

# part three

## management and accountability

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The ACCC aims to have a high standard of governance and efficient management, including cost-effective use of resources in all its offices. This chapter reports on the ACCC's governance, financial, people and information management, and other administrative activities.

## this year the ACCC

- > received total funding of \$74.6 million
- > underwent a funding review, resulting in additional funding of \$77 million over the period 2004–08
- > undertook a review of the provision and management of legal services
- > launched redeveloped websites (redeveloped to comply with government policy concerning accessibility and functionality)
- > undertook a biennial staff survey
- > had its fourth workplace agreement certified

## the commission

The commission comprised the Chairman, Deputy Chair and five full-time members who were appointed by the Governor General for terms of up to five years after a majority of state and territory governments had supported the selections. A deputy chair and two new full-time members were appointed during the year—Louise Sylvan, Stephen King and David Smith. John Martin was re-appointed. See appendix 4 for biographies and photographs of commissioners.

# decision making structure

The ACCC's decisions are made at a meeting of the full commission held once a week and otherwise as necessary.

**External scrutiny**—the commission is accountable for its activities through the courts, tribunals, parliament and the Commonwealth Ombudsman.

The commission held 65 formal meetings and considered 439 formal papers dealing with matters under investigation, litigation, mergers, access, adjudication, submissions to inquiries, compliance and education strategies and recommendations from committees.

subject matter committees

## committees

**The ACCC has seven subject matter committees:** telecommunications, mergers, enforcement, litigation, adjudication, energy, and transport and prices oversight;  
**and five function committees:** corporate governance, communications, internal audit, information and communication technology, and people and resources **to streamline decision making.**



terms of appointment

	2003	2004	2005	2007	2008	2009
management and accountability	chairman					
					Graeme Samuel 31 July 2008	
	deputy chair					
					Louise Sylvan 31 July 2008	
	commissioners					
				Jennifer McNeill 21 July 2007	Ed Willett 19 January 2008	Stephen King 6 June 2009 David Smith 6 June 2009 John Martin 6 June 2009
associate commissioners						
		Yasmin King 25 October 2004	Don Watt 1 September 2005 Warwick Wilkinson AM 1 September 2005 Teresa Handicott 1 September 2005			
ex-officio commissioners						
	John Tamblyn 31 December 2003	Andrew Reeves 31 December 2004	Lew Owens 31 December 2005			

## financial management

The ACCC's total funding for 2003–04 was \$74.6 million, comprising its original appropriation of \$66.6 million and a supplementary appropriation of \$6.77 million and revenue of \$1.3 million. The \$66.6 million included additional funding as follows:

- > \$1.5 million to implement the government's response to the Wilkinson report (total \$2.3 million over 3 years)
- > \$0.5 million to monitor medical indemnity insurance premiums (total \$1.5 million over 3 years)
- > \$5.8 million to continue telecommunications sector regulatory role (total \$22.9 million over 4 years)
- > \$0.9 million for increased role in oversight of Australia Post (total \$2.9 million over 5 years)
- > \$0.5 million for supplementation of employer superannuation contributions (total \$2.0 million over 4 years)
- > \$0.8 million for indexation.

Funding of \$0.9 million was withdrawn, as the ACCC no longer administers **price regulation of airport services** following the government's decision to remove price controls from airports from 1 July 2002.

The ACCC's initial appropriation was supplemented by a further \$6.77 million during the financial year to enable it to meet its financial commitments. The ACCC incurred an operating loss of \$7.0 million.

The financial operations of the ACCC were audited by the Commonwealth Auditor General. The audit was satisfactory and an unqualified audit report was issued.

The ACCC underwent a **funding review** in early 2004, resulting in additional funding of \$53.1 million for agency expenses over the four years 2004–08, and \$23.9 million in capital funding in 2004–05. This is a total increase of \$77 million over the four years 2004–08.

**Purchasing** policy ensures that office equipment purchases are in line with government guidelines.

The ACCC complies with the Commonwealth **fraud control** guidelines and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the needs of the agency. A fraud awareness training module has been developed and training has been provided to several staff.

# people management

The ACCC’s budgeted **staff level** for 2003–04 was 460 (down from 470.4 in 2002–03), including 7 full-time holders of public office (commission members). The total full-time equivalent employees during the year was 449.1 people (down from 468.6 in 2002–03). The total number of staff employed (includes part-time employees, employees absent on leave and secondments) at 30 June 2004 was 501 (490 on 30 June 2003). See p. 121 for staffing overview. There were 92 commencements and 84 cessations during the year. The decrease in the full-time equivalent staffing levels was the result of efforts to reduce staffing numbers within budget constraints while continuing to meet ACCC priorities and objectives.

**Staffing statistics** and payroll information is managed in an Aurion database. Improvements to the database ensured almost all staff used the system to access their personal details, leave data and applications.

