Part 4
Management and Accountability

Goal 5: Increasing our effectiveness as an organisation through a commitment to our people, planning and systems

2013–14 Strategies

- Build organisational capability and knowledge sharing through well trained and supported people.
- Promote a safe, healthy and respectful work environment for our people.
- Streamline our management of projects to maximise the use of people, skills and experience.
- Transform our specialist legal and economic services to increase the effectiveness of our operations.
- Transform our corporate support services and systems to increase the effectiveness of our operations.

Corporate governance

This chapter reports on the ACCC and AER's governance, financial results, people, information management and other administrative activities. The AER's staff, resources and facilities are provided by the ACCC.

The ACCC's corporate governance framework equips the organisation to achieve its strategic goals while complying with policies and legislation, maintaining performance standards and making the most cost-effective use of resources.

Senior leadership

The ACCC's senior leadership comprises members of the Commission (appointed by the Governor-General) and Senior Executive Service (SES) employees.

Senior leadership of the AER comprises the AER Board and SES employees of the ACCC.

Details of the leadership structure are in figure 2.1 on page 17.

Australian Competition and Consumer Commission

The ACCC has a chair, two deputy chairs, four full-time members and four associate members. Their names and appointment terms are shown in table 4.1. The appointment of the fourth full-time member was finalised in June 2014.

Table 4.1: Terms of appointment—current ACCC members at 30 June 2014

Position	Name	Appointed until
Chairman	Rod Sims	31 July 2016
Deputy chairs	Delia Rickard	3 June 2017
	Michael Schaper	29 May 2018
Members	Cristina Cifuentes	29 May 2018
	Sarah Court	30 April 2018
	Jill Walker	11 August 2014
	Roger Featherston	12 June 2019
Associate members	Mark Berry	30 November 2013
	Christopher Chapman	13 October 2015
	James Cox	8 September 2014
	Andrew Reeves	18 July 2014

Chairman

Mr Rod Sims

Rod Sims was appointed Chairman of the Australian Competition and Consumer Commission in August 2011 for a five-year term.

Rod has extensive business and public sector experience. Prior to his appointment to the ACCC, he was the chairman of the Independent Pricing and Regulatory Tribunal of New South Wales, a commissioner on the National Competition Council, Chairman of InfraCo Asia, a director of Ingeus Limited, and a member of the Research and Policy Council of the Committee for Economic Development of Australia. He was also a director of Port Jackson Partners Limited where he advised the CEOs and boards of some of Australia's top 50 companies on commercial corporate strategy over many years. Rod relinquished all of these roles on becoming chair of the ACCC.

Rod is also a past chairman of the NSW Rail Infrastructure Corporation and the State Rail Authority and was a director of a number of private sector companies. During the late 1980s and early 1990s, Rod was the Deputy Secretary of the Commonwealth Department of Prime Minister and Cabinet and responsible for the economic, infrastructure and social policy and the Cabinet Office. He was also a Deputy Secretary of the Department of Transport and Communications.

Rod Sims holds a first class honours degree in Commerce from the University of Melbourne and a Master of Economics from the Australian National University.

Deputy chairs

Ms Delia Rickard

Delia Rickard was appointed to the position of Deputy Chair of the ACCC in June 2012 for five years.

Delia brings extensive public service experience in consumer protection. Prior to her appointment to the ACCC, she was the Senior Executive Leader for Consumers, Advisers and Retail Investors at the Australian Securities and Investments Commission (ASIC). She was also ASIC's ACT Regional Commissioner. Delia led much of ASIC's consumer protection work in financial literacy and education, vulnerable and disadvantaged consumers, dispute resolution schemes, stakeholder relations and industry self-regulation. She was responsible for developing the National Financial Literacy Strategy and led ASIC's implementation of the government's Super Choice policy. Delia was also the founding chair of ASIC's Corporate Social Responsibility Program.

Delia is a former head of the ACCC's Consumer Protection Branch and was a member of the Secretariat to the Wallis Inquiry into the regulation of Australia's financial system. She was also a member of the Australian Payments System Board for a number of years and a member of the steering committee for all four ANZ National Financial Literacy Surveys.

She is a trustee of the Jan Pentland Foundation—an organisation dedicated to supporting the financial counselling sector, and a judge for the annual MoneySmart Week awards.

In the January 2011 Australia Day Awards, Delia was awarded the Public Service Medal for her contribution to consumer protection and financial services.

Delia is a member of the ACCC's Enforcement, Communications and Adjudication Committees.

