantifiable contingencies

As at 30 June 2008 the Commission has no unquantifiable contingencies (2007: nil).

Remote contingencies

As at 30 June 2008 the Commission has no material remote contingencies (2007: nil).

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note	Description
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AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objective of the Commission

The Commission's mission is to support a high-performing Australian Public Service.

The Commission is structured to meet one outcome, to foster *a confident, high quality, values-based and sustainable Australian Public Service*.

The continued existence of the Commission in its present form and with its present programmes is dependant on Government policy and on continuing appropriations by Parliament for the Commission's administration and programmes.

1.2 Basis of preparation of the financial report

The financial statements are required by Section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2007 and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the operating result or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgement that has a significant impact on the amounts recorded in the financial statements:

- The fair value of make good for lease hold improvements is based on an estimated average cost per square metre. The actual cost, if any, of the make good for each premises will depend on the relevant factors at the time of vacating the premises.

AUSTRALIAN PUBLIC SERVICE COMMISSION

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No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

The Commission had adopted 2007-5 *Amendments to Australian Accounting Standard AASB 102* from 1 July 2006 (the 2006-07 financial year) rather than 1 July 2007 (the 2007-08 financial year). This had no impact on the Commission's carrying amount of inventory. No other accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standard is applicable to the current reporting period.

Financial instrument disclosure:

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the previous disclosure requirements through 2005-10 *Amendments to Australian Accounting Standards* [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but effect the disclosure presented in the financial report.

Other effective requirement changes

The following new standards, amendments to standards or interpretations have become effective for the current financial year have no material financial impact or do not apply to the operations of the Commission.

- 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation*
- 2007-7 *Amendments to Australian Accounting Standards*
- UIG Interpretation 11 AASB 2 – *Group and Treasury Share Transactions* and 2007-1 *Amendments to Australian Accounting Standards arising from AASB Interpretation 11*
- AASB Interpretation 1003 *Australian Petroleum Resource Rent Tax*
- 2008-4 *Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities*

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- AASB Interpretation 12 *Service Concession Arrangements*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 129 *Service Concession Arrangements: Disclosures* and 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12*

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

- AASB 8 *Operating Segments* and 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*
- AASB 123 *Borrowing Costs* and 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB Interpretation 13 *Customer Loyalty Programmes*
- AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- AASB 1004 *Contributions*, AASB 1050 *Administered Items*, AASB 1051 *Land Under Roads*, AASB 1052 *Disaggregated Disclosures*, 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*
- AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*.
- AASB 101 *Presentation of Financial Statements* and 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*
- 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*

Other:

The following standards and interpretations have been issued but are not applicable to the operations of the Commission.

- AASB 1049 *Whole of Government and General Government Sector Financial Reporting* specifies the reporting requirements for the General Government Sector, and therefore, has no effect on Commission's financial statements.
- 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations*

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer
- The seller retains no managerial involvement nor effective control over the goods
- The revenue and transaction costs incurred can be reliably measured and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

AUSTRALIAN PUBLIC SERVICE COMMISSION

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for the year ended 30 June 2008

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured and
- The probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any allowance for impairment. Collectability of debts is reviewed at balance date. Allowances for impairment are made when collectability of the debt is no longer probable.

1.6 Gains

Resources received free of charge

Services received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of assets

Gains from the disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

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Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave likely to be taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2008. In determining the present value of the liability, the Commission has used the Australian Government shorthand method.

Separation and redundancy

Provision is only made for separation and redundancy benefit payments when the Commission has developed a detailed formal plan and has informed those employees affected.

Superannuation

Staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Commission makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Commission's employees. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents the estimated superannuation payable on the provision for annual leave and long service leave.

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the contract and a liability recognised for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives taking the form of "free" leasehold improvements, contributions and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes notes and coins held and deposits in bank accounts. Cash is recognised at its nominal amount.

1.12 Financial assets

The Commission classifies its financial assets in the following categories:

- financial assets 'at fair value through profit or loss'
- 'held-to-maturity investments'
- 'available-for-sale' financial assets and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future
- are a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date. Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. The Commission has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- Financial assets held at amortised cost - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.
- Available-for-sale financial assets - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the income statement.
- Available-for-sale financial assets (held at cost) - If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.14 Contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137.

1.16 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.17 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to make good provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Commission's leasehold improvements with a corresponding provision for the make good recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

AUSTRALIAN PUBLIC SERVICE COMMISSION
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Following initial recognition at cost, property plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating results. Revaluation decrements for a class of assets are recognised directly through operating results except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual value over their estimated useful life to the Commission using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	2008	2007
Leasehold improvements	Lease term	Lease term
Plant and equipment	1 to 7 years	1 to 7 years
Assets held under finance lease	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.18 Intangibles

The Commission's intangibles, incorporating intellectual property, purchased software and internally developed software for internal use, have been included in these statements where the value of the asset exceeds \$10,000. Intangibles are depreciated over their useful lives, to a maximum of 10 years. All intangibles are shown at cost.

Intangibles are amortised on a straight-line basis over their anticipated useful life. The useful lives of the Commission's intangible are between 2 to 10 years (2006-07: 2 to 10 years).

All intangible assets were assessed for impairment as at 30 June 2008. None were found to be impaired.

1.19 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss in service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.20 Taxation

The Commission is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Income, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office and
- except for receivables and payables.

1.21 Administered activities

The Commission does not have any administered activities.

NOTE 2. EVENTS OCCURRING AFTER REPORTING DATE

No matter or occurrence has come to the Commission's attention which would materially affect the accounts or disclosures therein or which are likely to materially affect the future results or operation of the Commission.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 3. INCOME

	2008 \$'000	2007 \$'000
<u>Revenue</u>		
3a Revenue from Government		
Appropriations for Departmental outputs	20,804	20,591
Total revenue from Government	20,804	20,591
3b Sale of goods and rendering services		
Sale of goods:		
Provision of goods to related entities	44	167
Provision of goods to external entities	5	11
Total sale of goods	49	178
Rendering of services:		
Rendering of services to related entities	17,983	17,790
Rendering of services to external entities	1,358	1,135
Total rendering of services	19,341	18,925
Total sale of goods and rendering of services	19,390	19,103
<u>Gains</u>		
3c Sale of assets		
Infrastructure, plant and equipment:		
Proceeds from disposal	5	101
Carrying value of assets sold	(8)	(86)
Net gain / (loss) from sale of infrastructure, plant and equipment	(3)	15
Buildings:		
Proceeds from disposal	-	15
Carrying value of assets sold	-	-
Net gain / (loss) from sale of buildings	-	15
Net gain / (loss) from sale of assets	(3)	30
3d Resources received free of charge		
Resources received free of charge	37	39

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NOTE 4. EXPENSES

	2008 \$'000	2007 \$'000
4a Employee benefits		
Wages and salaries	15,852	14,354
Superannuation – defined contribution plans	3,042	2,669
Leave and other entitlements	1,784	2,089
Separation and redundancies	260	25
Other employee expenses	334	271
Total employee benefits	21,272	19,408
4b Suppliers		
Provision of goods from related entities	8	6
Provision of goods from external entities	961	1,207
Rendering of services from related entities	818	1,124
Rendering of services from external entities	12,421	12,031
Operating lease rentals ¹	3,007	2,150
Worker compensation premiums	128	168
Total supplier expenses	17,343	16,686
4c Depreciation and amortisation		
Depreciation:		
Buildings	308	344
Infrastructure, plant and equipment	450	255
Total depreciation	758	599
Amortisation:		
Computer software	153	45
Intellectual property	291	253
Assets held under finance lease	276	381
Total amortisation	720	679
Total depreciation and amortisation	1,478	1,278

¹ These comprise minimum lease payments only.

