

PART 4

MANAGEMENT AND ACCOUNTABILITY

MANAGEMENT AND ACCOUNTABILITY

Corporate governance

The Chief Executive Officer of the AOFM reports to, and is accountable to, the Treasurer, through the Secretary to the Treasury.

Three committees have been established for AOFM internal governance. A Liability Management Committee has primary responsibility for establishing policy and programs governing debt management operations and reviewing operational performance, an Audit Committee has responsibility for statutory financial reporting and for monitoring internal financial controls and a Management Committee has responsibility for oversighting and reviewing the overall strategic management of the organisation.

An AOFM Advisory Board has been established. The accountability of the Board is to the Secretary to the Treasury, the Chair of the Board. The Board performs an advisory role to the Secretary and does not possess executive powers or decision making authority in its own right. The Board advises the Secretary on matters relating to corporate governance, strategic planning, financial risk management strategy and business planning and is responsible for monitoring the performance of the AOFM generally. The Board currently meets monthly, its first meeting taking place in December.

The six member Board comprises the Secretary to the Treasury, the Executive Director of the Economic Group in the Department of the Treasury, a Senior Executive from the Department of Finance and Administration (representing the Secretary of the Department), the CEO of the AOFM and two representatives from the private sector. The private sector members, appointed for a three year term, are Mr Tony Cole, past Secretary to the Treasury and currently Executive Director at William M Mercer Pty Ltd. and Mr Greg Maughan, Consultant and formerly a Director of Bankers Trust Australia Ltd.

External scrutiny

Fraud control

In accordance with Part 7 of the *Financial Management and Accountability Act 1997*, the AOFM has a Fraud Control Plan that has been endorsed by the Fraud Evaluation Committee within the Criminal Justice Division of the Attorney-General's Department.

Judicial decisions, decisions of administrative tribunals and reports by the Commonwealth Ombudsman

There were no matters relating to the AOFM which were the subject of judicial proceedings, tribunal hearings or consideration by the Ombudsman.

Audit

The AOFM Audit Committee follows the recommended best practice guidelines issued by the Australian National Audit Office (ANAO). The ANAO also attends AOFM Audit Committee meetings as an observer. The Committee reviews all audits relating to the AOFM and oversees any follow-up in response to these audits.

Internal audits

No internal audits were conducted in the AOFM in 2000-01. An Internal Audit Plan will be developed for the AOFM for 2001-02 with the assistance of an outside contractor.

Reports by the ANAO

The following report of relevance to the AOFM was released by the ANAO in 2000-01.

Audit Report No 23:
Audits of the financial statements of Commonwealth entities for the period ended 30 June 2000 (financial statements audit)

This report summarises the final results of audits of the financial statements of Commonwealth entities for the period ended 30 June 2000.

The ANAO issued an unqualified Audit Opinion in respect of the AOFM on 30 August 2000.

Management of human resources

In 2000-01, all officers of the AOFM, apart from the Chief Executive Officer, were deemed to be Treasury officers on loan to the AOFM. Accordingly, the human resource management of the Treasury detailed in the *Treasury Annual Report* applied equally to the staff of the AOFM. A human resources framework for the AOFM has been developed over the course of the year and is to be implemented early in 2001-02.

Set out below is the Treasury material edited as appropriate to AOFM circumstances. All references to Treasury should be interpreted as embracing the AOFM. All tables are specific to the AOFM.

Treasury's Performance Management System (PMS) and Career Development System, which underpin the Treasury Management Model, provide the framework for a range of Human Resource (HR) strategies by clarifying work level standards, appraising performance and identifying and managing longer term skills' development targeted to improve work performance, career planning and staff retention. This framework is seen as critical to the ability to attract and retain the skills necessary to perform core functions.

Performance management

The PMS is an integral part of the Treasury Management Model incorporating a biannual performance management cycle. Key elements include context setting, ongoing task assignment, performance feedback and coaching and role development between appraisals.

Prior to each appraisal round, the Secretary and Senior Executive Service (SES) officers attend a context setting meeting. The aims of the meeting are to ensure there is consistency in the approach to the appraisal process and to set the broad

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context for the appraisals. The outcomes of the meeting are disseminated to all staff. Additional context setting meetings are held at the divisional and unit level to assist staff to understand the practical aspects of appraisals at the operational level.