Delia holds a Bachelor of Arts and a Bachelor of Law from the University of New South Wales.

Dr Michael Schaper

Michael Schaper was appointed to the ACCC as Deputy Chair with knowledge of and experience in small business in July 2008 for five years, and reappointed in May 2013 for a second five-year term.

Michael brings extensive experience in small business through his previous roles as ACT Small Business Commissioner, Dean of Murdoch University Business School and head of the School of Business at Bond University.

A previous president of the Small Enterprise Association of Australia and New Zealand, he has been a member of the board of the International Council for Small Business and has held the foundation professorial chair in Entrepreneurship and Small Business at the University of Newcastle. Prior to this, he was employed as a senior lecturer at Curtin University and was responsible for the university's entrepreneurship degree programs.

Between 2001 and 2003, Michael held several posts as visiting professor at the Ecole de Management Lyon, France, and the University of St Gallen in Switzerland.

In addition to his extensive academic career, Michael has worked as a professional small business adviser and has owned a number of new business start-ups.

In 2009, he received the National Small Business Champion Award from the Council of Small Business Organisations of Australia.

The author or co-author of 10 business management books, he has been a regular columnist in a number of national magazines, newspapers and journals on business issues. He has also worked as a policy adviser for both state and Australian governments.

Michael is a member of the ACCC's Enforcement, Adjudication, and Infrastructure Committees.

He holds a PhD and a Master of Commerce from Curtin University, as well as a Bachelor of Arts from the University of Western Australia.

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Ms Cristina Cifuentes

Cristina Cifuentes was appointed an ACCC Commissioner in May 2013 for five years. From May 2013, she also became the acting Commonwealth full-time member of the Australian Energy Regulator.

Cristina has a breadth of experience in both the public and private sectors across public policy, finance and utility regulation, including positions at the Reserve Bank of Australia and the NSW Treasury. She served as the state part-time member of the AER between 2010 and 2013. Cristina was a member of the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) between 1997 and 2006.

Cristina chairs the ACCC's Communications Committee and Infrastructure Committee.

Before becoming an ACCC commissioner, Cristina held a number of directorships, including with the Hunter Water Corporation and First State Super Trustee Corporation.

Cristina holds a first class honours degree in Law from University of Technology, Sydney and a degree in Economics from Sydney University.

Ms Sarah Court

Sarah Court was appointed an ACCC Commissioner in April 2008 for five years, and reappointed in May 2013 for a second five-year term.

She is a former Senior Executive Lawyer and Director with the Australian Government Solicitor. She brings to her role extensive experience in Commonwealth legal work, including restrictive trade practices, consumer protection and law enforcement litigation.

Ms Court oversees the ACCC's enforcement and litigation activities and she is chair of the Commission's Enforcement Committee. She takes an active role in the Commission's enforcement and compliance work, and engages closely with investigating teams and lawyers on Commission policies and enforcement investigations. Ms Court also sits on the Commission's Merger Review Committee, the Adjudication Committee and the Infrastructure Committee.

Sarah holds a Bachelor of Arts (Jurisprudence) and a Bachelor of Law (Honours) from the University of Adelaide as well as a Graduate Diploma in Legal Practice from the Australian National University.

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Dr Jill Walker

Jill Walker was appointed as a Commissioner of the ACCC in August 2009 for five years.

She is the chair of the ACCC's Mergers Review and Adjudication Committees and also a member of the Enforcement Committee. Jill is also an Associate Member of the New Zealand Commerce Commission and Chair of the International Air Services Commission.

She has extensive experience in trade practices and antitrust economics. Prior to joining the ACCC, Jill was a member of the Australian Competition Tribunal and worked as an economic consultant for LECG Ltd. She has also worked for the Network Economics Consulting Group and CRA International. She was a member of the South Australian Government's panel of expert assessors assisting the District Court in hearing appeals under the *Essential Services Commission Act 2002* and the *Gas Pipelines Access (South Australia) Act 1997*.

Jill was previously employed as an economic adviser by the ACCC and its predecessors, the Prices Surveillance Authority and the Trade Practices Commission. During this time she advised on significant cases, investigations, and authorisations.

Jill holds a Bachelor of Arts in Economics and a PhD in Land Economy from the University of Cambridge. She also holds a Master's degree in Economics from the University of Massachusetts.

Mr Roger Featherston

Roger Featherston was appointed a Commissioner of the ACCC in June 2014.

