Part 3
Corporate management and accountability

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From 1 July 2006 and throughout the reporting period, Austrade operated as a prescribed agency under the Financial Management and Accountability Act 1997 and as a statutory agency under the Public Service Act 1999, with an executive management structure headed by the Austrade Chief Executive Officer (CEO).

Throughout the financial year, Austrade maintained a relevant and robust governance structure led by the CEO that was supported through the Senior Executive, a range of Committees, corporate and operational planning structures, and risk management and internal control systems.

Best-practice principles, as set out in the Australian National Audit Office (ANAO) Better Practice Guide on Public Sector Governance, are fundamental elements of Austrade’s corporate governance framework. The Guide informed the design of Austrade’s executive management governance structure.
Chief Executive Officer

The CEO has overall responsibility for the management of Austrade and reports directly to the Minister for Trade. The functions and duties of the CEO are established through the Australian Trade Commission Act 1985 and through the annual Statement of Expectations issued by the Minister for Trade to the CEO, defining the Minister’s expectations of the CEO and Austrade for the financial year.

Mr Peter O’Byrne was the CEO for the duration of the reporting period. Mr O’Byrne was appointed Managing Director of Austrade in 2002 with responsibility under the former Board of Directors for the day-to-day management of Austrade. Mr O’Byrne became the CEO on 1 July 2006 through provisions of the Australian Trade Commission Legislation Amendment Act 2006 as part of Austrade’s move to an executive management structure.

On 4 May 2007 the Minister for Trade reappointed Mr O’Byrne as the CEO of Austrade, with effect from 1 June 2007.

Deputy Chief Executive Officer

The role of Deputy CEO has been created by the CEO to assist him to discharge his broad range of responsibilities in a manner that enables the CEO to focus appropriate time on key strategic and operational issues as required.

Mr Peter Yuile commenced his current appointment as the Deputy CEO and Executive Director, Government and Corporate Services, on 30 April 2007.

Mr Hamish McCormick was Deputy CEO and Executive Director, Government and Corporate Services, from 1 July 2006 until 22 March 2007.

Management Committees

The Executive Group

The Executive Group is chaired by the CEO and comprises all direct reports of the CEO. The Executive Group considers key management issues, Austrade’s strategic priorities and matters of corporate and operational policy.

The Executive Group is convened on a fortnightly basis via video and teleconferences throughout the reporting period and convened in person on three occasions through the year.

CEO Management Board

The CEO has created a Management Board that provides a forum for considering regular reporting of Austrade’s performance against budget and key performance indicators and the status of key projects. The Board also works with the CEO on cross-organisational policy, management and accountability
matters and provides a quality assurance forum for the CEO on decision-making.

During 2006–07 the Board was chaired by the CEO and comprised the Deputy CEO, Executive Director, Finance, Information & Planning (or the predecessor position of Chief Finance and Information Officer) and Executive Director Exporter Services. The Regional Director for North East Asia and the Executive Director Human Resources participate as observers in the meetings.

The Board convened monthly or fortnightly throughout the period.

Audit and Risk Committee

The CEO has convened an Audit and Risk Committee to consider Austrade’s governance arrangements and provide independent advice and assurance to the CEO on Austrade’s risk, fraud control and compliance framework, and its external accountability responsibilities.

The Committee comprises a blend of independent and two Austrade executive members. It is chaired by Mr David Morgan, an independent member with extensive business experience. Mr Morgan was a member of the Austrade Board of Directors (appointed 29 January 2001 through to 30 June 2006) and former Chair of the Board Audit Committee.

Mr David Lawler, President of the Institute of Internal Auditors Australia until May 2007, is the second independent member of the Committee, bringing specialist skills in financial reporting and audit, including experience on audit committees of other Commonwealth agencies operating under the Financial Management and Accountability Act 1997.

Through the reporting period, the Committee convened in person on seven occasions considering a range of regular and specialised reporting to cover its responsibilities set out in the Committee Charter and consistent with the ANAO’s Better Practice Guide on Public Sector Audit Committees. The Committee also considered a range of matters intersessionally.

Other Management Committees

Specialised and ad hoc meetings and committees inform the CEO and broader executive as well as support consultation and communication with staff.

Workplace Relations Committee

The Workplace Relations Committee is the chief consultative body for human resource management and conditions of service issues affecting Austrade Australian-based APL1–5 staff. The committee is chaired by the Executive Director Human Resources. Members include representatives of employees and Austrade management.

Business Advisory Group

The Business Advisory Group provides a strategic view of Austrade’s business requirements and leadership of organisation-wide transformation initiatives such as client and customer relationship management, ally management, planning and promotions and web-based servicing.

Security Advisory Group

The Security Advisory Group provides advice and guidance on the management of security issues within Austrade, including issues relating to security policy, planning and risk management. It also provides a formal mechanism for considering specific security issues emerging from and identified by overseas regions and other business units.

Other senior management meetings and mechanisms

Austrade’s governance arrangements ensure effective decision-making on, and communication of, corporate governance issues and organisational priorities across the organisation. Key methods of communicating with staff included messages to all staff from the CEO, Austrade’s intranet Austin, a weekly e-zine called Austrade Global News, the quarterly staff magazine New Horizons and ad hoc Corporate Messages to ensure that relevant information continues to be made available to all staff.