In addition to context setting meetings, briefing sessions are offered to new starters prior to each performance appraisal round. *Giving and Receiving Feedback* workshops are also provided to managers and staff to develop skills related to performance appraisals and more general interpersonal communication.

The Treasury PMS is designed to promote fairness through clearly defining expectations and building in system controls including:

- the application of a Treasury Work Value Matrix that sets out the standards expected of staff at each classification level and defines the assessment criteria against which performance will be measured;
- the use of upward feedback to the manager-one-removed (that is, two levels more senior), which acts as a system control by giving employees an additional opportunity to comment on the appraisal process and their manager's performance as a manager;
- the use of review panels comprising the manager-one-removed, the immediate manager and other relevant managers, which facilitates fairness and consistency among assessments;
- the use of structured under-performance provisions and strategies that require approval and monitoring by the manager-one-removed; and
- transparency of appraisal outcomes for all staff.

There is a commitment to continuously improve performance management processes and regular and comprehensive performance management reviews are undertaken. The consultative processes provide opportunities for staff to participate actively in the reviews and provide feedback on all aspects of the appraisal process.

A review of the PMS was undertaken by Ernst & Young in 2001. The terms of reference of the review were:

- the capacity of the PMS to assist Treasury meet its outputs and outcomes while developing staff professionally and personally;
- a review of the system's integrity, particularly the:

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- consistency of application;
- maintenance of confidentiality; and
- achievement of system purpose.

The methodology involved:

- the development of assessment criteria;
- a review of system documentation;
- a survey of staff perceptions of the effectiveness of the system;
- interviews with staff on key issues emerging from the survey; and
- an interview with, and feedback from, the Workplace Relations Committee (WRC).

The overall findings included:

- a high degree of consistency of application across groups and classifications;
- confidentiality within the system is maintained;
- the purpose of the system has been largely achieved with good progress in system objectives; and
- the system is working well, has improved work in Treasury and is perceived by staff as a step forward.

Recommendations from the review, which were circulated to senior management and the WRC for discussion, will be implemented where appropriate in the next performance appraisal round.

The Treasury Certified Agreement 1999-2002 introduced a new broadbanded classification structure for staff below Executive Levels 1 and 2. Movements within the two broadbands are determined through the Treasury's Performance Management System or by merit selection involving an open field. The February 2000 appraisal cycle, the first cycle that facilitated movements to the new structure, resulted in movements of staff within the two broadbands. This streamlined process provides fair, objective and transparent broadbanded, performance-based advancement outside the traditional selection processes, eliminating the need for resource intensive selection processes. In addition, the

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PMS provides opportunities for staff performing at a higher level to be recognised through a system of temporary payments or prospective and retrospective loadings.

APS values

Following the passage of the *Public Service Act 1999*, the Secretary issued a staff notice to all Treasury employees informing them of the principal features of the new legislation and the impact on their employment. The staff notice highlighted the new Australian Public Service (APS) values, which were reproduced in full as an attachment to the notice.

The Treasury Certified Agreement 1999-2002 includes a segment which reinforced the APS values as they existed before 5 December 1999. While the Certified Agreement was not renegotiated to incorporate the amended and additional values, key Treasury documents such as departmental operational plans, the Treasury induction package and the PMS refer prominently to the current APS values. In addition to this, the APS values are published on the Treasury Intranet and displayed on posters which are placed around the building.

In June 2001, a staff survey was conducted as a measure of how well the APS Values and APS Code of Conduct had been incorporated into the Treasury culture. Of the staff who responded, more than 70 per cent indicated that they understood the APS Values and Code of Conduct and that they, and those with whom they worked, understood their application.

Treasury Certified Agreement

The Treasury Certified Agreement 1999-2002 came into effect on 3 September 1999. The three year Agreement was made under section 170LK of the *Workplace Relations Act 1996*.