Roger is a full-time commissioner who brings a wealth of experience from his previous roles as a lawyer in the private and public sectors. Roger was formerly a Partner at Mallesons Stephen Jaques, leading the firm's competition law team and advising a broad spectrum of commercial and governmental clients on competition law and enforcement issues, consumer protection, informal merger clearances, access and pricing issues, and telecommunications matters.

In addition to this extensive private sector experience, Roger acted for the former Trade Practices Commission early in his career and, for the two years before his appointment, acted as Special Counsel at the ACCC advising on a range of major competition and consumer protection matters.

Roger is a life member and former chair of the Business Law Section of the Law Council of Australia, and a member and former chair of its Competition and Consumer Law Committee.

Roger is a member of the ACCC's Enforcement Committee, Mergers Review Committee and Communications Committee.

Roger holds a Bachelor of Laws (Honours) and a Bachelor of Economics from the Australian National University.

Australian Energy Regulator

The Chair of the AER Board is Andrew Reeves. The board of the AER has two members.

Table 4.2:   Terms of appointment—current AER members at 30 June 2014

Position	Name	Appointed until
Chair	Andrew Reeves	30 September 2014*
Member	Cristina Cifuentes	26 October 2015
	Jim Cox	9 September 2018

* Andrew Reeves is acting Chair from 18 July to 30 September 2014.

Chair

Mr Andrew Reeves

Andrew Reeves was appointed as Chair of the Australian Energy Regulator in July 2010 following his appointment as a board member in July 2008 for five years. On 31 May 2013, Andrew was reappointed as Chair and AER state and territory board member for a further 12 months, extending his term to July 2014, and has subsequently been appointed as Acting Chair until 30 September 2014. Andrew also served as Chair of the Utilities Commission of Northern Territory in 2009 and 2010.

Prior to his AER appointment, Andrew was Commissioner of the Tasmanian Government Prices Oversight Commission and Regulator of the Tasmanian electricity supply industry, responsible for technical and economic regulation of the sector, including performance standards and prices for distribution services and retail tariffs. Other responsibilities included regulation of the Tasmanian natural gas industry, investigation of the pricing policies of government utilities and analysis of proposed energy sector reforms.

Andrew's other government appointments include director energy policy and mineral and petroleum policy in Tasmania.

He has an Honours Degree in Engineering from the University of Queensland and postgraduate qualifications in Economics from University of Queensland and Macquarie University.

Members

Ms Cristina Cifuentes

Cristina Cifuentes was appointed an ACCC Commissioner in May 2013 for five years. From May 2013, she also became the acting Commonwealth full-time member of the Australian Energy Regulator.

Cristina has a breadth of experience in both the public and private sectors across public policy, finance and utility regulation, including positions at the Reserve Bank of Australia and the NSW Treasury. She served as the state part-time member of the AER between 2010 and 2013. Cristina was a member of the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) between 1997 and 2006.

Cristina chairs the ACCC's Communications Committee and Infrastructure Committee.

Before becoming an ACCC commissioner, Cristina held a number of directorships, including with the Hunter Water Corporation and First State Super Trustee Corporation.

Cristina holds a first class honours degree in Law from University of Technology, Sydney and a degree in Economics from Sydney University.

Mr Jim Cox

Jim Cox was appointed as a state/territory board member for three years from 26 June 2014. He had been an acting state/territory AER Board member since September 2013.

Jim was previously full-time member of IPART from 1996 to 2013 and Chief Executive Officer of IPART from 2004 to 2013. Jim has held positions with the Reserve Bank of Australia, the Department of Prime Minister and Cabinet and the Social Welfare Policy Secretariat of the Department of Social Security. He was a Principal Economist at the Office of Economic Planning Advisory Council between 1986 and 1989, and between 1989 and 1992 was a consultant to the New South Wales Cabinet Office. Jim was Principal Adviser to the Government Pricing Tribunal of New South Wales from 1992 and was a member of the Tribunal from January, 1996. He was Acting Chairman of IPART during 2004, 2009–10 and 2011.

Jim was a visiting fellow at Monash University during 1985 and assisted the New Zealand Government with social policy changes during the early part of 1991.

Jim has written extensively on economic and social policy issues. This work has been published by, among others, the New Zealand Business Roundtable and the Centre for Independent Studies. He was awarded the Public Service Medal in the Australia Day honours list in 2011 for outstanding public service to IPART.

Jim has an Honours Degree in Economics from the London School of Economics and a Master's Degree in Economics and Econometrics from the University of Essex.