The senior management teams of each division/region held regular meetings during the year to discuss strategic and operational issues relevant to their division/region. In addition, a number of ‘Stay in Touch’ sessions were held in Austrade’s major Australian offices. These sessions provided an opportunity for senior managers to update staff on a wide range of corporate issues. Austrade staff visiting from overseas also conducted a number of ‘Stay in Touch’ sessions to update staff on developments and issues in overseas markets.
Internal control systems

Austrade recognises that no cost-effective internal control system can preclude all errors and irregularities. A key objective of Austrade's management approach is to promote systematic awareness among staff of the control environment and risk in undertaking activities.

The main features of Austrade's internal control framework are:

- policies and procedures (including Chief Executive Instructions)
- a management environment supported by an effective schedule of delegations
- an effective risk management framework, including fraud control, risk management plans and contingency plans
- Australian Public Service (APS) and Austrade Values and Codes of Conduct
- monitoring controls through effective planning at the corporate, operational and business unit level and ongoing budget management
- accountability mechanisms, including reporting and review controls and individual performance management arrangements.

Austrade's internal control framework underwent significant review in the lead-up to the reporting period as policies and procedures were amended to comply with Austrade's revised legislative framework. Austrade's transition to coverage under the Financial Management and Accountability Act 1997 and the Public Service Act 1999 from 1 July 2006 was supported by an active awareness-raising and training program. It included mandatory training for all staff on the financial framework and delegations, procurement and legal services, APS Values and Code of Conduct, and Austrade's corporate governance arrangements.

Risk management

Austrade is committed to minimising the exposure of its clients, stakeholders, employees and assets to risks arising from Austrade activities and services, through the application of effective risk management principles and practices.

Austrade's risk management policy is set out in the Chief Executive Instruction on Risk Management. Together with Austrade's Corporate Governance Framework, these reference materials outline staff responsibilities and organisational standards and provide a benchmark by which decisions in the handling of risk are tested. This overarching framework is supported at an operational level by a Risk Management Toolkit available to all staff through the Austrade intranet. The Toolkit sets out a step-by-step approach to undertaking risk assessments, developing and implementing appropriate risk treatments, specialised risk management assistance and training provided by the Business Effectiveness Group.

An online risk management awareness module was developed and rolled out during the reporting period to complement existing training and awareness-raising activities.

Austrade's organisation-wide risk management approach includes the development of an annual risk profile and an enterprise risk management plan. During 2006–07, the Audit and Risk Committee monitored closely the risk environment in which Austrade operated and received briefings on a case-by-case basis and in relation to specific risk incidents. Throughout the year specific risk mitigation activities reviewed by the Audit and Risk Committee included:

- strategies and activities to mitigate IT-related risks
- activities to manage security of Austrade's network of offices, including progress in implementing Austrade's program of security upgrades around the world
- infrastructure and planning to deliver consular services to Australians overseas
- Knowledge Management priorities and strategies aligned to the protection of Austrade's intellectual property and intellectual capital
- consideration of specific issues arising in relation to local labour laws in the countries in which Austrade operates
- the identification and management of fraud issues against the EMDG scheme
- Austrade's contribution to advising clients of their legal and ethical obligations
initiatives to enhance delivery of services to clients and customers and metrics to measure performance
> protecting Austrade’s pivotal trade development role and strategic position while continuing to utilise and expand engagement with external partners and service providers
> administration of EMDG as the government’s principal export finance assistance program
> continuity of efficient and effective business operations during a period of transition, including operation under revised enabling legislation and organisational changes.

Austrade’s initiatives in risk management combined with efforts in business continuity planning and insurance management have enabled Austrade to receive an improved score in the Comcover Risk Management Benchmarking Survey, contributing to a reduction in Insurance costs.

**Fraud risk and fraud control plan**

For the reporting period Austrade had in place a fraud risk assessment and fraud control plan compliant with the Commonwealth Fraud Control Guidelines 2002.

Austrade maintained, and continues to maintain, appropriate fraud prevention, detection, investigation and reporting procedures and processes. Consistent with the AS/NZ 4360:2004 Standard on Risk Management, Austrade’s Fraud Control Plan has adopted a principles-based ethics and integrity approach (drawn from the AS8001-2003 Standard on Fraud Corruption and Control) to underpin the detailed fraud control strategies of awareness, prevention, identification, reporting, prosecution and continuous improvement.

Annual fraud data has been collected and reported in compliance with the Commonwealth Fraud Control Guidelines.

As a reflection of Austrade’s revised enabling legislation and governance arrangements commencing on 1 July 2006, a fraud risk assessment was undertaken during the reporting period and a revised Fraud Control Plan was considered and endorsed by the Audit and Risk Committee with effect from 2007 to 2009.

**Internal audit**

Internal audit within Austrade is an independent, objective consulting activity designed to add value and improve Austrade’s operations. It helps Austrade accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

All significant activities of Austrade are considered to be within the ambit of the internal audit function. The activities of the internal auditor are defined by a three-year rolling Internal Audit and Assurance Strategy and Plan. The work of the internal audit function is coordinated with other internal assurance activities and mechanisms.

Consistent with the ANAO Better Practice Guide on Public Sector Audit Committees and the Institute of Internal Auditor’s Attribute Standard 1312, an external assessment was undertaken of the internal audit function by a qualified, independent reviewer during September 2006. This review was undertaken by the Institute of Internal Auditors Australia to inform and improve Austrade’s internal audit function. The review identified opportunities to improve the integration of internal audit into Austrade’s broader assurance framework and enhance annual reporting on audit trends. These recommendations were implemented during the reporting period.