The principal features of the Agreement are:

- an agreement which will run for three years;
- broadbanding within the APS classification structure, comprising Broadband 1 for APS Levels 1 to 4 and Broadband 2 for APS Levels 5 and 6; Executive Levels (EL) 1 and 2 were not broadbanded;

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- the availability of advancements within a broadband, and temporary loadings and bonuses as a result of assessments under the PMS;
- an initial pay increase, on certification, of three per cent for all employees covered by the agreement;
- further increases of two per cent on each of the first and second anniversaries of the certification date;
- movement to a revised salary structure, based on performance appraisal under the terms of the PMS;
- the elimination of retention periods for excess staff;
- access to accrued sick leave for use as personal leave;
- greater flexibility in determining allowances;
- a specific establishment allowance for new-entrant graduates from interstate;
- provisions to determine conditions for employees transferred as a result of 'machinery of government' changes;
- exclusion of SES employees from the agreement (all SES staff are offered Australian Workplace Agreements (AWAs)); and
- an enhanced role for the WRC, particularly in relation to a review of conditions of service and drafting of the next agreement.

Through the processes of the PMS, the vast majority of staff are now covered by the revised salary structure. The general pay increase scheduled for 3 September 2000 was duly delivered.

Recruitment and succession planning

Treasury advertises nation-wide for policy staff by way of regular bulk-round recruitment processes. Internal transfer rounds are also conducted on a regular basis. Specialist positions are advertised as required, with a temporary register actively catering for non-ongoing staff.

Graduate recruitment remains an important element of the Department's overall recruitment strategy, with 40 graduates commencing in the 2000-01 financial year. A number of senior Treasury policy and SES staff participated in the

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Graduate Recruitment Program, through visits to universities to meet students and present seminars, attendance at the ACT 'Careers Fest' and participation in the Australia-wide selection process. An informative booklet, *Graduate Careers with Treasury 2002*, was developed in-house and distributed to universities and all candidates interested in the graduate positions. A graduate website containing relevant information on the program, including input from previous graduates, is also accessible through Treasury's home page on the Internet website.

Graduates are offered a formal training program in their first year to provide the opportunity to enhance skills developed through on-the-job training. Training and other development opportunities are offered to staff, with priority placed on skills identified through the PMS and the Career Development System.

Treasury was represented on the working group that developed the ANAO good practice guide *Planning for the Workforce of the Future* and has drawn on the guide to evaluate Treasury's workforce planning practices. Considerable energy has been invested in improving and streamlining recruitment and selection processes with an organisation-wide approach taken to most recruitment. Treasury has implemented biannual bulk round selection processes and annual graduate selection processes aligned to Treasury's capability frameworks. In addition, streamlined Departmental recruitment guidelines and skills development for selection panels have enhanced Treasury's selection processes.

Work is being undertaken to refine Treasury's longer term workforce needs and, more particularly, the need for specialist skills in both policy and administrative areas. Treasury's Performance Management and Career Development Systems enable the Department to identify, track and align training and development needs to people development and management strategies. The Department is also improving the capacity of its Human Resource Management System (Aurion) to provide a range of demographic and qualitative data of Treasury's workforce, a necessary tool for workforce planning.

Training and development

Treasury's PMS and Career Development System regularly provide data that identifies the training and development needs of staff. This data is used to identify key modules for the Department's training program and to align development opportunities with business needs. As a result, key training areas for 2000-01 included leadership, communication, performance management and technical skills.

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Sixty participants completed a comprehensive Leadership Development program for EL2 employees. Two groups have now completed the program and a third group will conclude early in 2001-02. The program incorporates 360 degree feedback based on the Public Service and Merit Protection Commission (PSMPC) Senior Executive Leadership Capability Framework and aims to enhance individual development at the personal, team and strategic levels, as well as strengthen management and leadership skills for current and future management roles. This Program has had a positive impact at the organisational level, with consideration now being given to leadership development for the senior management group (SES).

Writing Skills workshops have been offered throughout the year, specifically targeting Treasury requirements. Two workshops were offered on *Writing for Publications* to assist those involved with preparation of Budget documents. In addition, *Providing Oral Advice* workshops have been tailored to meet the requirements of SES and EL2 staff. The workshop topics included briefing ministers, participation in inter-departmental committees and appearances before parliamentary committees. *Presentation Skills* workshops have also been provided to Treasury staff.

Prior to each performance appraisal round, briefing sessions are offered to new starters, providing a context for the system and clarifying the processes. Workshops are also offered to managers and staff on giving and receiving feedback to develop skills related to performance appraisals and more general interpersonal communication.