Managing the ACCC

Committees

ACCC

The ACCC has two types of committees: subject matter committees, which help the Commission in its decision-making and other functions, and corporate governance committees.

Table 4.3:   Subject matter committees of the ACCC—roles and membership

Adjudication Committee	Jill Walker (chair), Sarah Court, Delia Rickard, Michael Schaper, Rod Sims—considers authorisation applications notifications and certification trademarks and refers recommendations to the full Commission for decision; meets weekly.
Communications Committee	Cristina Cifuentes (chair), Roger Featherston, Delia Rickard, Rod Sims—considers telecommunications industry regulatory issues and refers recommendations to the full Commission for decision; meets fortnightly.
Enforcement Committee	Sarah Court (chair), Roger Featherston, Delia Rickard, Michael Schaper, Rod Sims, Jill Walker—oversees ACCC actions to ensure compliance with and enforcement of the Act and refers recommendations to the full Commission for decision; meets weekly.
Mergers Review Committee	Jill Walker (chair), Sarah Court, Roger Featherston, Rod Sims—considers merger reviews and refers certain recommendations to the full Commission for decision; meets weekly.
Infrastructure Committee (formerly the Regulated Access, Pricing and Monitoring Committee)	Cristina Cifuentes (chair), Sarah Court, Andrew Reeves, Michael Schaper, Rod Sims—oversees access, price monitoring, transport and water regulatory issues; meets fortnightly.

Table 4.4:   ACCC functional committees—roles and membership

Corporate Governance Board	Rod Sims (chair) ACCC deputy chairs, commissioners, AER chair and board members, ACCC Chief Operating Officer and Chief Risk Officer. The primary corporate governance body for the ACCC/AER, sets strategy and corporate planning, oversees internal budgets and resource management, ensures performance monitoring and reporting. Meets monthly or as otherwise determined by the chair.
Audit and Finance Committee	Cristina Cifuentes (chair), Sarah Court, Rod Sims, Michael Schaper, Chief Operating Officer, Chief Risk Officer, independent external member and senior staff. Advises the Corporate Governance Board on matters relating to the effectiveness of financial controls, the audit process, financial reporting, the risk management framework and systems internal controls as they relate to the ACCC/AER; meets monthly.
Legal Committee	Sarah Court (chair), Chief Operating Officer, senior staff. Oversees the development, monitoring and review of current investigations and cases and their resulting legal expenditure. Advises the Corporate Governance Board on the effectiveness of our internal and external specialist legal and economic services. Meets monthly.

People and Capability Committee	Chief Operating Officer (chair), Sarah Court, Delia Rickard, Michael Schaper, Rod Sims, Chief Risk Officer, senior staff. Has strategic oversight of ACCC/AER's organisational health relating to its people and capabilities, focusing on workforce planning, employment development and talent and capability frameworks to enhance agency performance. Meets monthly.
Health and Safety Committee	Representatives of the employer and staff representing the workplace; meets quarterly.
Workplace Relations Committee	Representatives of the employer, employees and employee organisations; meets quarterly.

Strengthening corporate governance

In late 2013, the Australian Government conducted an independent assessment of the ACCC's funding and longer-term financial sustainability. The review made several important recommendations about the ACCC's financial management and systems and its governance processes, which are being progressively implemented. The central recommendations were that we enhance our corporate governance structure so that ACCC commissioners and AER Board members collectively have a clear view of the connection between their statutory decision-making on particular matters and the overall staffing resources and legal expenditure implications of those decisions.

The review also made a number of recommendations about improving our financial systems so that managers have a clear view of expenditure and can better predict, and therefore better manage, future costs.

ACCC Chair and Agency Head Rod Sims committed to a new corporate governance regime providing effective oversight of the financial performance of the organisation. This regime will ensure the ACCC/AER operates within budget and reports regularly on budget performance, key decisions and activities.

Corporate Governance Board

The Corporate Governance Board sits at the apex of the new governance structure. ACCC Commissioners and AER Board members are part of the Corporate Governance Board. The Audit and Finance Committee, Legal Committee, and People and Capability Committee support its work.

The purpose of the board is to oversee our corporate and financial performance. Responsibilities include: strategy setting and corporate planning; internal budgets and resource management; performance monitoring and reporting; capability development; and agency accountability.