Austrade’s internal audit function is provided under an outsourced arrangement by KPMG Australia. During the reporting period KPMG were reappointed as Austrade’s internal audit provider following a competitive tender selection process.
business effectiveness

Austrade’s Business Effectiveness Group aims to maximise the effectiveness of Austrade’s operations and contribute to accountable and effective governance through the delivery of high quality and timely policies, advice and support to Austrade business units in the areas of procurement and contract management, legal services, security, property, risk management, insurance, and contingency planning. Business Effectiveness also coordinates the delivery of consular services at a number of overseas locations.

Procurement and contract management

Purchasing, management and accountability

Austrade conducts all procurement in accordance with the Commonwealth Procurement Guidelines and Chief Executive Instructions. Austrade’s procurement practices aim to achieve value for money by encouraging competition, efficient, effective and ethical use of resources, transparency and accountability. Procurement practices are non-discriminatory.

Austrade’s tender documentation defines the tender conditions, requirements, assessment procedures and selection criteria for each procurement. In accordance with Commonwealth Procurement Guidelines, preferred tenderers are selected on the basis of value for money. In the majority of instances, value for money is assessed on a combined technical and price assessment, using a range of tools including price sensitivity analyses. The past performance of tenderers may also be considered and typically the final recommendation includes an overall assessment of the risks identified during the evaluation.

In 2006–07, most major procurements were publicly advertised on the AusTender website and where appropriate in major capital city newspapers.

Probity advice is sought, where considered necessary, and tenderers may request a written debrief on their bids. Austrade’s in-house legal services team and, where appropriate, external legal advisers, ensure that the contracts Austrade enters into are clear, enforceable and comply with all relevant legislative instruments.
In 2006-07 Austrade has implemented a number of procurement related business improvement initiatives to ensure Austrade’s procurement practices are efficient, effective and best achieve value for money. Particular initiatives in 2006–07 included:

- a focus on implementing and managing panel arrangements particularly those related to employment, marketing and Information Technology;
- design of a web based contracting and purchasing system to support the development and registration of contracts across Austrade’s geographically dispersed network;
- automating document templates for planning, evaluation, tendering and reporting tenders;
- making available staff with appropriate experience and skills to provide advice and to ensure compliance with the Commonwealth Procurement Guidelines.

**Senate Order for Departmental and Agency Contracts**

In accordance with the Senate Order for Departmental and Agency Contracts of 20 June 2001, details of all contracts and agreements administered by Austrade to the value of $100,000 or more were placed on the Austrade website at www.austrade.gov.au/Senate-indexed-file-list/default.aspx.

**Consultants**

During 2006–07, Austrade entered into 45 new consultancy contracts with a total actual expenditure of $2,015,990. In addition, four ongoing consultancy contracts were active during the 2006-07 year, involving a total actual expenditure of $613,637. Details of the new consultancy contracts worth $10,000 or more let during 2006–07 are provided on the Austrade website www.austrade.gov.au. Information on expenditure on contracts and consultancies is also available on the AusTender website www.tenders.gov.au.

All consultancies were procured in line with Commonwealth Procurement Guidelines. Of the 49 new and ongoing consultancy contracts, 23 were work orders under Austrade’s standing deeds of contract and 28 were openly tendered.

**Legal matters**

In 2006–07 Austrade legal services were conducted primarily through a panel of external legal service providers comprising Australian Government Solicitor, Mallesons Stephen Jaques, Minter Ellison and Sparke Helmore.

The nature of legal services utilised by Austrade included:

- litigation arising under the Administrative Appeals Tribunal Act 1975
- tendering and contracting
- information technology and intellectual property matters
- employment and workplace relations law, including disciplinary matters and worker’s compensation
- matters relating to contractual and common law actions and disputes
- simple debt recovery
- property matters

**Total legal services expenditure**

In 2006–07, Austrade’s total expenditure (including GST) on legal services was:

- External expenditure on solicitors $541,258
- External expenditure on counsel $34,813
- Total $576,071

Austrade’s Legal Officer Damien Jeffs (left), pictured with his supervisor David Tonkin Manager, Legal Services, was recently admitted to the ACT Supreme Court as a Lawyer
Briefs to Counsel—number and value by gender

In 2006–07, the number and value (including GST) of briefs to Counsel by gender was:

- Number of male counsel briefed: 2
  - Value of briefs to male counsel: $25,213
- Number of female counsel briefed: 1
  - Value of briefs to female counsel: $9,600

Judicial decisions

2006–07 outcomes in relation to judicial decisions, privacy and Freedom of information are summarised on page 76 and at Appendix C.

Protective security

Austrade continued to devote significant resources to monitoring, maintaining and enhancing the security of Austrade staff and assets including at the Australian overseas posts managed by Austrade.

In 2006–07 strong progress was achieved against the program of physical security upgrades at overseas posts. A number of Austrade’s overseas posts were relocated or underwent security upgrades. Other physical security measures introduced for overseas posts include the installation of a range of security scanning equipment, contamination units and the upgrade of satellite phones. Armoured vehicles were deployed in a small number of high risk consular posts to protect official visitors and staff engaged in official in-country travel.

The implementation of security measures is based on a rolling program of protective security risk reviews in addition to the Enterprise Security Risk Assessment which is reviewed annually.

A key feature in 2006–07 was the promotion of security awareness and vigilance among staff. A number of security awareness training courses were launched and delivered both online and through face-to-face sessions to around 50 per cent of Austrade staff. 238 staff completed an intensive Travel Safety Course and approximately 250 staff attended general security awareness courses. A number of Austrade staff and their partners posted in higher threat locations attended additional defensive driving training.