Performance appraisal data indicates that more than 50 per cent of staff identify on-the-job training as a key method of development. Training options reflect an increased emphasis on developing coaching skills for managers. Individual coaching is available from HR staff, external consultants and through Treasury's Employee Assistance Program (EAP), which offers a Manager Assist service. Training in team skills continues with many areas of the Department conducting planning days and team building exercises. The EL2 Leadership Development program also provides managers with opportunities to develop their coaching and mentoring skills.

Treasury's studies assistance policy provides for leave provisions and, in some cases, financial assistance for staff to access tertiary study. External courses, conferences, workshops and seminars continue to be used for suitable development opportunities.

Graduates commencing in Treasury each year participate in a development program that includes comprehensive induction into the Department, effective

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writing, presentation skills, people skills, and an introduction to the Senate and the legislative process, as well as on-the-job training.

Staffing information

Staffing numbers in the AOFM were little changed over the course of 2000-01. Reflecting its operational mandate, it is anticipated that there will be a moderate increase in staff numbers over the course of 2001-02 as the AOFM moves on from its initial establishment phase.

The following table provides details of the number of staff working in the AOFM, by category and gender, as at 30 June 2001. All staff are employed under the *Public Service Act 1999* and are located in Canberra.

Table 1: Operative and paid inoperative staff by classification and gender (as at 30 June 2001)

Classification	Ongoing				Non-ongoing				Total
	Full Time		Part Time		Full Time		Part Time		
	Male	Female	Male	Female	Male	Female	Male	Female	
APS1									
APS2									
APS3									
APS4						2			2
APS5	2	1				1			4
APS6	4	1							5
Cadet									
EL1	6	1				1			8
EL2	3	1							4
SEB1	1								1
SEB2									
SEB3	1								1
Secretary									
Total	17	4				4			25

A description of each acronym used in the above table can be found in the Acronyms on page 181. Details for permanent staff refer to substantive classifications and do not recognise those staff acting at a higher classification. Paid inoperative staff are those who are absent on approved leave for more than twelve weeks.

Senior executive service — remuneration and performance appraisal

All SES employees have their remuneration and conditions determined by AWAs. The AWAs are supplemented by a remuneration model which allows for progression through a number of salary points and the payment of performance bonuses.

From September 2000, SES were appraised using the PSMPC Senior Executive Leadership Capability Framework. Previously, the SES were appraised against the work value matrix contained in the PMS.

The appraisal process has two steps. Initially, SES are assessed as performing satisfactorily or unsatisfactorily against each appraisal criterion and on an overall basis. SES are then given an individual quintile ranking for each criterion, and an overall quintile ranking, reflecting their performance relative to their peers.

As a result of appraisal, salary movements and payments of loadings and bonuses are made in accordance with the SES pay model and, as appropriate, the terms of individual AWAs. Executive remuneration is reported in Note 10 of the Financial Statements. All SES employees have the use of a private plated vehicle. Other benefits include airline lounge membership and mobile phones.

Remuneration — employees other than SES

The Treasury Certified Agreement 1999-2002 introduced a revised pay structure which provides salary outcomes as a result of performance appraisal under the PMS. All employees are appraised at six-monthly intervals, in February and August. Salary scales applicable under the Certified Agreement are set out in Table 2.

Table 2: Certified Agreement salary scales

Classification	3 September 2000		3 September 2001	
	Top \$	Bottom \$	Top \$	Bottom \$
APS1	28 630	26 265	29 203	26 790
APS2	32 569	30 467	33 220	31 077
APS3	36 771	34 670	37 506	35 363
APS4	40 973	38 872	41 792	39 649
APS5	46 752	43 863	47 687	44 740
APS6	52 530	49 641	53 581	50 634
EL1	65 137	58 650	66 440	59 823
EL2	79 846	72 491	81 443	73 941

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Senior management changes

There were no senior staff departures or internal promotions for the AOFM in 2000-01.

Industrial democracy

Treasury has continued to undertake extensive consultation with employees on matters which affect them in the workplace. The key consultative body is the WRC which operates under the terms of the *Treasury Certified Agreement 1999-2002* to facilitate employee consultation on the operation of the Agreement and related staffing and management issues. Elections for the Committee were held in May 2001 with three Executive level employee and three APS level employees being elected. In addition, staff invited the Community and Public Sector Union (CPSU) to participate on the WRC.