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	2008 \$'000	2007 \$'000
4d Finance costs		
Finance leases	28	34
Unwinding of discount on make good provision	8	13
Total finance costs	<u>36</u>	<u>47</u>
4e Write-down and impairment of assets		
Impairment of financial assets		
Impairment on goods and services receivable*	2	-
Non-financial assets		
Infrastructure, plant and equipment – write-off on disposal	-	-
Total write-down and impairment of assets	<u>2</u>	<u>-</u>

For full disclosure on the impairment of financial assets see note 15b.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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NOTE 5. FINANCIAL ASSETS

	2008 \$'000	2007 \$'000
5a Cash and cash equivalents		
Cash at bank	535	553
Cash on hand	7	6
Total cash and cash equivalents	<u>542</u>	<u>559</u>
5b Trade and other receivables		
Goods and services	2,811	3,555
Appropriations receivable:		
for existing outputs	9,400	9,400
for additional outputs	475	-
Total appropriations receivable	<u>9,875</u>	<u>9,400</u>
GST receivable from the Australian Taxation Office	235	189
Incentive receivable	735	-
Total trade and other receivables (gross)	<u>13,656</u>	<u>13,144</u>
Less: Allowance for impairment of goods and services	<u>(2)</u>	<u>(1)</u>
Total trade and other receivables (net)	<u>13,654</u>	<u>13,143</u>

All receivables are current assets.

Goods and services receivables (gross) are aged as follows:

Not overdue	2,084	2,904
Overdue by:		
less than 30 days	257	445
30 and 60 days	369	80
60 and 90 days	78	19
more than 90 days	23	107
	<u>727</u>	<u>651</u>
Total goods and services receivables (gross)	<u>2,811</u>	<u>3,555</u>

AUSTRALIAN PUBLIC SERVICE COMMISSION
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5b Trade and other receivables (continued)

The allowance for impairment of goods and services receivable is aged as follows:

Overdue by:

more than 90 days	(2)	(1)
Total allowance for impairment and goods and services receivable	(2)	(1)

Reconciliation of allowance for impairment of goods and services receivable

Opening balance	(1)	(1)
Write-offs	1	1
Recovered and reversed	-	-
(Increase) / decrease recognised in net surplus	(2)	(1)
Closing balance	(2)	(1)

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

NOTE 6. NON-FINANCIAL ASSETS

	2008	2007
	\$'000	\$'000
6a Land and buildings		
Leasehold improvements:		
Gross carrying value (at fair value)	4,017	3,483
Accumulated depreciation	(532)	(404)
<i>Total leasehold improvements</i>	<u>3,485</u>	<u>3,079</u>
Total Land and buildings (non-current)	<u>3,485</u>	<u>3,079</u>
6b Infrastructure, plant and equipment		
Gross carrying value (at fair value)	3,844	3,428
Accumulated depreciation	(1,783)	(1,281)
Total infrastructure, plant and equipment (non-current)	<u>2,061</u>	<u>2,147</u>
6c Intangibles		
Software – purchased:		
In use	87	61
Accumulated amortisation	(62)	(46)
<i>Total software – purchased</i>	<u>25</u>	<u>15</u>
Software – internally developed:		
In use	961	331
In progress	93	213
Accumulated amortisation	(211)	(73)
<i>Total software – internally developed</i>	<u>843</u>	<u>471</u>
Intellectual property:		
In use	1,134	1,084
In progress	-	25
Accumulated amortisation	(935)	(662)
<i>Total Intellectual property</i>	<u>199</u>	<u>447</u>
Total intangibles (non-current)	<u>1,067</u>	<u>933</u>

All intangible assets are measured at cost.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

6d Analysis of property, plant, equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2007-08)

Item	Buildings leasehold improvements	Other Infrastructure Plant & Equipment	Computer software purchased	Computer software internally developed	Intellectual property	Total intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007							
Gross book value	3,483	3,428	61	544	1,109	1,714	8,625
Accumulated depreciation / amortisation	(404)	(1,281)	(46)	(73)	(662)	(781)	(2,466)
Net book value 1 July 2007	3,079	2,147	15	471	447	933	6,159
Additions							
By purchase	714	410	26	509	43	578	1,702
By finance lease	-	238	-	-	-	-	238
Depreciation / amortisation expense	(308)	(726)	(16)	(137)	(291)	(444)	(1,478)
Disposals							
By finance lease	-	(3)	-	-	-	-	(3)
Other disposals	-	(5)	-	-	-	-	(5)
Net book value 30 June 2008	3,485	2,061	25	843	199	1,067	6,613
Represented by:							
Gross book value	4,017	3,844	87	1,054	1,134	2,275	10,136
Accumulated depreciation / amortisation	(532)	(1,783)	(62)	(211)	(935)	(1,208)	(3,523)
Net book value 30 June 2008	3,485	2,061	25	843	199	1,067	6,613

AUSTRALIAN PUBLIC SERVICE COMMISSION
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TABLE B – Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2006-07)

Item	Buildings leasehold improvements	Other Infrastructure Plant & Equipment	Computer software purchased	Computer software internally developed	Intellectual property	Total intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006							
Gross book value	1,495	1,584	52	126	955	1,133	4,212
Accumulated depreciation / amortisation	(667)	(850)	(36)	(40)	(409)	(485)	(2,002)
Net book value 1 July 2006	828	734	16	86	546	648	2,210
Additions							
By purchase	2,595	1,750	11	418	154	583	4,928
By finance lease	-	385	-	-	-	-	385
Depreciation / amortisation expense	(344)	(636)	(12)	(33)	(253)	(298)	(1,278)
Disposals							
By finance lease	-	(30)	-	-	-	-	(30)
Other disposals	-	(56)	-	-	-	-	(56)
Net book value 30 June 2007	3,079	2,147	15	471	447	933	6,159
Represented by:							
Gross book value	3,483	3,428	61	544	1,109	1,714	8,625
Accumulated depreciation / amortisation	(404)	(1,281)	(46)	(73)	(662)	(781)	(2,466)
Net book value 30 June 2007	3,079	2,147	15	471	447	933	6,159

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2008	2007
	\$'000	\$'000
6e Inventories		
Inventories held for distribution	<u>187</u>	<u>206</u>
Total inventories	<u>187</u>	<u>206</u>

All inventories are current assets.