Consistent with the requirements of the Australian Government IT Manual, Austrade implemented Email Protective Marking in 2006–07 ensuring the classification and appropriate management of emails created, sent and received through the Austrade IT network.

The rollout of Email Protective Marking was supplemented by the delivery of an on-line information security training module which was completed by 659 staff.

During 2006–07 Austrade also maintained links with the Department of Foreign Affairs and Trade and other agencies through representation at the Inter Agency Overseas Security Forum (IAOSF).

Property

Austrade manages an overseas property portfolio of around 180 commercial and residential leased properties. The overseas leased estate comprises properties leased from both the Overseas Property Office in the Department of Foreign Affairs and Trade and from private landlords.

In 2006–07 a refresh of Austrade’s Strategic Property Portfolio Management Plan commenced as part of effective asset management planning. A key element of the Plan is the development of new Commercial and Residential Accommodation Guidelines to support the selection, occupation, design and management of new or existing offices and residences. In particular, the guidelines will contribute to ensuring that properties consistently meet operational needs, satisfy security and safety requirements and support the welfare of staff. The Plan will also provide outcomes to manage Austrade’s property portfolio in accordance with best practice guidelines and identify opportunities for maximising efficiencies and cost effectiveness.

During 2006–07, Austrade managed the relocation of five overseas posts as well as the relocation of its Australian state office based in Brisbane.
Contingency planning

Austrade continued to strengthened its integrated Business Continuity Planning (BCP) framework. Business continuity plans continued to be reviewed, updated and tested at overseas posts to improve consistency and quality.

As an ongoing quality assurance initiative, the effectiveness of the BCP framework was tested through a program of scenario-testing and awareness-raising with staff. As worldwide concerns surrounding the possibility of an avian influenza pandemic remain, Austrade has developed specific avian influenza contingency plans for all high-risk posts as well as a response plan for Austrade’s Australian operations. All plans have been developed as part of a whole-of-government approach and continue to be updated as new information becomes available.

Cathy Fredericksen, Insurance Administrator, Business Effectiveness

During 2006-07, one of Cathy’s key functions within Business Effectiveness was to administer Austrade’s insurance arrangements and to assist Austrade staff by relieving employees of this administrative burden in emergency situations.

Cathy is appreciated across the Austrade network for the speedy and professional support she provides to Austrade staff needing access to emergency medical assistance.
Enabling legislation

Austrade operates as a statutory agency within the Foreign Affairs and Trade portfolio. The Minister for Trade has direct responsibility for Austrade.

The enabling legislation under which Austrade operated in 2006–07 included:

- **Australian Trade Commission Act 1985**—this Act defines the functions, duties and powers of the Chief Executive Officer (CEO) of Austrade and the Commission
- **Export Market Development Grants Act 1997**—this Act establishes the EMDG scheme, the Government’s principal export finance assistance program, which is administered by Austrade
- **Financial Management and Accountability Act 1997**—this Act establishes the framework for the proper management of public money and public property, in which Austrade operates as a prescribed agency
- **Public Service Act 1999**—this Act governs the establishment and operation of, and employment in, the Australian Public Service, under which Austrade is a statutory agency.

The **Australian Trade Commission Legislation Amendment Act 2006** came into effect on 1 July 2006 to amend the **Australian Trade Commission Act 1985** and the **Export Market Development Grants Act 1997**. These amendments implemented the Government’s response to the Review of the Corporate Governance of Statutory Authorities and Office Holders (the Uhrig Review), transitioning Austrade to operation under the Financial Management and Accountability Acts and establishing an executive management structure. These amendments did not alter the functions or duties of Austrade.

Austrade’s Minister

The responsible Minister for the reporting period was the Minister for Trade. For the period 1 July 2006 to 28 September 2006 this was the Hon Mark Vaile MP, Deputy Prime Minister and Minister for Trade. From 29 October 2006 up to and including the time of this report’s production, the Hon Warren Truss MP was the responsible Minister.

In addition to the responsible minister, Austrade takes account of Parliament, other ministers, central agencies such as the Department of Finance and Administration, external review bodies such as the Australian National Audit Office (ANAO), international treaties, clients, the public and its employees. Austrade also liaises closely with the Department of Foreign Affairs and Trade (DFAT) and the Export Finance and Insurance Corporation (EFIC) within the Foreign Affairs and Trade portfolio and with the Department of Industry, Tourism and Resources (DITR).

Ministerial directions and determinations

Under section 10 of the **Australian Trade Commission Act 1985**, the responsible Minister may give to the CEO, in writing, directions with respect to the performance of his or her functions and the exercise of powers.

No Ministerial directions under section 10 of the Act were issued in 2006–07.

Austrade’s transition to operation under the **Financial Management and Accountability Act 1997** from 1 July 2006 meant that for the reporting period, all general policies of government applied to Austrade’s operation. Prior to the reporting period, as a statutory authority under the **Commonwealth Authorities and Companies Act 1997**, Austrade was subject to general policies of government only where the responsible Minister issued a relevant direction or determination requiring Austrade to comply.

Compliance with general policies of government is reviewed on a regular basis.
External scrutiny

Independent audits
Austrade was not the subject of any reports tabled by the Auditor-General in Parliament during 2006–07.
Austrade management considers reports tabled by the Auditor-General in Parliament to assess the findings for relevance to Austrade’s operations. This process is supported by regularised reporting to the Audit and Risk Committee of action required to improve Austrade’s management controls and framework as informed by the findings of these reports.