The WRC took a key role in the audit of the PMS conducted by Ernst & Young this year. The Committee assisted the Treasury Executive Board in scoping the terms of reference for the audit and consulted with staff on issues related to the consistency and integrity of the operation of the PMS and the level of staff satisfaction with it. The WRC also provided comments on the Report and its recommendations.

The WRC was also consulted on a range of people management systems and policies, including the revised Workplace Diversity Plan and the Disability Action Plan.

The current Certified Agreement will expire in September 2002. The WRC has begun preparatory work for the next Certified Agreement and, as part of this process, is meeting regularly with the Secretary to discuss workplace issues of interest to staff. The Committee will also be represented on the steering committee for market testing of Corporate Service functions.

Throughout 2000-01, the Department developed its Intranet site improving accessibility of information, policies and guidelines. The Intranet is also being used increasingly as a tool for staff consultation to facilitate comments on draft policies prior to finalisation.

Occupational health and safety

The Occupational Health and Safety (Commonwealth Employment) Act 1991 and the *Safety, Rehabilitation and Compensation Act 1988* form the legislative basis of Occupational Health and Safety (OH&S) and Rehabilitation in the Treasury.

The Departmental OH&S Committee meets quarterly and comprises representatives from groups, units and the CPSU. The OH&S Committee members undertook training during 2000-01 to assist them with their responsibilities.

Treasury maintained a close occupational health and safety focus during the extensive refurbishment of the Treasury building, the first stage of which was completed in December 2000. The OH&S Committee played a prominent role during that process. The second stage of the refurbishment process is continuing and the OH&S Committee will maintain its involvement in this process.

As part of the refurbishment process, specialist OH&S consultants have been engaged to provide OH&S advice and workstation briefing sessions for staff. In addition to the briefing sessions, staff were provided with an opportunity to have an extended individual assessment of their workstations. The OH&S briefings will also be conducted for staff relocating in the second stage of the refurbishment process in August 2001.

Matters dealt with by the Committee include: occupational health and safety issues and policies, accommodation issues and accident and incident reports. The Committee also considers reports from the Employee Assistance Program provider, Davidson Trahaire.

The EAP provides confidential counselling on work-related and personal matters to all Treasury staff members and their families. Quarterly reports provided by Davidson Trahaire allow Treasury to monitor the usage of the EAP and identify workplace issues that need to be addressed. During 2000-01, there were no significant issues identified for action.

During 2000-01, Treasury received 53 accident and incident reports (12 more than the number reported in 1999-2000), three were notifiable under section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Nine of these accidents and incidents resulted in compensation claims, one of which is yet to be determined. There were no notices given under sections 29, 46 and 47 of the Act this financial year. However, there were a number of incidents related

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to building work during the refurbishment period. These matters were attended to under the building works' contract.

To prevent injuries in the workplace and to enhance the safety of staff members, workplace assessments are conducted regularly. The types of accidents that are continuing to occur are: occupational overuse syndrome, car accidents and sporting injuries. All accidents and incidents that are reported are investigated and action taken as necessary.

Workplace diversity

The strategies and initiatives of Treasury's Workplace Diversity Program encourage and utilise the contributions of people of different backgrounds, experiences and perspectives. The focus of the program has been to implement strategies that attract, develop and support employee participation reflecting the broad cross-section of the Australian community.

Treasury's Disability Action Plan is linked to the Commonwealth Disability Strategy and is intended to ensure equal opportunities for people with disabilities to access and utilise Government programs and services. It is supported by the principles and objectives of Treasury's Workplace Diversity Program. The Plan was reviewed and updated early in 2001 in consultation with the WRC.

The Treasury Certified Agreement provides for a carer's room to offer staff a safe and quiet workplace in which to attend to their dependant's needs while continuing to fulfil their work commitments in Treasury. The carer's room guidelines were revised and released on the Departmental Intranet in April 2001. The carer's room continues to be used regularly by staff caring for sick children, nursing mothers and staff caring for children whilst the primary carer is unavailable. Staff are asked to complete an evaluation form after using the room. Generally, staff have indicated that they are happy with the carer's room.

Treasury has a number of workplace harassment contact officers who are fully trained to provide advice and assist staff members. Ongoing training is offered to all contact officers on a regular basis and a list of workplace harassment contact officers is provided to all Treasury staff members through the Treasury Staff Bulletin and electronic mail.