Audit and Finance Committee

This committee acts as an independent source of assurance and advice to the Corporate Governance Board on the financial and risk management of the ACCC and AER. Its responsibilities are to review, report to, and advise the Board on:

- accounting policies, procedures and external financial disclosure
- internal financial controls and reporting
- internal budget process; aligning budget allocations with the external budget
- internal and external audit functions
- compliance with applicable laws, regulations and guidelines

- effective identification and management of risk, including an appropriate fraud and corruption prevention and detection control plan
- the adequacy of the ACCC's governance arrangements.

The committee operates under the Audit and Finance Committee Terms of Reference, which are reviewed regularly. The ACCC's Chairman and the Corporate Governance Board also review the committee's effectiveness annually.

The following internal audit reviews were conducted during 2013–14:

- complaints management
- consultancy and contractor management
- governance health check
- product safety recalls process review
- triage arrangements
- FMA Act compliance.

Legal Committee

This committee oversees the ACCC/AER's processes and systems to manage and forecast investigations and cases and the legal and related expenditure and to assist and advise the Corporate Governance Board accordingly. The committee reviews legal and enforcement resource implications, and provides greater accountability around the tracking and forecasting of legal expenditure over the life of ACCC investigations and court proceedings. This committee also reviews the ACCC's compliance with external obligations such as the *Legal Services Directions 2005*.

People and Capability Committee

This committee focuses on our longer-term strategic workforce plan. It has oversight for developing our organisational strategies for such areas as effective leadership, corporate governance processes and effective agency culture.

Corporate and business plans

The ACCC and AER corporate plan for 2013–14 focused on the goals and strategies that help us achieve our purpose. The ACCC's purpose is 'making markets work for consumers now and into the future'. The AER's purpose is 'promoting efficient investments in, and efficient operation and use of, energy services for the long-term interests of energy consumers'. The ACCC and AER's role is to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and increase the welfare of Australians. This means both will act to improve consumer welfare, protect competition or stop conduct that is anti-competitive or harmful to consumers, and will promote the proper functioning of Australian markets.

The ACCC has developed strategies to achieve its four goals, which are to:

- maintain and promote competition and remedy market failure
- protect the interests and safety of consumers and support fair trading in markets
- promote the economically efficient operation of, use of and investment in, monopoly infrastructure
- increase our engagement with the broad range of groups affected by what we do.

The AER has developed matching strategies suited to energy markets to achieve its goals, which are to:

• promote competitive and efficient energy markets

• build consumer confidence in energy markets

• promote efficient investment in, operation and use of energy networks

• strengthen stakeholder engagement in energy markets and regulatory processes.

The ACCC and AER share a joint goal, which is to:

• increase our effectiveness as an organisation through a commitment to our people, planning and systems.

The full corporate plan is available on the ACCC website. This annual report describes the outcomes against the ACCC and AER corporate plan 2013–14.

Risk management

Risk management is a key element of the ACCC's strategic planning, decision-making and business operations.

As part of its efforts to integrate risk management with planning and operations across the organisation, the ACCC maintains its risk management framework in accordance with the Australian National Audit Office/Comcover Better Practice Guide. Accordingly, the ACCC has a risk management policy and a strategic risk profile. The latter identifies risk exposures across all activities, and provides assurance that these exposures are adequately controlled and any gaps covered.

The ACCC aims for best practice in controlling all risks by identifying priority exposures, addressing them through improvement strategies and contingency planning, and monitoring and reviewing ongoing risk. As a result, it is able to make well-informed decisions on risk controls.

Business continuity

Business continuity management strengthens business resilience, lessening the probability of incidents that may adversely affect ACCC operations, and minimising the impact should such incidents occur.

During 2013–14, the ACCC tested whether business units could continue to operate in emergency situations and will continue to do so annually.

Fraud control

The ACCC developed a Fraud Control Plan for 2012–14. The plan provides for fraud prevention, detection, investigation, reporting and data collection procedures that meet our specific needs and comply with the *Commonwealth Fraud Control Guidelines*. The plan is reviewed bi-annually by the ACCC Audit and Finance Committee.

Ethical standards

Conflicts of interest

The ACCC and AER are proud of their ethical standards and ensures there is continued public confidence in their integrity and that of their staff. As an organisation that often investigates misrepresentation of information or unconscionable business conduct, and as organisations that determine charges which impact on cost of living it is vital that the ACCC maintain the trust of the Australian people, government and businesses.

To maintain confidence in its integrity, the ACCC and AER have strict procedures to identify and properly manage any personal interests that may cause an actual or perceived conflict of interest. As statutory office holders, commissioners and board members are held to high standards of conduct. These standards derive from a number of regulations, codes of conduct and the common law.