The ACCC’s **learning and development** strategy for the year focused on a major learning and development needs analysis for its staff; the delivery of management and supervision training related to conditions of employment; and the consolidation and refinement of its knowledge management/electronic learning system. Training and development expenditure in 2003–04 totalled \$1 117 665 comprising salaries of staff on development activities (\$437 212), salaries of the learning and development unit employees (\$208 491), courses and conference fees and study assistance (\$380 383), travel to events (\$42 562), consultants (\$29 650) and incidentals (\$19 367). This represents 3.8 per cent of the annual payroll.

## courses and seminars in 2002–03 and 2003–04

type	units of training	
	2002–03	2003–04
economic education	150	43
law education	153	292
IT skills	68	57
operational skills	635	640
management development	44	43
personal development	19	146
SES development	5	2

Employees are eligible for **study assistance** in the form of study leave and partial reimbursement of tuition fees for approved courses of study. During the year 64 employees participated in the study assistance scheme, mainly for postgraduate studies in economics, law and business. The ACCC reimbursed \$91 734 for study fees and granted leave with pay to attend lectures and tutorials equivalent to \$141 955.

Of the 11 **graduates** recruited at the beginning of 2003, 10 remained with the ACCC after the program completed and have now received promotions to permanent positions. The ACCC recruited 12 graduates at the beginning of 2004. Each will undertake three rotations during the 10-month program.

Two staff undertook **international exchanges**: Vanessa Holliday undertook a year long exchange with Patrick McNeil of the Irish Competition Authority. This exchange concluded in February 2004. Sharon Clancy undertook a six week exchange with Chien-Hsuen Liu of the Taiwan Fair Trade Commission. Three staff were **seconded** to other departments: Ian Nicholas—Department of the Prime Minister and Cabinet, 12 August 2002 to 11 October 2003. Susan Howarth—Treasury, August 2002 to August 2003. Scott Gregson—Department of the Prime Minister and Cabinet, 11 August 2003 to 10 August 2004.

During the year a replacement **workplace agreement** was agreed with employees. The ACCC certified agreement 2004–05, made under section 170LK of the *Workplace Relations Act 1996*, received an 84 per cent ‘yes’ vote from employees. It was certified on 28 January 2004 and employees received a 3.75 per cent **salary increase**. A further 4 per cent increase will be paid in January 2005. The agreement runs for two years to 30 November 2005. It commits the ACCC to a review of the general classification structure within six months of certification. The agreement includes a **special salary level** scheme which rewards sustained, exceptional and excellent performance, specialist employees or where recruitment and retention are affected by market factors.

Under the ACCC certified agreement, in accordance with the *Public Service Act 1999*, staff can request a **review** of employment action or decision that affects them. One application for review was received and investigated. The original decision was upheld.

The ACCC’s formal employee consultative body is the **Workplace Relations Consultative Committee** (WRCC) with six staff representatives (elected by staff), two union representatives and management representatives. The WRCC meets quarterly and is an important forum for the development of the next workplace agreement.

SES employees are employed under **Australian workplace agreements** (AWAs). No new AWAs were offered to non-SES employees.

**Performance pay** is not paid to non-senior executive staff. They are eligible instead for the special salary level scheme (criteria for which is in the certified agreement), and during 2003–04 24 staff received additional salary under this scheme. Performance pay was paid to 17 senior executive staff in the range band 1 to band 3, for a total of \$172 076.

The ACCC has an **occupational health and safety** agreement and policy with representatives elected for all workgroups, as well as first aid officers. Professionally qualified assessors presented information sessions on safe work practices and conducted ergonomic assessments for new employees and those employees requiring review due to injury. Influenza vaccinations were made available to all employees. Exercise classes and yoga are being provided in some offices on a fee-for-service basis. Thirty-nine injury incidents were reported in 2003–04.

The revised **Comcare premium** for 2003–04 was set at 0.81 per cent of total salaries, compared with 1.43 per cent for all agencies combined. A small increase in the number of incidents and the complex nature of a few compensation cases has caused an increase in the 2004–05 Comcare premium to 0.87 per cent of total salaries, compared with the all agencies combined rate of 1.63 per cent.

Under the **employee assistance program** 81 consultations were provided to 34 staff and 4 family members. It also provides mediation and assistance to managers.

The ACCC has **equity and diversity** officers throughout the organisation who distribute information and offer support to staff, and the workplace diversity coordinator regularly publishes articles in the ACCC’s newsletter. The ACCC also has workplace harassment contact officers in each work location.

About 84 per cent of staff completed an **employee attitude survey**. Organisational health scores (commitment, satisfaction, culture, stressors) were, on average, positive. Managerial, supervisory and individual orientations were also positive indicating a positive work environment. Clientwise Pty Ltd, who were contracted to undertake the survey, noted that ‘the degree to which the obtained managerial orientation rates are positive is unusual and, as such, commendable’. No single area emerged as a major issue. Themes relating to training and development and performance feedback emerged as issues for further consideration.