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Treasury has participated in the Indigenous Cadetship Program since 1993. Currently, Treasury employs four staff (three operative and one inoperative) who have self-identified as being from an indigenous background.

Women's representation in senior levels in the Department is supported through overall people management strategies, including the PMS and Career Development System. Particular strategies include coaching and on-the-job training, internal and external development programs and mobility within the Department.

Table 3: Operative and paid inoperative staff by EEO target group (as at 30 June 2001)

Classification	Female	Born Overseas	ESL	AATSI	Disability
Cadets	0	0	0	0	0
APS1	0	0	0	0	0
APS2	0	0	0	0	0
APS3	0	0	0	0	0
APS4	2	1	0	0	0
APS5	2	3	2	0	0
APS6	1	0	0	0	0
EL1	2	2	0	0	0
EL2	1	0	0	0	0
SESB1	0	0	0	0	0
SESB2	0	0	0	0	0
SESB3	0	0	0	0	0
Total	8	6	2	0	0

Note: For equal employment opportunities (EEO) categories other than gender, staff identification is made on a voluntary basis and staff may be included in more than one category.

EEO in appointments to boards (or equivalent) of statutory and non-statutory bodies

The AOFM Advisory Board to the Secretary to the Treasury was established by the Secretary during the year. Two members of the Board are from the private sector, neither of whom is from an EEO target group.

Consultants

The AOFM's policy and procedures on contracting services are contained in the Treasury's Chief Executive Instructions and are based on the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration.

The most frequent reasons for the AOFM to use consultants were:

- access to specialist skills or knowledge not available in-house;
- need for rapid access to latest technology and expertise in its application; and
- access to specialist in-house resources unavailable in the time allowed.

Seven consultancies valued at \$10,000 or more were contracted by the AOFM during 2000-01 at a cost of \$437,993. A further three consultancies valued at less than \$10,000 were contracted by the AOFM during 2000-01 at a cost of \$20,032.

Table 4: Consultancies over \$10,000 in 2000-01

Consultant	Project	Cost(i) \$	Reason	Procurement Method(ii)
INFACT Consulting Pty Ltd	Advice in relation to the acquisition of IT infrastructure	30 541	a, e	Direct Engagement
INFACT Consulting Pty Ltd	Advice in relation to the acquisition of a Treasury system	114 470	a, e	Open tender
Mastech Asia Pacific Pty Ltd	Provision of specialist programming skills	98 487	a, e	Select tender
Mercer Cullen Egan Dell	Development of position descriptions and remuneration framework	56 170	e	Select tender
Stratagem Pty Ltd	Database development	22 565	a, b	Direct engagement
Studio Seven	Interior design of AOFM accommodation	10 080	e	Direct engagement
willbak.com	Development of a human resources framework	105 680	e	Select tender

(a) Need for rapid access to latest technology and expertise in its application.

(b) Specialist in-house resources unavailable in time allowed.

(c) Need for an independent study or review.

(d) Need for a change agent or facilitator.

(e) Specialist skills or knowledge not available in-house.

Notes

i. Any cost not paid in 2000-01 will be paid in 2001-02.

ii. Direct engagement includes the engagement of: a consultant selected from a pre-qualified panel arrangement; a recognised and pre-eminent expert; a consultant who had previously undertaken closely related work for the AOFM or Treasury; or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

Competitive tendering and contracting

No competitive tendering and contracting work was undertaken during the course of the year. The AOFM has a Service Level Agreement with the Treasury for it to provide a range of corporate services to the AOFM. The Service Level Agreement, which is subject to regular review, governs the provision of the corporate services and includes a range of performance measures and standards.

Purchasing

The AOFM's policy and procedures on purchasing goods and services are contained in the Treasury's Chief Executive Instructions and are based on the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration.

Asset management

The AOFM's assets consist of computers, plant and equipment leased from the Treasury and leasehold improvements owned by the AOFM. In accordance with the AOFM's Service Level Agreement with Treasury, Treasury is responsible for all aspects of asset management for the AOFM.

Advertising and market research

No expenditure on advertising and market research was undertaken by the AOFM in 2000-01.

Discretionary grants

No discretionary grant programs are administered by the AOFM.