All members and employees of the ACCC and AER must declare any actual or apparent conflicts of interest annually. These are noted by their general manager and centrally recorded to ensure staff are not involved in matters where there are potential conflicts.

ACCC members must provide the chair with an annual statement of personal interests and cannot participate in matters in which they, or a member of their direct family, may have a real or perceived conflict of interest.

As a general rule, ACCC and AER commissioners and staff cannot accept gifts and hospitality because acceptance could compromise, or be seen to compromise, the organisation's integrity. In limited circumstances, employees are able to accept gifts such as chocolates or wine if they are related to their participation at a conference or received from a foreign delegation. To ensure transparency, a $50 minimum threshold is in place for formal declarations. This allows us to display a high level of integrity and ethical behaviour in our day-to-day work.

Values and code of conduct

The ACCC and AER are committed to maintaining a workplace culture that promotes and upholds the behaviours specified in the Australian Public Service (APS) Values and Code of Conduct and makes these the cornerstone of all human resources policies and guidelines.

As part of their induction to the ACCC, employees must complete an e-learning module on respectful behaviour. They learn more about the APS Values and Code of Conduct in corporate induction sessions.

Alleged misconduct by employees of the ACCC is dealt with under the APS Code of Conduct. In 2013–14, there was one allegation of misconduct which was investigated as a potential breach of the code of conduct. The investigation found that no breach had occurred.

External scrutiny

As an Australian Government agency, the ACCC is held to account for its activities by a variety of external bodies, including:

- courts
- tribunals
- Parliament
- agencies with administrative oversight, including the Commonwealth Ombudsman.

These bodies have the power to review our decisions or work, investigate them and either uphold the decision of the ACCC, or order or recommend the ACCC to make changes if necessary. Each year the ACCC reports on its interaction with these bodies to ensure transparency on external scrutiny.

Judicial decisions

Pro Teeth Whitening

On 20 December 2013, the Federal Court handed down judgment in the appeal by Pro Teeth Whitening (Aust) Pty Ltd (PTW). The appeal arose from the decision of the Federal Circuit Court to dismiss PTW's application for judicial review of the decisions of the former Parliamentary Secretary to the Treasurer (PST) to issue without delay a mandatory recall notice in respect of certain of PTW's teeth whitening products. The Federal Court allowed PTW's appeal on the basis that PTW was denied natural justice, but dismissed all other grounds of appeal. Subsequently, the Federal Circuit Court ordered by consent the setting aside of the PST's decision to issue a recall notice, as well as Consumer Protection Notices 1 and 2 of 2012. PTW's proceedings in the Queensland Supreme Court against various Commonwealth parties seeking damages and relief are continuing.

Telstra arbitration

In January 2014, Telstra filed an application to the Federal Court of Australia for judicial review under the *Administrative Decisions (Judicial Review) Act 1977*. Telstra disputed the ACCC's jurisdiction to arbitrate between parties involved in facilities access disputes and to make an enforceable determination. The Federal Court dismissed Telstra's application in March 2014 and concluded that the ACCC has power to arbitrate on these disputes.

Telstra subsequently appealed to the Full Federal Court. On 2 July 2014, the Full Federal Court overturned the initial decision and found the ACCC could not hear or determine the disputes in question. The ACCC has subsequently ceased arbitration of these matters.

Administrative Appeals Tribunal

There were no applications to the Administrative Appeals Tribunal in 2013–14.

Office of the Merit Protection Commissioner

No applications for review were made to the Office of the Merit Protection Commissioner in 2013–14.

The Fair Work Ombudsman

No matters were referred to the Fair Work Ombudsman for review in 2013–14.

Office of the Australian Information Commissioner

There were no requests for freedom of information review concerning the ACCC lodged with the Office of the Australian Information Commissioner (OAIC) in 2013–14. Two matters were carried over from the previous financial year. The OAIC decided one matter in 2013–14. For this matter, the OAIC set aside the ACCC decision and substituted its own decision which was, overall, favourable to the ACCC. The second matter is awaiting a decision.

On Friday 11 April 2014, the ACCC became aware of a breach of personal data collected from some of its websites. The email addresses and some personal details of subscribers to the ACCC information alert services were inadvertently made accessible online. The identified vulnerability was resolved within one hour of the ACCC becoming aware of the incident.

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A second incident occurred on 5 June 2014. A case of human error resulted in the publication on the ACCC website of a document containing commercial in confidence information. On becoming aware of the incident, the document was immediately removed and other action taken to minimise harm.