6f Prepayments paid		
Prepayments paid	<u>544</u>	<u>567</u>

All prepayments paid are current assets.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 7. PAYABLES

	2008 \$'000	2007 \$'000
7a Suppliers		
Trade creditors	3,210	3,877
Operating lease rental	553	127
Total suppliers	<u>3,763</u>	<u>4,004</u>
7b Prepayments received		
Prepayments received	<u>2,433</u>	2,930
7c Other payables		
Other	<u>58</u>	43
Total other payables	<u>58</u>	<u>43</u>

All payables are current liabilities.

NOTE 8. INTEREST BEARING LIABILITIES

8a Leases		
Finance leases	<u>345</u>	386
Payable:		
Within one year		
Minimum lease payments	366	217
Deduct: future finance charges	(21)	(16)
	<u>345</u>	201
In one to five years		
Minimum lease payments	-	195
Deduct: future finance charges	-	(10)
	<u>-</u>	185
Finance lease recognised on the balance sheet	<u>345</u>	<u>386</u>

A finance lease exists in relation to the majority of information technology equipment in the Commission. The lease is non-cancellable and was for an initial fixed term of 5 years which has been extended for a further 4 years. The Commission guarantees the residual values of all assets leased. There are no contingent rentals.

8b Lease incentives		
Current	197	126
Non-current	<u>1,766</u>	1,295
Total lease incentives	<u>1,963</u>	<u>1,421</u>

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 9. PROVISIONS

	2008	2007
	\$'000	\$'000
9a Employee provisions		
Salaries and wages	371	271
Leave	4,969	4,583
Superannuation	524	483
Separations and redundancies	140	-
Total employee provisions	6,004	5,337
<i>Represented by:</i>		
Current	5,406	4,910
Non-current	598	427
Total employee provisions	6,004	5,337

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$1,981,000 (2007: \$1,583,000), and in excess of one year \$4,023,000 (2007: \$3,754,000).

9b Provision for make good

Carrying amount 1 July	167	494
Unwinding of discount or change in discount rate	8	13
Make good provided for during the period	45	80
Make good settled during the period	(79)	(420)
Closing balance 30 June	141	167
<i>Represented by:</i>		
Current	-	78
Non-current	141	89
Total provision for make good	141	167

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 10. RESTRUCTURING

There were no restructurings in 2007-08 (2006-07 nil).

NOTE 11. CASH FLOW RECONCILIATION

	2008	2007
	\$'000	\$'000
Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement:		
Balance per Cash Flow Statement	542	559
Balance per Balance Sheet	542	559
 Reconciliation of surplus / (deficit) to net cash from operating activities:		
Surplus / (deficit)	97	2,344
Depreciation and amortisation	1,478	1,278
(Gain) / loss on sale of assets	3	(30)
Employees benefits capitalised	(47)	-
Lease incentive	-	(1,384)
(Increase) / decrease in net receivables	(436)	(469)
(Increase) / decrease in other financial assets	-	-
(Increase) / decrease in inventories	19	(96)
(Increase) / decrease in prepayments paid	23	(203)
Increase / (decrease) in supplier payables	265	(387)
Increase / (decrease) in prepayments received	(497)	779
Increase / (decrease) in other payables	15	6
Increase / (decrease) in interest bearing liabilities	267	927
Increase / (decrease) in employee provisions	667	188
Increase / (decrease) in provision for make good	(26)	(327)
Net cash from / (used by) operating activities	<u>1,828</u>	<u>2,626</u>

During 2007-08 the Commission acquired \$238,000 and disposed of \$3,000 of plant and equipment by finance lease (2006-07: acquired \$385,000 and disposed of \$30,000). These transactions are not reflected in the Cash Flow Statement.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 12. EXECUTIVE REMUNERATION

	2008	2007
The number of executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	1	-
\$145,000 to \$159,999	-	1
\$160,000 to \$174,999	1	3
\$175,000 to \$189,999	2	2
\$190,000 to \$204,999	2	-
\$205,000 to \$219,999	-	-
\$220,000 to \$234,999	-	1
\$280,000 to \$294,999	-	-
\$310,000 to \$324,999	-	1
\$325,000 to \$339,999	1	-
\$460,000 to \$474,999	-	1
\$475,000 to \$489,999	1	-
The aggregate amount of total remuneration of executives shown above.	\$1,876,758	\$2,062,722

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	Nil	Nil
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NOTE 13. REMUNERATION OF AUDITORS

	2008	2007
	\$	\$
Financial statement audit services are provided free of charge to the Commission.		
The fair value of the services provided was:	37,000	39,000

No other services were provided by the Auditor-General.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 14. FINANCIAL INSTRUMENTS

14a. Categories of financial instruments

	2008	2007
	\$'000	\$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	542	559
Goods and services receivable	2,809	3,554
Incentive receivable	735	-
<i>Total loans and receivables</i>	4,086	4,113
Carrying amount of financial assets	4,086	4,113
Financial Liabilities		
Liabilities at amortised cost		
Trade creditors	3,210	3,877
Other payables	58	43
Finance lease	345	386
<i>Total liabilities at amortised cost</i>	3,613	4,306
Carrying amount of financial liabilities	3,613	4,306
14b. Net income and expense from financial assets		
Loans and receivables		
Impairment on goods and services receivable	(2)	-
<i>Net gain/(loss) loans and receivables</i>	(2)	-
Net gain/(loss) from financial assets	(2)	-
14c. Net income and expense from financial liabilities		
Financial liabilities - at amortised cost		
Interest expense	(28)	(34)
<i>Net gain/(loss) financial liabilities - at amortised cost</i>	(28)	(34)
Net gain/(loss) from financial liabilities	(28)	(34)

The total interest expense from financial liabilities not at fair value from profit and loss is \$8,000 (2006-07: \$13,000).

14d. Fair value of financial instruments

The carrying amount of all financial assets and liabilities is a reasonable approximation of their fair value. The net fair values of finance lease liabilities are based on discounted cash flows using the interest rate implicit in the lease.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

14e. Credit risk

The Commission is exposed to minimal credit risk as loans and receivables are cash, goods and services receivable and incentive receivable. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of goods and services and incentive receivable (see note 14a). The Commission has assessed the risk of the default on payment and has allocated an allowance for impairment on goods and services receivable.

The Commission's goods and services receivable are principally recoverable from other Australian Government agencies. The incentive receivable is recoverable from a building lessor, with the amount recoverable specified in the lease agreement. In addition, the Commission has policies and procedures that guide debt recovery techniques that are to be applied.