Freedom of Information

The AOFM was established on 1 July 1999 as a prescribed agency under *the Financial Management and Accountability Act 1997*. At that time it assumed responsibility for the Commonwealth's debt management activities previously undertaken as part of the Department of the Treasury.

The Treasury is responsible for handling Freedom of Information matters in respect of the AOFM and the Department's statement under section 8 of the *Freedom of Information Act 1982* appears in the Treasury Annual Report. In reading that material, all references to 'Department' should be interpreted as encompassing the AOFM. Set out below are matters which relate specifically to the AOFM.

Treasury — Statement under Section 8 of the *Freedom of Information Act 1982*

Section 8 of the *Freedom of Information Act 1982* requires that the Treasury publish detailed information about:

- the way it is organised and its decision making powers;
- arrangements for public involvement in the work of the agency;
- types of documents held by the agency; and
- how the public can obtain access to these documents.

The following information addresses the formal requirements of section 8 of the *Freedom of Information Act 1982* in relation to the AOFM's role within the Treasurer's portfolio. The full Treasury statement is in the Treasury Annual Report.

Organisation of the Australian Office of Financial Management

The AOFM is responsible for the Commonwealth's debt management operations which include debt issuance, portfolio management and debt administration. Details of the AOFM's organisational and top management structure, the AOFM's functions, and the decision-making powers exercised in carrying out those functions, are provided in Part 1 of this report.

Delegations to the AOFM

The Treasurer has provided delegations or authorisations to AOFM officials in relation to certain powers under a number of Acts of Parliament, as set out below. These stand in force until renewed at an appropriate time.

- The Treasurer has authorised the Chief Executive Officer, AOFM to exercise certain powers under the *Commonwealth Inscribed Stock Act 1911*.
- The Treasurer has delegated certain powers under the *Commonwealth Inscribed Stock Regulations* to the Chief Executive Officer, AOFM.
- The Treasurer has delegated certain powers under the *Loans Securities Act 1919* to the Chief Executive Officer, AOFM and to holders of various positions within the AOFM.
- The Treasurer holds certain delegated powers under the Constitution and the *Financial Management and Accountability Act 1997* in relation to agency financial management. These powers have been delegated to the Chief Executive Officer, AOFM. In addition, the Minister for Finance and Administration has delegated certain powers under the Act and its Regulations to the Chief Executive Officer, AOFM.
- The Treasurer has delegated his powers of investment under the *Financial Management and Accountability Act 1997* to the Chief Executive Officer, AOFM.

Arrangements for outside participation

Persons or organisations outside the Commonwealth administration may participate in the formulation of policy or in the administration of enactments and schemes for which the AOFM is responsible, by making representations in writing to the Treasury portfolio ministers, to the Secretary to the Treasury, or directly to the AOFM.

Categories of documents held by the AOFM

The following categories of documents are held by the AOFM.

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Representations to Treasury portfolio ministers

The AOFM holds representations made to Treasury ministers on matters relating to borrowing money on the public credit of the Commonwealth.

Working files

The AOFM holds files dealing with policy and administration in the area of borrowing money on the public credit of the Commonwealth. The documents on these files include correspondence, analysis and policy advice by AOFM officers, comments on Cabinet Submissions and drafts of these and other documents.

An indexed list of the titles of the policy files created in the AOFM is placed on the Treasury website (www.treasury.gov.au) every six months.

Documents on internal departmental administration

Treasury holds a broad range of documents relating to staff and to the organisation and operation of the department. These documents include personal records, organisation and staffing records, financial and expenditure records, and internal operating documentation such as office procedures and instructions.

Documents open to public access subject to a fee or a charge or available free of charge upon request

Currently, the AOFM only publishes this annual report. In previous years, an annual *Commonwealth Debt Management Report* was published. The content of that report has been subsumed within the AOFM Annual Report. These documents are available on the AOFM's website (www.aofm.gov.au), or from the Government Info Shops in each capital city.

Facilities for access to documents

If a member of the public requests a document and access is approved, the AOFM will provide copies of documents after receiving the payment of any charges that apply.

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Alternatively, applicants may make arrangements to inspect documents at the Treasury, Langton Crescent, Parkes ACT between 9.00 am and 5.00 pm, Monday to Friday (except public and public service holidays).