Judicial decisions and reviews by outside bodies
There were no parliamentary inquiries into matters directly affecting Austrade or any judicial decisions.
Details of appeals to the Administrative Appeals Tribunal (AAT) under the EMDG Act are shown in Table 12. No decisions of the AAT involving EMDG appeals were referred to the Federal Court on appeal during 2006–07.
Any grant amounts payable as a result of a successful appeal are payable from the administered account and not from Austrade’s departmental budget.

Table 12: Appeals to the Administrative Appeals Tribunal under the EMDG Act

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of appeals in progress at 1 July 2006</td>
<td>5</td>
</tr>
<tr>
<td>Number of appeals received 1 July 2006 to 30 June 2007</td>
<td>12</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>17</td>
</tr>
<tr>
<td>Appeals finalised or settled prior to hearing</td>
<td>6</td>
</tr>
<tr>
<td>Decision handed down by AAT</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>10</td>
</tr>
<tr>
<td>Number of appeals in progress at 30 June 2007</td>
<td>7</td>
</tr>
</tbody>
</table>

Privacy
No complaints under the Privacy Act 1988 were received by Austrade during the 2006–07 financial year.
Training on the Commonwealth Privacy Principles and Austrade’s own privacy policies is provided as part of regular corporate training, including induction training and training for staff before they go on posting overseas.

Freedom of information
Austrade is required to comply with the Freedom of Information Act 1982 (FOI Act). Austrade received three requests under the FOI Act during 2006–07 and has met its obligations under the Act. For more detailed information see Appendix C.

Ecologically sustainable development
Austrade supports the Australian Government environmental purchasing policy administered by the Department of Environment and Water Resources (DEWR). This policy is included in Austrade’s Procurement Guidelines and as part of the procurement planning process.
Austrade has developed its own environmental management system and has already developed and implemented, in the Canberra office, many of the action plans suggested by the Greenhouse Challenge Plus program. Examples include recycling of materials and automatic shutdown of lighting.
Austrade also monitors its day-to-day activities on the environment and implements, where necessary, specific projects aimed at improving environmental performance.
management of human resources

Austrade’s human resources (HR) mission is to support the agency’s workforce to develop the capacity, capability, motivation and flexibility to deliver its business goals.

There is a dedicated human resources manager for each of the Austrade global regions and one to service the Exporter Services and Export Market Development Grants Divisions within Australia.

Centralised HR teams provide core HR services.

Highlights

In 2006–07 Austrade:
- selected 14 SES and 14 APL 1-5 employees for placement in key offshore roles
- moved all Senior Executive Service (SES) employees onto Australian Workplace Agreements
- implemented the Austrade Employee Collective Agreement 2006–2009, including inauguration of a new Workplace Relations Committee (WRC)
- delivered programs and conferences, such as the Export Adviser and EMDG conferences, focused on developing core export facilitation and development capabilities
- implemented organisational alignment support for major corporate change initiatives, such as Journey to Export and International Business, Working with Customers, Web Channel and other key business projects
- designed a new salary progression framework for overseas engaged employees
- provided training relating to the new Austrade corporate governance arrangements, in the areas of legal and procurement, delegations and the Australian Public Service (APS) Values & Code of Conduct.

Staffing overview

At the end of 2006–07, Austrade employed 1037 staff, 80 per cent of whom were employed in Austrade’s overseas regions and client-focused operations in Australia. Staff turnover continued to be relatively low, with a 13.4 per cent separation rate, compared with 14.7 per cent in 2005–06. For more detailed information, see Appendix D.

Workplace agreements

On 1 July 2006 Austrade Senior Management Group employees became SES employees, with the move of Austrade employment to coverage under the Public Service Act 1999. As a result of the transition to employment under the Act, and to comply with government policy on agreement-making with SES employees, all SES employees entered into individual Australian Workplace Agreements (AWAs) with Austrade between July and December 2006.

Austrade employees at Austrade Performance Levels (APL) 1–5 are covered by the Austrade Employee Collective Agreement (ECA) 2006–2009, which came into force on 3 July 2006.

Austrade provides a wide range of non-salary benefits under the ECA and AWAs. They include access to performance-based bonuses and a wide range of conditions that promote flexible working, such as part-time work, home-based work, half-pay maternity leave, relocation assistance and allowances for Australia-based employees posted offshore.
Employee consultation under the Austrade ECA

The Austrade ECA 2006–2009 provides the terms of reference and role for the Workplace Relations Committee. The WRC is the forum for consultation between Austrade management and APL1–5 employees on matters that affect the Austrade workplace. The WRC also promotes active employee participation in Austrade’s ongoing change management and workplace productivity improvement program.

The WRC considers matters such as:
- Australia-based employment policies and practices
- accommodation and employee facilities
- systems and procedures
- proposed technological changes
- staff development and training
- occupational health and safety.

Nominations for employee representatives were called for after the new ECA came into force in July 2006. The new WRC met formally twice during the year. Employee representatives also held informal consultations with HR throughout the year, relaying individuals’ workplace concerns and discussing employment and occupational health and safety matters.

CEO forum

The inaugural CEO Forum was conducted in February 2007. The CEO invited 16 SES staff to work with the executive on defining Austrade’s forward strategy. The participants are currently working on new and enhanced service offerings and the development of key organisational capabilities.

Workforce and talent management

Austrade’s workforce planning strategies aim to ensure the identification of emerging issues and challenges in recruitment, retention and succession. A growing focus on proactive recruitment strategies included the use of bulk round selection processes for key offshore positions. In 2006–07, 14 Senior Trade Commissioner positions were filled through two bulk recruitment processes.