The Commission holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2008 \$'000	Not Past Due Nor Impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Financial Assets				
Loans and receivables				
Cash and cash equivalents	542	559	-	-
Goods and services receivable	2,084	2,904	727	651
Incentive receivable	735	-	-	-
<i>Total loans and receivables</i>	3,361	3,463	727	651
Total	3,361	3,463	727	651

Ageing of financial assets that are past due but not impaired

	Year	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services receivable:	2008	257	369	78	21	725
	2007	445	80	19	106	650

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

The following list of assets have been individually assessed as impaired

Financial Assets

Loans and receivables

Goods and services receivable	(2)	(1)
Total	(2)	(1)

These items are assessed as impaired as they are past due by 90 + days and it will be uneconomic to pursue them.

14f. Liquidity risk

The Commission's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Commission (e.g. Advance to the Finance Minister), legislative requirements and internal policies and procedures put in place to ensure there are appropriate resources to meet financial obligations.

The following tables illustrates the maturities for financial liabilities

	On demand 2008 \$'000	Within 1 year 2008 \$'000	1 to 5 years 2008 \$'000	> 5 years 2008 \$'000	Total 2008 \$'000
Financial Liabilities					
Liabilities at amortised cost					
Trade creditors	-	3,210	-	-	3,210
Other payables	-	58	-	-	58
Finance lease	-	366	-	-	366
Total liabilities at amortised cost	-	3,634	-	-	3,634
Total	-	3,634	-	-	3,634

	On demand 2007 \$'000	Within 1 year 2007 \$'000	1 to 5 years 2007 \$'000	> 5 years 2007 \$'000	Total 2007 \$'000
Financial Liabilities					
Liabilities at amortised cost					
Trade creditors	-	3,877	-	-	3,877
Other payables	-	43	-	-	43
Finance lease	-	217	195	-	412
Total liabilities at amortised cost	-	4,137	195	-	4,332
Total	-	4,137	195	-	4,332

AUSTRALIAN PUBLIC SERVICE COMMISSION
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The Commission is appropriated funding from the Australian Government. The Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payment are made when due and has no past experience of default.

14g. Market risk

The Commission holds basic financial instruments that do not expose the Commission to certain market risks. The Commission is not exposed 'Currency risk' or 'Other price risk'.

Interest Rate Risk

The only interest-bearing items on the balance sheet are the 'Finance lease' liabilities'. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 15. APPROPRIATIONS

15a Acquittal of authority to draw cash from the Consolidated Revenue Fund (CRF) for ordinary annual services appropriations

	Departmental outputs	
	2008	2007
	\$	\$
<i>Balance brought forward from previous year</i>	9,730,623	8,539,353
Appropriation Act:		
Appropriation Act (No.1)	20,498,000	20,591,000
Appropriation Act (No.3)	-	-
Reductions of Appropriations (Appropriation Act section 9)	(94,000)	-
FMA Act:		
Refunds credited (FMA section 30)	289,857	127,107
Appropriations to take account of recoverable GST (FMA section 30A)	1,740,374	2,138,282
Annotations to 'net appropriations' (FMA section 31)	21,530,298	23,452,486
Total appropriations available for payments	53,695,152	54,848,228
Cash payments made during the year (GST inclusive)	(43,783,270)	(45,117,605)
<i>Balance of authority to draw cash from the CRF for ordinary annual services appropriations</i>	9,911,882	9,730,623
 <i>Represented by:</i>		
Cash and cash equivalents	541,731	558,547
Appropriations receivable for existing outputs	9,370,151	9,172,076
Total	9,911,882	9,730,623

FMA = *Financial Management and Accountability Act 1997*

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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15b Acquittal of authority to draw cash from the Consolidated Revenue Fund (CRF) for other than ordinary annual services appropriations

	Departmental outputs	
	2008	2007
	\$	\$
<i>Balance brought forward from previous year</i>	227,924	-
Appropriation Act:		
Appropriation Act (No.2)	315,000	500,000
FMA Act:		
Appropriations to take account of recoverable GST	51,308	27,208
Total appropriations available for payments	594,232	527,208
Cash payments made during the year (GST inclusive)	(564,383)	(299,284)
<i>Balance of authority to draw cash from the CRF for other than ordinary annual services appropriations</i>	29,849	227,924
<i>Represented by:</i>		
Appropriations receivable for existing outputs	29,849	227,924
Total	29,849	227,924

FMA = *Financial Management and Accountability Act 1997*

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 16. SPECIAL ACCOUNTS

Other Trust Monies Special Account (Departmental)

Legal Authority: Financial Management and Accountability Act, 1997, s20.

Purpose: Expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

	2008	2007
	\$	\$
Balance carried from previous year	-	-
Other receipts - Comcare compensation receipts	<u>41,073</u>	<u>14,158</u>
Available for payments	<u>41,073</u>	<u>14,158</u>
Payments made - reimbursement to Departmental outputs	<u>(41,073)</u>	<u>(14,158)</u>
Balance carried to next year	<u>-</u>	<u>-</u>
 <i>Represented by:</i>		
Cash and cash equivalents	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

Services for Other Government and Non Agency Bodies Special Account (Departmental)

Legal Authority: Financial Management and Accountability Act, 1997, s20.

Purpose: Expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA Agencies.

For the years ended 30 June 2001 to 2008 the account had nil balances and there were no transactions debited or credited to it.

NOTE 17. COMPENSATION AND DEBT RELIEF

No 'Act of Grace' expenses were incurred during the reporting period (2006-07: nil).

No waivers of amounts due to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2006-07: nil).

No expenses were incurred under the 'Defective Administration Scheme' during the reporting period (2006-07: nil).

No ex-gratia expenses were incurred during the reporting period (2006-07: nil).

No expenses were incurred under s73 of the Public Service Act 1999 during the reporting period (2006-07: \$487).

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 18. REPORTING OF OUTCOMES

18a Net Cost of Outcome Delivery

	Outcome 1	
	2008	2007
	\$'000	\$'000
Total expenses	40,134	37,419
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Total costs recovered	1,363	1,146
<i>Other external income</i>		
Gains from sale of assets	-	30
Resources received free of charge	37	39
Goods and services revenue from related entities	18,027	17,957
Total other external income	18,064	18,026
Net cost / (contribution) of outcome	20,707	18,247

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

18b Major classes of Departmental income and expenses by output groups and outputs

TABLE A – Output group 1

	Output 1.1		Output 1.2		Output group 1		Output 1.4		Group total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	1,682	1,812	3,682	3,304	1,809	1,502	2,388	2,393	9,561	9,011
Suppliers and finance costs	647	629	1,558	1,598	702	930	899	886	3,806	4,043
Depreciation and amortisation	75	84	312	220	55	52	123	134	565	490
Total expenses	2,404	2,525	5,552	5,122	2,566	2,484	3,410	3,413	13,932	13,544
<i>Funded by:</i>										
Revenues from government	2,254	2,391	2,537	2,059	739	722	2,876	2,918	8,406	8,090
Sale of goods and services and gains	8	23	4,246	4,371	1,739	1,737	7	12	6,000	6,143
Total income	2,262	2,414	6,783	6,430	2,478	2,459	2,883	2,930	14,406	14,233