Both incidents were immediately reported to the Office of the Australian Information Commissioner, who was satisfied with the ACCC response to these incidents. The ACCC takes its responsibilities to protect personal and commercial information very seriously and measures have been put in place to prevent similar incidents occurring in the future.

The Privacy Commissioner did not otherwise approach the ACCC/AER about any complaints in 2013–14.

Australian Competition Tribunal

The Australian Competition Tribunal handed down three decisions on appeals of AER decisions. The Australian Competition Tribunal upheld one regulatory decision and remitted one regulatory decision back to us.

In August 2013, the Tribunal dismissed SP AusNet's challenge to the AER's revised decision in relation to the amount of advanced metering infrastructure expenditure SP AusNet could pass on to consumers. SP AusNet has lodged further appeals, including an appeal of the Tribunal's decision to the Full Federal Court.

The Tribunal heard an application from Multinet to review the AER's decision on the access arrangement for its gas distribution services in Victoria for 2013–17. In July 2013, the Tribunal determined the AER erred in using the Essential Services Commission's capital expenditure benchmark for 2012 to determine Multinet's opening capital base.

The Tribunal also heard an application from APA GasNet to review the AER's decision on the access arrangement for its gas transmission services in Victoria for 2013–17. The Tribunal upheld parts of the AER's decision and remitted certain parts back to be remade.

Parliamentary scrutiny

The ACCC's 2013–14 annual report was tabled in the Senate in October 2013.

Details of our input to parliamentary and other inquiries appear on page 146.

The ACCC and AER appeared before the Senate Economics Legislation Committee (Senate Estimates) in November 2013 and in February and June 2014.

Commonwealth Ombudsman

In 2013–14, the Commonwealth Ombudsman did not report the ACCC to Parliament or find any administrative deficiencies.

Australian Human Rights Commission

In 2013–14 one complaint from a previous period was terminated by the Australian Human Rights Commission (AHRC) after action by the ACCC to resolve the complaint. One new complaint was made to the AHRC in 2013–14 and was unresolved at 30 June 2014.

Performance audits

Other than its report on financial statements, the ACCC was not subject to a report on its operations by the Auditor-General in 2013–14.

Freedom of Information

Agencies operating under the *Freedom of Information Act 1982* (FOI Act) must publish information for the public as part of the Information Publication Scheme. This requirement has replaced the former requirement to publish a statement in the annual report. Each agency's website must include a plan showing the information it publishes in accordance with the scheme's requirements. See the ACCC's FOI website for our plan (http://foi.accc.gov.au/foi-information-publication-scheme-accc-agency-plan-0).

Service charter

The ACCC and AER each have service charters stating the standard of service you can expect to receive from us.

Our service charters also set out:

- what you should do if you wish to complain about a business or market issue
- what you should do if you wish to complain about your dealings with us
- what we ask of you.

The service charters are available from the ACCC and AER websites respectively. Hard copies of the ACCC service charter is available from each ACCC office.

We received six complaints about service standards from eight complainants to which the Deputy Chief Executive Officer, now the Chief Operating Officer, and a Deputy Chair responded. One of the complaints was received late in 2013–14 and has yet to be finalised.

Building organisational capability

2013–14 Corporate Plan Strategy 5.1	*Build organisational capability and knowledge sharing through well trained and supported people*

Workforce planning

The 2012–13 annual report indicated an operating loss for the ACCC/AER. As the major component of the ACCC's expenses is staff costs, along with other measures, we were required to reduce overall staff numbers to bring our budget to a sustainable level. As part of the Additional Estimates process, the Australian Government gave the ACCC financial assistance to bring our staff numbers down through a Voluntary Redundancy Program. In 2013–14, 81 staff left through this program, a substantial reduction on our overall staffing levels. While it was difficult for our staff, it has meant that we are now a smaller, financially sustainable organisation.

As part of this transition to a smaller workforce, an Operational Workforce Plan (OWP) was developed to guide us through a series of initiatives aimed at maintaining the quality of our output so we can deliver strong outcomes under our corporate and business plans. The OWP identifies what is required over the short term to ensure we can continue as an effective agency, meeting our priorities with our new staffing base. It is also designed to align our work practices and day-to-day workforce focus with our corporate priorities. With fewer people than before, we must continue to change the way we operate to be more efficient and only do the important things. The aim of the plan is to enable our move, as swiftly as practicable over the course of 2014–15, to a stable operational environment, having put in place a number of strategies to realign our outputs with our lower workforce numbers.