Work continued on the extensive upgrade to the AURION human resources management information system. The enhanced system will provide improved data on workforce statistics, helping Austrade plan for future workforce needs.

Work continued on the Austrade-wide career management project. This year also saw the start of a talent management project that focuses on talent profiling for critical roles within Austrade.

Performance management

Austrade’s performance management system, Partnering2Perform, continued to develop and gained increased usage in 2006–07 following global implementation in 2005–06.

Partnering2Perform emphasises performance through behaviours as well as outcomes, and promotes transparency in the performance agreement process by encouraging collaboration between the manager and employee. It represents a best-practice approach to performance management through the assessment of individual capability, targeted development planning and consistent setting of performance targets. It can be customised to each individual job role.

A number of significant enhancements were made to the online P2P system, including the development of performance plan templates to help streamline the performance agreement process and reduce the administrative burden on managers and staff in completing their agreements. Customised training, workshops and support were provided to individual employees, managers and teams to assist in the integration of the online system with face-to-face processes.

Research conducted towards the end of the 2006–07 cycle will help update capability profiles and will assist in further customising processes, support and communications to each region and division, in preparation for 2007–08.
Performance bonuses paid in 2006–07 (see table 13) reflect the 2005–06 performance review. Performance pay outcomes for 2006–07 performance review cycle are not available at the time of annual report publication. Performance bonuses are paid in September following the end of the performance review and key performance indicator (KPI) verification cycle on 30 June.

All employees engaged for longer than twelve months were eligible for bonus payments in 2006–07 for exceptional performance.

Depending on performance outcomes, overseas-engaged employees could receive a bonus payment of between 2 and 12 per cent of their base annual salary. Up to 10 per cent of Australia-based employees (APL1–5) are eligible to receive a bonus payment of up to 5 per cent of their base annual salary. The Senior Management Group (APL 6–8) may receive a bonus of up to 20 per cent of their base annual salary for achieving bonus plan outcomes.

A total of 574 employees received bonus payments in 2006–07 for the 2005–06 performance round, with the averages for each staff classification ranging from $446 to $12,869.

Austrade continues to recognise exceptional contributions by individuals and teams through the presentation of Global Austrader Awards. In 2006–07, three teams and seven individuals received Achievement Awards.

They were Tony George, Rohit Manchanda, Ong Boh Lee, Chris Wood, Terry Hall, Karen Samson, Fiona Milner, the Queensland EMDG Team, the Uhrig Transition Team and the Regional HR Managers.

In 2006–07, Austrade employees completed 5300 courses, 70 per cent of which were delivered online across the globe.

Other training and development highlights for the year included:

- a major training initiative for 180 export advisers focused on developing core export facilitation capabilities
- 60 EMDG staff attended a training conference that focused on consistency of service for clients

### Table 13: Performance based pay by level: 2005–06 performance cycle

<table>
<thead>
<tr>
<th>Austrade Designation</th>
<th>Number</th>
<th>Aggregated Amount ($’000)</th>
<th>Average Amount ($)</th>
<th>Range of Payments ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL1</td>
<td>1</td>
<td>1163</td>
<td>1163</td>
<td>1163</td>
</tr>
<tr>
<td>APL2</td>
<td>11</td>
<td>34</td>
<td>3074</td>
<td>2646–3453</td>
</tr>
<tr>
<td>APL3</td>
<td>22</td>
<td>81</td>
<td>3670</td>
<td>2277–3884</td>
</tr>
<tr>
<td>APL4</td>
<td>15</td>
<td>69</td>
<td>4595</td>
<td>4197–4896</td>
</tr>
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> 10 induction programs for new starters to Austrade conducted within the regions, as well as 4 corporate induction programs held in Australia with a combined total of 137 staff attending
> 21 people from 15 countries completed the in-house six-month leadership and management program (Achieving Austrade’s Priorities)
> ‘Working with Customers’/Customer Relationship Management (CRM) training delivered to 180 marketing staff from regions
> over 600 staff globally received training on Austrade’s new online collaborative workspace, ‘Connect’.

Austrade Alumni

The Austrade Alumni is a strong network of over 320 former employees. During the year Austrade Alumni assisted in various ways, including short-term operational roles and the development of exporter coaching tools.

Occupational health and safety (OH&S)

Austrade employees worldwide had online access to the significant occupational health and safety advice and policy support services available on Austrade’s intranet site ‘Austin’. The Senior Adviser OH&S and Employee Relations visited a number of workplaces in Australia and overseas to raise awareness of, and provide advice on, health and safety issues. In addition, designated health and safety representatives continue to operate throughout the Austrade network, both overseas and in Australia.

In 2006–07, OH&S initiatives included:
> review and updating of Austrade’s OH&S Policy
> roll-out of the Managers’ Help Line, extending Austrade’s current Employee Assistance Program to include confidential support for managers dealing with stressful and complex decisions and situations
> screening of all new staff for any special OH&S requirements, under Austrade’s early intervention scheme
> OH&S education—induction and pre-posting courses focusing on employer and employee OH&S obligations

Julie Myers, HR Manager, Americas region

Julie Myers supports the employees of the United States, Canada, Brazil, Mexico, Argentina, Chile, Colombia and Peru.

This year Julie co-facilitated the Achieving Austrade Priorities (AAP) leadership program. The program involved two weeks of intensive training, culminating in an international project of benefit to Austrade, its allies and clients.