TABLE B – Output Group 2

	Output 2.1		Output 2.2		Output group 2		Output 2.3		Group total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	1,407	1,632	4,569	3,303	472	424	6,448	5,359		
Suppliers and finance costs	3,723	3,294	4,123	3,428	1,331	1,591	9,177	8,313		
Depreciation and amortisation	256	261	362	266	24	13	642	540		
Total expenses	5,386	5,187	9,054	6,997	1,827	2,028	16,267	14,212		
<i>Funded by:</i>										
Revenues from government	802	1,127	3,002	2,205	247	501	4,051	3,833		
Sale of goods and services and gains	4,225	3,919	6,771	6,012	1,211	1,966	12,207	11,897		
Total income	5,027	5,046	9,773	8,217	1,458	2,467	16,258	15,730		

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TABLE C – Output group 3 and Outcome 1 total

	Output 3.1		Output 3.2		Output group 3		Output 3.4		Outcome 1 total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	2,179	1,680	1,234	1,330	983	875	867	1,153	21,272	19,408
Suppliers and finance costs	2,389	2,255	873	926	467	403	672	793	17,384	16,733
Depreciation and amortisation	108	86	76	69	47	39	40	54	1,478	1,278
Total expenses	4,676	4,021	2,183	2,325	1,497	1,317	1,579	2,000	40,134	37,419
Funded by:										
Revenues from government	4,385	4,165	1,183	1,421	1,419	1,240	1,360	1,842	20,804	20,591
Sale of goods and services and gains	501	329	554	561	3	6	162	236	19,427	19,172
Total income	4,886	4,494	1,737	1,982	1,422	1,246	1,522	2,078	40,231	39,763

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to Resources for the Outcome Table in Appendix A of this Annual Report.

The Commission derives its Output income and expense amounts via a two-step allocation process. Firstly amounts for direct output components are identified and attributed to outputs. Secondly the whole of Commission components, including property and office services, staff on-costs, information technology and communications, payroll processing and equipment maintenance, is distributed to the Outputs on a per capita basis.

APPENDIX C

REPORT ON PERFORMANCE UNDER THE COMMONWEALTH DISABILITY STRATEGY

The Commission is reporting against the Commonwealth Disability Strategy in its employer role.

PERFORMANCE INDICATOR	PERFORMANCE MEASURE	OUTCOMES
<p>Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i>.</p> <p>Review all employment policies as they come up for review.</p> <p>Promote equity and diversity issues, including disability issues in HR/WR policies and plans.</p> <p>Ensure, where relevant, that group business plans consider issues concerning people with a disability.</p>	<p>All employment policies, procedures and practices reviewed during the life of this plan comply with the requirements of the <i>Disability Discrimination Act 1992</i> and promote equity and diversity issues.</p> <p>Group business plans consider issues concerning people with a disability.</p>	<p>All Commission employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i>. The Commission carefully considers the impact of its employment policies during development.</p>
<p>Recruitment information for potential job applicants with disabilities is available in accessible formats or on request.</p> <p>Review recruitment information and consider providing Internet access for all recruitment selection documentation.</p> <p>Consult with the Office of Disability Policy (FaHCSIA) and others to ensure that recruitment information is provided in suitable formats including, but not limited to, formats such as TTY and electronic.</p>	<p>Recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats • accessible formats other than electronic. <p>Average time taken to provide accessible information in:</p> <ul style="list-style-type: none"> • accessible electronic formats • accessible formats other than electronic. 	<p>100% of requests to provide information this way were met. All recruitment documentation is available both in hard copy and on the Internet.</p> <p>The Commission provides advice to staff and external providers undertaking recruitment about reasonable adjustment as required.</p>
<p>Agency recruiters and managers apply the principle of 'reasonable adjustment'.</p> <p>Actively seek opportunities to engage people with a disability for employment (including non-ongoing employment, work placement and trial employment).</p> <p>Include positive statements about 'reasonable adjustment' in recruitment literature.</p>	<p>Percentage of staff in the Commission who identify as having a disability.</p>	<p>The Commission maintained the level of staff identifying that they have a disability above 8% of total staff.</p>
<p>Promote awareness of disability and disability discrimination issues in the workplace.</p> <p>Disability awareness sessions available for all Commission staff.</p> <p>Use of Intranet to provide information and links to information on disability issues (including preventative OH&S issues such as OOS).</p> <p>Actively promote and support an annual day focusing on disability issues.</p>	<p>Staff survey reflects that staff believe there is no discrimination in the Commission.</p>	<p>The 2007 staff survey did not identify any specific instances of disability discrimination within the Commission and no incidences were reported in 2007–08.</p>

PERFORMANCE INDICATOR	PERFORMANCE MEASURE	OUTCOMES
<p>External training and development programmes consider the needs of staff with disabilities and include information on disability issues as they relate to the content of the programme.</p> <p>Consultants required to provide for the needs of people with a disability as part of the contract.</p>	<p>Percentage of training and development programmes that consider the needs of staff with disabilities and include information on disability issues as they relate to the programme.</p>	<p>All training and development programmes consider the needs of staff with disabilities. The Commission uses consultants to provide corporate training and development and the contract requires:</p> <ul style="list-style-type: none"> • compliance with the <i>Disability Discrimination Act 1992</i> • provision of services consistent with the APS Values and Code of Conduct • compliance with the principles of workplace diversity • consultation with the Commission in relation to any special needs for people with disabilities. <p>These measures ensure that all programmes include information on disability issues where appropriate and relevant to the programme.</p>
<p>Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised by staff.</p>	<p>Staff are aware of the existence of the mechanisms and know how to access them.</p>	<p>The Commission's industrial agreements provide for internal review of employment actions. The agreements also direct employees who have not resolved their complaint through such a process to the more formal processes provided under the public service employment framework.</p>
<p>Commission premises and facilities are accessible and useable by people with a disability.</p>	<p>Audit of Commission premises and facilities indicates that they are accessible and useable by people with a disability.</p>	<p>The Commission moved to new accommodation in February 2007. Disability, ergonomic and occupational health and safety issues were considered in the design and fit out of the building.</p>
<p>Actively promote and provide suitable opportunities for people with a disability to identify their disability including an annual census of staff.</p>	<p>Percentage of staff in the Commission that identify as having a disability.</p>	<p>The census was again conducted in June 2008.</p> <p>The Commission maintained the level of staff identifying that they have a disability above 8% of total staff</p>

APPENDIX D

OCCUPATIONAL HEALTH AND SAFETY

In 2007–08, the Commission embarked on a more holistic approach to employee health which included health week activities over a two week period, a stronger focus on injury/illness prevention, workstation assessments and more health information available to employees online.

LEGISLATIVE CHANGES

Legislative changes to the *Occupational Health and Safety Act 1991* came into effect on 15 March 2007. As a result the Commission commenced a programme to develop new Health and Safety Management Arrangements and review other OH&S policies and guidelines. This involved considering consultative arrangement to include employees in the development of Health and Safety Management Arrangements in relation to the re-establishment of the OH&S Committee, the arrangements around the nomination and selection of our health and safety representatives and our arrangements relating to designated work groups. The arrangements are now in place.