## information and communications

The five-year contract with Telstra Enterprise Services (originally Advantra Pty Ltd) for **information technology and telecommunications services** expired on 30 June 2004. Following an open tender process, Exceed Systems Integration Pty Ltd were selected and contracted for three years from 1 July 2004. The key features of the new support arrangements are:

- > no clustering with other agencies
- > all IT infrastructure relocated and supported in-house
- > all IT assets now owned by the ACCC
- > permanent on-site technical staff located in Canberra and Melbourne.

The ACCC replaced its ageing remote access system with a secure VPN system employing internet technologies.

**Business applications** such as MARS and PRISM are being reviewed and redesigned to meet our evolving business needs.

The redeveloped **websites** (internet and intranet) were launched in December 2003. The **internet** has been designed to serve the needs of consumers, small and large business, students, related government and consumer agencies, and international visitors. Its design also addresses the rural communities' need for speed over telephone lines. The **intranet** improves knowledge sharing and capture, and integrates with several internal information systems. The self-authoring facility of the web enables ACCC staff to build and maintain information repositories specific to their work.

A new **records** disposal authority and function thesaurus was implemented as a result of successfully completing the National Archives of Australia's DIRKS process, ensuring conformity with National Archives legislation.

Following a review of **library services** in 2002 the library service is now more oriented towards electronic resources and providing research services. A wider range of services have been developed and are available to ACCC staff across Australia.

Eighty-one new publications for business, industry and consumers were produced during the year. The highlights of the **publishing program** included the release of the ACCC journal as a monthly electronic-only publication, new scam publications launched at the World Consumer Congress, an updated warranties and refunds booklet and bookmark, and a special poster to help retailers identify 2-price advertising. For more information, see appendix 3.

Twenty-four statutory and voluntary **public registers** are maintained, including for section 87B undertakings, authorisations, notifications, mergers and acquisitions, access to services, product safety conferences and telecommunications (competition notices, access undertakings and agreements, tariff information etc.). See appendix 2 for more information.

## legal services

**Legal services** for enforcement litigation are provided by a panel of legal firms: Australian Government Solicitor; Corrs Chambers Westgarth; Phillips Fox; Deacons; Slater and Gordon; and Norman Waterhouse. While the deeds under which they operate expire on 24 September 2004, the ACCC and all firms have agreed to extend the current arrangements until 31 December 2004. The ACCC also employs lawyers to provide advice and represent it in tribunals. The operations of the ACCC were not subject to any decisions or reports of any parliamentary committee, or the Auditor-General, or the Commonwealth Ombudsman.

The ACCC's use of legal services in undertaking its functions is quite significant relative to its operating budget. During the year the ACCC commissioned a **review** of the provision and management of legal services. The consultant's recommendations will be implemented and a position of Legal Services Manager was created and advertised.



# other governance activities

Under its **service charter** the ACCC continues to review and augment its systems to improve its service delivery. It is accessible to the public from anywhere in Australia through a 1300 telephone number and the internet. The ACCC received 11 compliments and four complaints from the public on its standards of service during the year.

Because public confidence in the ACCC and its employees' integrity is vital, every employee is asked to complete an annual **conflict of interest** self-assessment. As a general rule, gifts and hospitality are not accepted where they either compromise, or would be perceived to compromise, the integrity of the ACCC employee. If accepted they must be declared using an online register.

The ACCC online orientation program, various training events and policy and procedure documents remind employees of their conduct responsibilities set out by the **APS code of conduct**. During the year two formal misconduct investigations were completed; one was upheld and a sanction imposed, and one was not substantiated.

The **Commonwealth disability strategy** is about making sure that Commonwealth departments remove barriers that stop people with disabilities having access to policies, programs and services. Through its disability action plan the ACCC has identified that it has three core business roles of regulator, purchaser and employer and has formulated actions to address its responsibilities regarding people with disabilities in these roles. The ACCC's internet site complies with most priority one requirements of the WWW Consortium web accessibility initiatives.

**Nine offices are maintained:** one in each state and territory capital and Townsville. During the year the ACCC renewed leases for its Perth and Hobart offices. Public contact hours for regional offices are 9 am to 5 pm.

An **environmental awareness** campaign in line with sustainability was implemented: staff follow guidelines on recycling paper, reducing waste, minimising the use of electricity and using public transport where possible. Government **energy efficiency targets** for tenant light and power consumption were not met, despite a drop in total energy consumption of 2.2 per cent as compared with last year.