Within her region, Julie introduced a team management model to all employees. The development tool was chosen to enhance the team matrix philosophy throughout the Americas and has become well integrated within the working environment. Recruitment and retention continue to be high priority for Julie. She has focused on sourcing a high calibre of talent and maintaining a positive, motivated and high-energy culture. Julie also provides a valuable regional perspective to the global HR Talent Management project. She plays a key role in the review of Austrade recruitment, development and career progression.

> advice on workplace health and safety topics such as workstation set-up and preventing deep vein thrombosis
> development of an online interactive OH&S module for rollout in 2007–08
> voluntary health checks and influenza vaccinations for all Australia-based staff
> voluntary Q fever vaccinations for Austrade staff working in regional areas of Australia.

In 2006–07, no direction or notice under sections 29, 45, 46 or 47 of the Occupational Health and Safety (Commonwealth Employment) Act 1991 was given to Austrade. There was no notice under section 68 of the Act, which requires reporting a death or serious injury.
Safety, Rehabilitation and Compensation Commission (SRCC)

Austrade was a finalist for the 2006 Leadership Award for injury prevention and management, and received a Highly Commended Award.

The SRCC introduced the Safety Awards in 2001. They are open to private and public sector employers under federal jurisdiction.

Key elements in Austrade’s Injury Prevention and Management Strategy include mechanisms for accountability and processes for early intervention. The Austrade inclusive injury management process involves supervisors, managers, case managers, the Employee Assistance Program and other external providers.

Austrade’s injury prevention and management strategy has reduced time lost due to workplace injuries by 74 per cent since its introduction in July 2005.

Early intervention and the possibility of rehabilitation support for all absences over five days, whether or not due to work-related injury, have been important to the success of the strategy.

Workplace diversity

To support and promote workplace diversity, Austrade continued to provide:

- the Employee Assistance Program, which provides confidential and professional counselling services
- emergency child care and other family support services through the Family Care Link Program

At the 2006 Leadership Award for injury prevention and management. (left to right): Barbara Bennett, Safety, Rehabilitation and Compensation Commission Chief Executive Officer; the Hon Kevin Andrews MP, former Minister for Employment and Workplace Relations; Karen Byrne, Manager Austrade People Services; John Myers, Senior Adviser, OH&S and Employee Relations
an assistance program for partners of overseas employees, including support to help them find employment while they are overseas

> a professional relocation service for families relocating within Australia or returning to Australia from overseas

> recognition of cultural and religious days, to help employees balance their work, cultural and religious commitments.


Disability Action Plan

In line with the requirements of the Disability Discrimination Act 1992, Austrade aims to give people with disabilities access to Austrade’s facilities, programs and services.

The Austrade Client Service Charter helps to ensure that the needs of people with disabilities are met, for example, by making public information about Austrade available in accessible formats, and by providing ways for people to offer feedback and raise their concerns.

Available in hard copy and through Austrade’s website, the Client Service Charter provides an overview of the services and service standards provided by the organisation. It provides clients with information about their rights and responsibilities, how to have decisions reviewed, contact details, and how to find out more about the organisation.

As part of the organisation’s focus on user-friendly, online communication, all employment opportunities open to external candidates are advertised on Austrade’s website at the same time they are advertised in other media. When necessary, employment policies are reviewed, updated or amended, according to legislative changes and obligations.

Austrade has an internal review process that staff can use if they are not satisfied with how employment decisions are made.

Values and Code of Conduct

From 1 July 2006, under new corporate governance arrangements, Austrade Australia-based employees became subject to the APS Values and Code of Conduct.

Training was provided during the year on the requirement under the Public Service Act 1999 for APS employees to uphold the APS Values and comply with the APS Code of Conduct. Both online and face-to-face induction and development programs were made available to staff.

SES employees were provided with specific advice on the management of conflicts of interest and required to lodge declaration of interest forms with the Office of the CEO.

The Austrade separation of employment policy was enhanced to require departing employees to sign an acknowledgement that they will declare any potential conflict of interest that could arise during the notice period and also abide by the post-employment confidentiality provisions of the Australian Trade Commission Act 1985.
finance information and planning

Finance

Austrade’s Finance Group delivers timely and reliable accounting, financial management, performance measurement, office services and business advice to Austrade’s operational and support functions. Financial and business professionals are embedded in operational and corporate areas of the agency.

Consolidating governance and process changes following transition to a Financial Management and Accountability Act 1997 agency on 1 July 2006 was a focus for the year. Consolidation activities included ongoing staff training, enhancements in compliance monitoring and a mid year review of the effectiveness of the Chief Executive Instructions and Delegations. Austrade continued to provide a strong control environment incorporating improvement identified during the year with minimal impact on the effectiveness of operating areas.

Other achievements included:

- enhanced administrative processes to reduce the burden on front line staff following a detailed review of administrative activities and implementation of improvement ideas
- refined management systems to more easily capture and report on Austrade’s key performance indicators (KPIs)
- developed additional reporting capability to ensure continuity in meeting financial and performance information needs of the business
- greater alignment of compliance and management review activities to identify risks across the business, thus enhancing Austrade’s control environment
- linked work-flow web-based forms for payment processing and refined credit card and travel processes to improve their use and speed of processing
- enabler services costed to improve efficiency
- unqualified annual financial statements for the 2005–06 year
- completed a review of cost-recovery arrangements consistent with the Australian Governments Cost Recovery Guidelines, resulting in refinements to existing practices.