HEALTH INITIATIVES

Staff health and wellbeing was promoted by the Commission in 2007–08 through provision of:

- influenza vaccinations and education
- Health Week activities
- inclusion of enhanced OH&S information in the Commission's staff induction programme
- ongoing OH&S training for staff and management
- workstation assessments for all new employees.

OUTCOMES

Through ongoing OH&S education across all employees, the Commission has noted an increase in the number of incident reports submitted which allows for appropriate early intervention. Such early management of reported injuries and incidences has assisted in keeping the Commission's claim numbers low.

ACCIDENT STATISTICS

During the year, there were no incidences that required giving of notice under section 68 of the OH&S Act. No directions were given to the Commission under section 45 and no notices were given under sections 29, 46 or 47.

No investigations were conducted during the year.

APPENDIX E

FREEDOM OF INFORMATION

This statement is published in accordance with the requirements of section 8 of the *Freedom of Information Act 1982*. The Public Service Commissioner and the Merit Protection Commissioner are prescribed authorities for the purposes of the FOI Act. This statement meets the requirements of the FOI Act in relation to both.

1) ORGANISATION, FUNCTIONS AND POWERS (S.8(1)(A)(I))

Public Service Commissioner

The functions of the Public Service Commissioner and the organisation of the Commission are described in this Annual Report in the Commission Overview.

The principal powers exercised by the Public Service Commissioner as they affect members of the public are those relating to the issuing of Commissioner's Directions under the *Public Service Act 1999* in relation to each of the APS Values specified in that Act. The Commissioner's Directions ensure that the APS incorporates and upholds the APS Values and they determine where necessary the scope or application of the APS Values.

Several of the APS Values relate to the recruitment of staff to the APS. The Commissioner's Directions provide binding provisions relating to the framework within which people are recruited to the APS, the basic elements of which include:

- merit-based employment decisions, including transparent and fair selection processes
- absence of discrimination and recognition of the diversity of the Australian community
- promotion of equity in employment
- provision of reasonable opportunity to all eligible members of the Australian community to apply for APS employment.

Another of the APS Values relates to the delivery of services to the Australian public. The Public Service Commissioner has issued Directions which specify that an agency head must put in place measures directed at upholding this APS Value, including in relation to the provision to the public of information about rights and entitlements and taking into account client diversity and the right to privacy.

Regional offices assist in the provision of advice and services to agencies Australia-wide, including delivery of a range of employment-related activities on a fee-for-service basis.

Merit Protection Commissioner

The organisation of the office of the Merit Protection Commissioner is described in the body of the Merit Protection Commissioner's annual report, which is included with the Public Service Commissioner's annual report.

The full range of the Merit Protection Commissioner's functions under the Act, which relate generally to reviewing actions affecting individual APS employees in relation to their

employment, are also described in the Merit Protection Commissioner's Annual Report. In addition, the Merit Protection Commissioner may exercise powers of the former Merit Protection and Review Agency (MPRA) which was abolished on 5 December 1999 with the introduction of the Act, under the transitional provisions which apply to former MPRA casework.

The principal powers exercised by the Merit Protection Commissioner that may affect members of the public relate to some review functions, the recommendations of ISACs and some other employment-related functions. The Merit Protection Commissioner may investigate complaints by former employees that relate to an employee's entitlements on separation from the APS. ISACs assess the suitability of candidates for engagement, promotion or assignment of duties for employment opportunities in the APS. The wide range of employment-related functions which the Merit Protection Commissioner may also perform for other bodies, if requested by the body to do so and not already required to provide such services by a law of the Commonwealth, includes functions performed for State and Territory departments and authorities, local government bodies, private corporations and bodies and for Commonwealth authorities whose employees are not engaged under the Act.

2) ARRANGEMENTS FOR EXTERNAL BODIES TO PARTICIPATE IN POLICY FORMULATION OR ADMINISTRATION (S.8(1)(A)(II))

Public Sector Management (PSM) Programme Board of Management

The Public Service Commissioner is represented on the PSM Programme Board of Management, whose other members include representatives of State and Territory public services. The Board sets the direction for and oversees the delivery of a management and leadership development course for managers at middle and senior levels throughout the Australian public sector. The PSM Programme is a national strategy to deliver relevant, practically focused training that reflects the changing expectations of the public sector. The Programme is formally accredited at Graduate Certificate level through Griffith University, Macquarie University, Royal Melbourne Institute of Technology and Curtin University.

Government Skills Australia (GSA) Public Sector Industry Advisory Committee

The Public Service Commissioner represents the Commonwealth on the GSA Public Sector Industry Advisory Committee. The committee also comprises representatives from the States and Territories and two union representatives. The committee is chaired by the South Australian Deputy Commissioner for Public Employment. The focus of GSA is providing high quality training resources and services to support the recognition of skills and professionalism in government administration, services and operations.

3) CATEGORIES OF DOCUMENTS MAINTAINED (S.8(1)(A)(III))

Public Service Commissioner

Documents maintained by the Public Service Commissioner include those relating to:

- internal management
- APS Employment Database
- development programmes
- employment framework
- employment related fee-for-service activities
- individual cases
- leadership issues
- legal advisings
- machinery of government and administrative arrangements
- networks established and or managed by the Commission
- outsourcing of activities
- performance management
- personnel practices
- recruitment, selection, promotion and staffing
- review of the Act
- redeployment, retrenchment and retirement of staff
- seminar events and related evaluations
- senior executive staffing
- submissions to inquiries
- surveys, studies, reviews and evaluations
- values and conduct policy
- whistleblowing
- workplace diversity, including EEO and harassment issues.

Merit Protection Commissioner

Documents maintained by the Merit Protection Commissioner include:

- information brochures about the range of functions of the MPC, ISACs, PRCs and review of actions
- Merit Protection Commissioner's Instructions on procedures for ISACs, PRCs and for the review of actions
- documents relating to the Merit Protection Commissioner's decision making processes, day-to-day administration and policy matters
- individual case files
- files relating to fee-for-service activities including records of processes
- submissions to inquiries.

Documents maintained in relation to the powers of the former MPRA exercised by the Merit Protection Commissioner include:

- decisions of Disciplinary Appeal Committees
- individual grievance case files.

The pre-July 1987 records of the Public Service Board are now held by the Australian Archives.

General

The majority of documents are held in hard copy form, either on records management files or as individual written or printed items. Other documents are held as computer-stored data, microfiche, charts, plans, films, videotapes, audiotapes or card indexes.

Consistent with Australian Archives disposal schedules, both policy and case-work document files are maintained. They are registered either by subject matter or by name. The Records Management Unit maintains a list of indexed headings covering subjects.