The ACCC let 63 **consultancy contracts** during 2003–04. The total actual expenditure on consultancy services during this period was \$4.048 million. The main skill categories for which consultants were engaged were economic and/or industry expertise. Full details of consultancy contracts with a value of \$10 000 or more are available on the ACCC website.

A total of \$181 025 was paid by the ACCC for **advertising and market research** during the 2003–04 financial year. A listing of payments to organisations in excess of \$1500 appears below.

		\$
Attorney-Generals Department	Gazette advertising	2 860
Australian Public Service Commission	Gazette subscription	4 321
HMA Blaze Pty Ltd	Employment and general advertising	169 426

# staffing

equal opportunity target groups as at 30 June 2004

	APS 1-2 per cent of total		APS 3-4 per cent of total		APS 5-6 per cent of total		EL 1-2 per cent of total		SES & POH per cent of total		total
non English speaking											
this year	4	0.8	11	2.2	22	4.4	24	4.8	3	0.6	64
last year	2	0.4	9	1.8	24	4.9	24	4.9	3	0.6	62
people with disabilities											
this year			2	0.4	2	0.4	2	0.4			6
last year			1	0.2	2	0.4	5	1.0			8
women											
this year	23	4.6	61	12.2	102	20.4	63	12.6	6	1.2	255
last year	23	4.7	65	13.3	105	21.4	56	11.4	5	1.0	254
Aboriginal and Torres Strait Islanders											
this year	1	0.2									1
last year	1	0.2									1
total staff											
this year	32	6.4	93	18.6	180	35.9	170	33.9	26	5.2	501
last year	31	6.3	89	18.2	185	37.8	162	33.1	23	4.7	490

total staff as at 30 June 2004

	Canberra	Sydney	Melbourne	Brisbane	Perth	Adelaide	Hobart	Townsville	Darwin	total this year	total last year
graduates total	5		4	1				1	1	12	11
female	1		4					1		6	6
male	4			1					1	6	5
APS1 total	5		1		1					7	5
female	2		1		1					4	3
male	3									3	2
APS2 total	1	5	3	2	1			1		13	15
female	1	5	3	2	1			1		13	14
male										0	1
APS3 total	12	2	5	1	1	1			1	23	24
female	11	2	4	1	1	1			1	21	22
male	1		1							2	2
APS4 total	45	4	10	4	3	1	2	1		70	65
female	27	4	3	2	3			1		40	43
male	18		7	2		1	2			30	22
APS5 total	25	10	23	7	5	4	1		1	76	86
female	14	3	16	6	5	3	1			48	55
male	11	7	7	1		1			1	28	31
APS6 total	38	10	28	10	6	6	3		3	104	99
female	22	7	10	6	3	3			3	54	50
male	16	3	18	4	3	3	3			50	49
EL1 total	40	13	30	5	6	2		1	1	98	92
female	17	6	9	3	2	1		1		39	36
male	23	7	21	2	4	1			1	59	56
EL2 total	36	9	22	1	1	1	1		1	72	70
female	16	3	5							24	20
male	20	6	17	1	1	1	1		1	48	50
SESB1 total	9	1	4	1						15	13
female	1	1	1							3	4
male	8		3	1						12	9
SESB2 total	3									3	3
female	1									1	
male	2									2	3
SESB3 Total	1									1	1
female										0	
male	1									1	1
APS total	220	54	130	32	24	15	7	4	8	494	484
female	113	31	56	20	16	8	1	4	4	253	253
male	107	23	74	12	8	7	6	0	4	241	231
non APS total	3	2	2							7	6
female	1	1								2	1
male	2	1	2							5	5
total staff	223	56	132	32	24	15	7	4	8	501	490
female	114	32	56	20	16	8	1	4	4	255	254
male	109	24	76	12	8	7	6	0	4	246	236

## temporary staff as at 30 June 2004

	Canberra	Sydney	Melbourne	Brisbane	Perth	Adelaide	Hobart	Townsville	Darwin	total this year	total last year
female	14	2	3	1	4					24	22
male	16	2	7						1	26	17
total this year	30	4	10	1	4				1	50	39
total last year	31	3	1	1	2			1		39	

## part-time staff as at 30 June 2004

	Canberra	Sydney	Melbourne	Brisbane	Perth	Adelaide	Hobart	Townsville	Darwin	total this year	total last year
female	17	7	6	2		3				35	32
male	5	2	2							9	4
total this year	22	9	8	2		3				44	36
total last year	16	8	5	4	1	2				36	

## senior executive staff as at 30 June 2004

	Canberra	Sydney	Melbourne	Brisbane	Perth	Adelaide	Hobart	Townsville	Darwin	total this year	total last year
band 1											
female	1	1	1							3	4
male	8		3	1						12	9
band 2											
female	1									1	
male	2									2	3
band 3											
female											
male	1									1	1
total this year	13	1	4	1						19	17
total last year	10	1	5	1						17	