Information Technology

Austrade’s Information Technology Group delivers information technology and communications services to Austrade’s dispersed international network, and to a range of ally agencies. This includes the provision of hardware, software and communications network links to staff around the world, including virtual offices and remote staff.

The ability to access Austrade’s network remotely and to leverage the network for client and customer communications are key to Austrade’s business processes and delivery of effective services. To support these requirements, the group focused on delivering a stable, reliable and secure network, and on implementing a range of improvements to enhance access by Austrade staff and allies to the information they require wherever they may be located.

Key achievements included:

- implemented an enhanced network performance monitoring system to further improve network stability and reliability
- added managed wide area network (WAN) communications links and bandwidth, through addition of sites and enhancement to existing links
> completed a cyclical desktop refresh, providing new
desktop and printer equipment to offices
worldwide
> implemented a range of improvements to
Austrade’s video-conferencing facilities, including
extending services to more sites and introducing
multi-party video/voice conferencing capabilities
across the network
> commenced voice over IP (VoIP) roll-out
in selected sites
> continued technology enablement of Austrade’s
global collaboration portal
> conducted initial trials of a customer-side global
relationship management system
> provided services to staff from a number of
agencies co-located government agencies.

Knowledge and Information Management

Austrade’s Knowledge & Information Management Group (K&IM) worked closely with the regions and onshore business units to facilitate collaboration and the sharing of opportunities and knowledge to better service client needs.

Through initiatives such as project Connect, K&IM provided Austrade staff with tailored portal environments, collaborative workspaces and centralised document repositories, supported by cultural initiatives that encourage collaborative work practices.

Connect enabled staff to become more closely connected to each other within structured teams and across virtual networks, irrespective of geographic location.

This way of working also resulted in the creation and leveraging of valuable information resources that can be easily and efficiently accessed and re-used across the global network, concurrently with improvements to records management compliance.

Ultimately these enhancements to Austrade’s knowledge and information management capabilities will offer further opportunities for more efficient, cost-effective and consistent service delivery to clients.

Bill Notley, Manager IT, Americas region

Bill Notley has been integrally involved in many of the office moves throughout the Americas. This has involved moving the existing supporting technology platforms and the introduction of new technologies, such as Voice over IP (VoIP), in posts to deliver better services at lower on-going costs while at the same time providing better opportunities for enhanced collaboration between Austrade employees.

A number of these moves have been quite difficult in co-ordinating suppliers due to the restraints imposed by time and geography. Bill has worked extraordinarily hard to make sure any such problems have been insulated from his customers and that their services are installed and operating correctly when they move into a new facility. In addition, Bill has worked tirelessly in providing IT support to posts and the stand-alone District Managers throughout the region across multiple time zones.

Analysis and Planning

The Analysis and Planning Group is responsible for ensuring that Austrade’s strategy, operations and delivery are consistent with Australian Government policies and directions, emerging opportunities in export and international business from global economic trends and the Australian industry environment.

In 2006–07, Analysis and Planning supported the CEO and executive team by informing corporate direction-setting and operational matters, including the development and interpretation of KPI policy, KPI target-setting and performance analysis.

Analysis and Planning managed the development of both the three-year rolling corporate plan, which sets out the key strategies that Austrade will pursue to
achieve the outcomes required by the Government, and the annual operational plan which outlines the plans of each of Austrade’s operating and enabling divisions in contributing to the achievement of Austrade’s overall objectives.

The group coordinated the three executive conferences held in 2006–07 and worked closely with Austrade’s onshore and offshore divisions in the development and communication of whole-of-Austrade planning and key organisational initiatives. Analysis and Planning also managed various programs to enhance business processes and practices including the roll-out of Austrade’s customer engagement processes and handbook *Working with Customers* and a qualitative research project titled *Journey to Export and International Business*.

Analysis and Planning is the sponsor and co-ordinator of the Business Advisory Group (BAG), a sub-committee of Austrade’s executive and an integral part of Austrade’s governance practices. The BAG provides a strategic view of the agency’s business requirements and leadership of organisation-wide transformation initiatives. The BAG currently has responsibility for overseeing the delivery of Austrade’s business transformation initiatives around client and customer relationship management, collaboration, planning and promotions, records management and web-based servicing.

**Susan Kahwati—Senior Business Analyst, Analysis and Planning**

Susan began her professional career as a pharmacist before changing direction to international trade. Since joining Austrade, Susan has worked in the Tokyo, Dubai and Athens posts, as well as several client services and industry units. Susan launched the Women in Export Program in 1996 which remains active today. Since joining Austrade’s Analysis & Planning group, Susan has coordinated a number of business improvement projects, including *Working with Customers* and the *Journey to Export and International Business*.

**Journey to Export and International Business**

During 2006-07, Austrade undertook a qualitative research project titled *Journey to Export and International Business* (JTE&IB) to examine the types of services that different segments of the business community would most value from a trade development organisation such as Austrade. This research extended earlier Austrade work summarised in the publication *Knowing and Growing the Exporter Community*, undertaken to develop services for new exporters.

JTE&IB involved focus groups and interviews conducted with 80 small, medium and large companies comprising existing and former clients, as well as businesses that have never used Austrade services. The project was undertaken by a team of Austraders with the assistance of Dr Peter Wilton, an Australian academic who specialises in strategic marketing and delivering client value.

The JTE&IB research provides a snapshot of the evolving needs of exporters at all stages and experience within the international business cycle and seeks to understand the needs of different segments of the Australian exporter community. From the results of this research, Austrade identified a need to enhance its model of client segmentation and consider how the application of Austrade’s service offering can be improved for each segment.