Documents available to the public in accordance with arrangements made by the Public Service Commissioner and the Merit Protection Commissioner include:

- the Public Service Commissioner's annual report (incorporating the Merit Protection Commissioner's annual report)
- the State of the Service series of reports:
 - State of the Service Report (including the Workplace Diversity Report)
 - Australian Public Service Statistical Bulletin
- guidelines on a variety of matters.

Most publications are available free of charge. Details of all publications are available on the Commission's website.

4) FACILITIES FOR ACCESS (S.8(1)(A)(IV))

In relation to both the Public Service Commissioner and the Merit Protection Commissioner, facilities for accessing publications or other documents available outside the scope of the FOI Act are provided via the Public Service Commissioner's Internet site (which incorporates the Merit Protection Commissioner site). In the event that documents cannot be located on this site further enquiries about access should be directed to the Employment Policy Adviceline at <employmentadvice@apsc.gov.au>.

Where a decision has been made to give access to documents under the FOI Act they will generally be copied to applicants. Where copies are not made available, documents may be inspected at the Commission premises at 16 Furzer Street Phillip ACT or at Regional Offices.

5) FREEDOM OF INFORMATION PROCEDURES AND INITIAL CONTACT POINT (S.8(1)(A)(V))

Written requests for access to documents in the possession of the Public Service Commissioner or the Merit Protection Commissioner should be accompanied by a \$30 application fee and directed to:

Freedom of Information Coordinator
Australian Public Service Commission
16 Furzer Street
PHILLIP ACT 2606

There is no proforma application document. Enquiries about access to documents may be directed to the Freedom of Information Coordinator at the above address or by telephoning (02) 6202 3570 between 9.00 am and 5.00 pm Monday to Friday.

In some instances the Public Service Commissioner may need to consult with people who have lodged requests. Applicants may be contacted where there is a need:

- to assist an applicant to more specifically identify documents to which access is sought
- to give an applicant a reasonable opportunity for consultation before denying access on the grounds of insufficient information (subsection 15(3)) or if the request requires a substantial or unreasonable diversion of resources (subsection 24(1))
- for notification of charges and deposit, if necessary, including discussion of charges remission.

6) OPERATION OF THE FREEDOM OF INFORMATION ACT

In relation to both the Public Service Commissioner and the Merit Protection Commissioner there were nine valid requests for access received during 2007–08. Two requests were outstanding at the end of the period.

During the year 0.04 staff years were spent on matters associated with administering the FOI Act.

A total of \$240 was collected in relation to the requests received under the FOI Act.

APPENDIX F

ADVERTISING AND MARKET RESEARCH

A total of \$183,717 was paid for advertising. This represents a reduction of 43% over the previous year, when the Commission undertook advertising for the Drawing Together competition. Additional savings have been achieved by rationalising the advertising for Indigenous graduates and cadets.

The master advertising agency, HMA Blaze, was paid \$180,987. This represents the only payment for advertising services greater than \$10,500 (incl. GST).

Advertising was undertaken to promote development programmes, advertise tenders or recruit employees, as well as to recruit Indigenous employees for the APS as a whole.

No market research activities assessing the attitudes of the public were undertaken and the Commission did not employ the services of polling or direct mail organisations.

To support its preparation of the State of the Service Report, a range of processes were undertaken by the Commission to assess the attitudes of APS employees.

APPENDIX G

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Australian Government organisations to include in their annual reports the organisation's contribution to ecologically sustainable development.

The Commission does not administer any legislation or have any appropriations directly related to these issues, and, accordingly, the Commission's involvement relates to practices that can improve energy management and environmental practices within the Commission.

The Commission has in place an Environmental Management System, which provides a structure to allow the Commission to identify and manage environmental risk, however, the system needs to be further developed to incorporate useful reporting and monitoring tools that can measure improvements against activities.

It was identified during 2007–08, that the importance of applying the Commission's internal policies and practices on environmental and energy management, has over time, been less visible to staff, particularly new employees. A review is underway to strengthen our communications with staff and review our environmental management strategy. The Merit Protection Commissioner, Ms Annwyn Godwin has agreed to be the Executive 'champion' for this project.

APPENDIX H

STAFFING PROFILE AND EQUAL EMPLOYMENT OPPORTUNITY

Table 29 shows all staff in the commission as at 30 June 2008. All staff, except the Public Service Commissioner and the Merit Protection Commissioner are employed under the *Public Service Act 1999*. Table 30 shows the corresponding figures for 30 June 2007.

TABLE 29: ONGOING AND NON-ONGOING STAFF, 30 JUNE 2008

	Females	Males	Total
Ongoing full time	124	52	176
Ongoing part time	24	2	26
Non-Ongoing full time	16	2	18
Non-Ongoing part time	1	3	4
Total	165	59	224

Note: Table does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work. Figures include 14 staff on long-term leave and the Public Service Commissioner and Merit Protection Commissioner who are statutory office holders (counted as on-going full-time).

TABLE 30: ONGOING AND NON-ONGOING STAFF, 30 JUNE 2007

	Females	Males	Total
Ongoing full time	110	45	155
Ongoing part time	20	3	23
Non-Ongoing full time	15	5	20
Non-Ongoing part time	6	1	7
Total	151	54	205

Note: Table does not include 44 (29 female/15 male) EL1 casual employees providing fee-for-service work. Figures include inoperative staff and the Public Service Commissioner who is a statutory office holder (counted as on-going full-time).

SENIOR EXECUTIVE SERVICE INFORMATION

Table 31 shows SES employees by band and gender at 30 June 2008. Table 32 shows the corresponding figures for 30 June 2007.

TABLE 31: SENIOR EXECUTIVES, 30 JUNE 2008

	Females	Males
Band 1	6	3
Band 2	0	1
Band 3	1	0
Total	7	4

Note: Two male Band 1s and the male Band 2 are based overseas. The above figures do not include the Public Service Commissioner and the Merit Protection Commissioner who are statutory office holders.

TABLE 32: SENIOR EXECUTIVES, 30 JUNE 2007

	Females	Males
Band 1	5	3
Band 2	0	1
Band 3	1	0
Total	6	4

Note: Two male Band 1s and the male Band 2 are based overseas. The above figures do not include the Public Service Commissioner who is a statutory office holder. The Merit Protection Commissioner Statutory Office was substantively vacant at 30 June 2007.

TABLE 33: OCCUPATIONAL GROUPS BY LOCATION, 30 JUNE 2008

	ACT		NSW		VIC		QLD		SA		WA		Overseas		Total
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Trainee APS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cadet APS	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Graduate APS	3	2	0	0	0	0	0	0	0	0	0	0	0	0	5
APS 1-2	3	4	1	0	0	0	0	0	0	0	0	0	0	0	8
APS 3-4	21	5	2	0	4	0	1	0	2	0	2	0	0	0	37
APS 5-6	43	12	1	0	2	0	2	0	0	0	1	0	0	0	61
EL 1	37	17	3	1	3	1	0	2	3	0	1	1	0	0	69
EL2	14	7	2	1	1	0	0	1	1	0	2	0	0	1	30
SES 1	6	1	0	0	0	0	0	0	0	0	0	0	0	2	9
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
SES 3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
SOH	2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Sub total	131	48	9	2	10	1	3	3	6	0	6	1	0	4	224
Total	179		11		11		6		6		7		4		224

Note: Does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work. Does include 14 staff on long term-leave and the Public Service Commissioner and Merit Protection Commissioner who are statutory office holders (SOH) (counted as on-going full-time). Overseas employees are located in Papua New Guinea and Indonesia.