Freedom of Information applications and initial contact points

Corporate Services Division of the Treasury coordinates requests under the *Freedom of Information Act 1982*. Applicants seeking access under the Act to documents in the possession of the AOFM should apply in writing to:

The Secretary
Department of the Treasury
Langton Crescent
PARKES ACT 2600
Attention: Freedom of Information Coordinator

Requests should be accompanied by an application fee of \$30 or a written request, pursuant to subsection 30A(1) of the Act, that the application fee be waived. Telephone inquiries should be directed to the Freedom of Information Coordinator, telephone (02) 6263 3972, between 9.00 am and 5.00 pm Monday to Friday (except public or public service holidays).

Officers of the senior executive service in Treasury have been authorised under section 23 of the *Freedom of Information Act 1982* to make decisions granting or refusing requests for access to documents. In accordance with section 54 of the Act, an applicant may, within 30 days of receiving notification of a decision under the Act, apply to the Secretary to the Treasury, seeking an internal review of a decision to refuse a request. The application should be accompanied by the prescribed fee of \$40. A Treasury officer who has been authorised under section 23 to make decisions on internal review (usually an Executive Director) will conduct an independent review.

Freedom of information activity in 2000-01

In 2000-01, the AOFM received no requests for access to documents under the *Freedom of Information Act 1982*.

Ecologically sustainable development and environmental performance

In what follows, references to the Treasury should be read as embracing the AOFM.

In January 2001, Treasury moved into newly refurbished accommodation at the western end of the Treasury Building. The newly refurbished accommodation has a number of innovations that will allow Treasury to meet and improve on targets relating to Government policy on environmental issues.

The Department is a member of the Australian Public Service EcoNet Committee and actively participates in Government sponsored environmental management initiatives. In addition, the Department holds membership of the Facilities Management Association, which facilitates the exchange of ideas and information relating to all aspects of building management, including environmental management and efficiency.

Paper and cardboard products

Treasury has been active in recycling paper and cardboard products for a number of years. The Department utilises desktop and workplace containers to collect paper and cardboard products which, in turn, are collected by a local recycling firm. The Department also recycles classified waste paper into pulp. Additionally, Treasury's kitchen facilities have recycling bins that simplify the task of separating recyclable items that previously would have been sent to landfill. It is estimated that this practice has reduced the amount of Treasury's waste previously sent to landfill by over 30 per cent.

In addition to recycling paper and cardboard products, the Department's central reproduction area procures paper that is made from 80 per cent recycled fibre and actively encourages other areas of the Department to use recycled paper.

Toner cartridges

Treasury currently uses genuine printer and facsimile toner cartridges which, after being used, are returned to the supplier for recycling.

Compostable recycling

All kitchens in the refurbished accommodation have sealed compostable waste containers to simplify the task of disposing of compostable material. This has led to an increase in the amount of this type of waste that is being recycled. The service enables compostable waste which would normally be sent to landfill to be recycled organically. In the 12 months to the end of June 2001, the Department recycled 1,324 kilograms of compostable waste. This represents an increase of 27 per cent when compared with the previous twelve months.

Procurement

Treasury purchases goods and services in accordance with the environmental procurement policy as set out in the *Commonwealth Procurement Guidelines*. This ensures that goods and services are:

- environmentally sound in manufacture;
- are reusable or recyclable;
- are designed and made for reliability and long life; and
- meet environmental best practice in energy efficiency or energy consumption.

The Department is currently negotiating the renewal of its electricity contract, a proportion of which will be green power.

Energy efficiency systems

Building management system

The Treasury building is controlled by a building management system that provides energy management and reporting and separate metering of selected main energy consuming regions.

Part 4: Management and accountability

Energy audit

Treasury recently completed an energy review and audit of the Treasury Building tenancy. The report reviewed design specifications and actual performance and made recommendations for further improving energy usage. The report will provide a working Energy Management Plan that reflects the aspirations of Treasury towards responsible energy management.

Lighting

Timer switches control all general lighting in the refurbished Treasury accommodation. This enhancement ensures that lights are only operational during standard working hours. After hours lighting is controlled by manually operated pass switches which turn on lights in specific areas of the building for periods of up to two hours.

Following the installation of the lighting control system, the Department commissioned an energy audit of the new accommodation. Preliminary findings indicate that electricity consumption has decreased by between 10 and 15 per cent.