TABLE 34: OCCUPATIONAL GROUPS BY LOCATION, 30 JUNE 2007

	ACT		NSW		VIC		QLD		SA		WA		Overseas		Total
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Trainee APS	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
Cadet APS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Graduate APS	1	2	0	0	0	0	0	0	0	0	0	0	0	0	3
APS 1-2	1	3	0	0	0	0	0	0	0	0	0	0	0	0	4
APS 3-4	25	6	1	0	3	0	1	0	2	0	2	0	0	0	40
APS 5-6	41	10	1	1	2	0	2	0	1	0	0	0	0	0	58
EL 1	31	16	3	0	3	2	2	0	1	0	1	1	0	0	60
EL2	14	6	1	1	1	0	0	1	1	0	1	0	0	1	27
SES 1	5	1	0	0	0	0	0	0	0	0	0	0	0	2	8
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
SES 3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
SOH	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Sub total	120	44	8	2	9	2	5	1	5	0	4	1	0	4	205
Total	164		10		11		6		5		5		4		205

Note: Does not include 44 EL1 casual employees providing fee-for-service work. Overseas employees are located in Papua New Guinea and Indonesia. Includes inoperative staff. SOH = statutory office holder.

TABLE 35: REPRESENTATION OF EEO GROUPS WITHIN SALARY LEVELS, 30 JUNE 2008

	Total staff	Women		ATSI		BO		BO+ENFL		PWD	
		Staff	%	Staff	%	Staff	%	Staff	%	Staff	%
Trainee APS	0	0	0.0	0	0	0	0.0	0	0.0	0	0.0
Cadet APS	1	1	100.0	1	100	0	0.0	0	0.0	0	0.0
Graduate APS	5	3	60.0	3	60.0	2	40.0	1	20.0	0	0.0
APS 1-2	8	4	50.0	2	25.0	0	0.0	0	0.0	2	25.0
APS 3-4	37	32	86.5	3	8.1	8	21.6	5	13.5	1	2.7
APS 5-6	61	49	80.3	0	0	10	16.4	5	8.2	4	6.6
EL1	69	47	68.1	3	4.3	9	13.0	1	1.4	8	11.6
EL2	30	20	66.7	0	0	6	20.0	4	13.3	4	13.3
SES + SOH	13	9	69.2	0	0	2	15.4	0	0.0	0	0.0
Total	224	165	73.7	12	5.4	37	16.5	16	7.1	19	8.5

Key: ATSI – Aboriginals and Torres Strait Islander; BO – Born overseas; BO+ENFL – Born overseas and did not speak English as their first language; PWD – People with disability. SOH = statutory office holder.

Note: Does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work and does include 14 staff on long-term leave.

TABLE 36: REPRESENTATION OF EEO GROUPS WITHIN SALARY LEVELS, 30 JUNE 2007

	Total staff	Women		ATSI		BO		BO+ENFL		PWD	
		Staff	%	Staff	%	Staff	%	Staff	%	Staff	%
Trainee APS	2	2	100.0	2	100.0	0	0.0	0	0.0	0	0.0
Cadet APS	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Graduate APS	3	1	33.3	1	33.3	0	0.0	0	0.0	0	0.0
APS 1-2	4	1	25.0	1	25.0	0	0.0	0	0.0	2	50.0
APS 3-4	40	34	85.0	1	2.5	7	17.5	5	12.5	2	5.0
APS 5-6	58	47	81.0	2	3.4	13	22.4	5	8.6	3	5.2
EL1	60	41	68.3	3	5.0	8	13.3	3	5.0	6	10.0
EL2	27	18	66.7	0	0.0	6	22.2	2	7.4	4	14.8
SES + SOH	11	7	63.6	0	0.0	3	27.3	0	0.0	0	0.0
Total	205	151	73.7	10	4.9	37	18.0	15	7.3	17	8.3

Key: ATSI – Aboriginals and Torres Strait Islander; BO – Born overseas; BO+ENFL – Born overseas and did not speak English as their first language; PWD – People with disability. SOH = statutory office holder.

Note: Does not include 44 EL1 casual employees providing fee-for-service work. Includes inoperative staff.

GLOSSARY

AC	Companion of the Order of Australia
ACT	Australian Capital Territory
Adviceline	Employment Policy Adviceline
ANZSOG	Australia and New Zealand School of Government
AO	Officer of the Order of Australia
APEC	Asia–Pacific Economic Cooperation
APS	Australian Public Service
APSED	APS Employment Database
APSEDII	APSED Internet Interface
APSjobs	formerly the Australian Public Service Gazette
ATSI	Aboriginal and Torres Strait Islander
AusAID	Australian Agency for International Development
AWA	Australian Workplace Agreement
CAPAM	Commonwealth Association for Public Administration and Management
CDAC	Career Development Assessment Centre
CMC	Commission Management Committee
Commissioner	Australian Public Service Commissioner
COMNET	Corporate Management Network
DEEWR	Department of Education, Employment and Workplace Relations
EEO	equal employment opportunity
EL	Executive Level
e-learning	electronic learning
ESD	ecologically sustainable development
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FMCA	Federal Magistrates Court of Australia
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
GSA	Government Skills Australia
GST	goods and services tax
Hon.	the Honourable
HR	human resources
IAPSEN	Indigenous Australian Public Service Employees Network
ICT	information and communication technology
ISAC	Independent Selection Advisory Committee
IT	information technology

LAFIA	Leading Australia's Future in Asia
MAC	Management Advisory Committee
MP	Member of Parliament
MPC	Merit Protection Commissioner
MPRA	Merit Protection and Review Agency
NAIDOC	National Aboriginal and Islander Day Observance Committee
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
OH&S Act	<i>Occupational Health and Safety (Commonwealth Employees) Act 1991</i>
OH&S	occupational health and safety
OOS	occupational overuse syndrome
PBS	Portfolio Budget Statement
PRC	Promotion Review Committee
PSCC	Public Service Commissioners' Conference
PSM	Public Sector Management
PWD	people with disability
QLD	Queensland
RTO	registered training organisation
SA	South Australia
SES	Senior Executive Service
STEP	Structured Training Employments Project
the Act	<i>Australian Public Service Act 1999</i>
the Commission	Australian Public Service Commission
the Gazette	electronic APS employment gazette
TTY	text telephone
VIC	Victoria
WA	Western Australia
WR	workplace relations

COMPLIANCE INDEX

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