Throughout this organisational change, the ACCC and AER continued to invest in our people's skills and capability, deliver the highest quality service to the people of Australia, and achieve a wide range of excellent outcomes. We are committed to creating a supportive and rewarding workplace for our employees.

Supporting our people

Our investigators, analysts, economists, lawyers, project officers and support staff are dedicated and passionate about delivering the best outcomes for the Australian people through our work to protect, strengthen and supplement competitive market processes.

The most important function of the Human Resources (HR) Branch in the People and Corporate Services Division is building organisational capability through recruiting, developing and supporting our high quality people.

In 2013–14, the HR Branch focused on:

- looking after our people
- developing the skills and abilities of our workforce
- encouraging employees to give back to the community
- maintaining a vibrant workplace culture.

Looking after our people

In 2013–14, we continued to promote the productivity benefits of a healthy lifestyle and inclusive workplace. Through a mixture of information sessions, guest speakers and interactive activities, employees gained further insights into dealing with mental health issues, learned the benefits of exercise and healthy eating, and were encouraged to seek support in times of need. Healthy, happy workers are more productive and we want to prevent health issues to keep our people working. The strategies are effective, with our rate of unplanned leave at 10.5, lower than the average of 11.6 across APS agencies.

In recognition of R U OK? Day in September 2013, Comcare CEO Paul O'Connor delivered the Australian Government's *Working together: Promoting mental health and wellbeing at work* lecture. Employees were encouraged to share their personal experiences about mental health issues. During Health and Wellbeing Week in October, we invited employees to participate in a range of information, recreation and sporting activities designed to promote the benefits of exercise and healthy eating. Also in 2013–14, ACCC employees were encouraged to use the various counselling services available through the Employee Assistance Program. The *Live Well* information portal gave employees a range of resources on topics from relationships to career and professional development.

Developing the skills and abilities of our workforce

Throughout 2013–14, the ACCC continued its Learning & Development (L&D) Program with a focus on developing leaders for the future, ensuring female employees reached their full potential, supporting employees' study and expanding the already successful mentoring program. More than 780 employees completed formal learning and development courses in 2013–14. In addition, all employees completed their second full cycle of the ACCC's Individual Performance Framework. Improvements to the 2013–14 cycle are helping to embed the process within ACCC culture.

Despite budget constraints, training and development continued to remain a priority with a new Executive Level 2 (EL2) Professional Development Program designed to focus on 11 required core competencies. Through the program, EL2s are encouraged to take an active role in their development, with all sessions involving both pre- and post-course activities.

In 2013–14 we sent employees to the company directors training offered by the Australian Institute of Company Directors. This course improves participants' understanding of, among other areas, their financial literacy, their roles in decision-making, and in developing and executing strategy. In 2013–14, 22 employees undertook the course, describing it as among the best they had ever completed.

Flexible learning options were a focus in 2013 with the release of Learning Central. This is a learning management system that enables employees to access everything from training records to internal presentations filmed and transformed into e-learning modules.

We continued to invest in our female workforce, particularly in building their self-confidence and belief in their abilities so that more apply for promotion. To address the low number of women pursuing SES careers, HR ran a workshop designed to build confidence and claim personal power, which was offered to all female employees. The ACCC Mentoring Program again proved popular in 2013–14, with 32 mentoring pairs at 30 June 2014.

The ACCC regularly conducts continuing legal education workshops, helping legal staff to meet their learning requirements to maintain certification.

The People and Capability Committee sets overall L&D strategy and funding in response to identified organisational needs. L&D opportunities are then either developed and delivered centrally or driven at staff level through individual performance framework agreements. The L&D strategy is updated as needs are met and new needs identified.

Staff survey data in 2013–14 showed that our respect strategy, centred on L&D, leadership development and the individual performance framework, improved staff responses on the level of harassment and bullying compared with the previous year. The strategy has also improved staff confidence that the organisation acts early on underperformance.

Learning and development summary

Training and development costs in 2013–14 were $3 106 222 (a decrease of $878 953 on last year) or 2.9 per cent of the annual employee benefit cost.

ACCC policy emphasises postgraduate studies, with most assistance provided for postgraduate studies in Economics, Law and Business. Study assistance for employees includes study leave and full or partial reimbursement of tuition fees for approved courses.

During the year, 80 employees participated in the study assistance scheme. The ACCC reimbursed $290 420 in fees and granted leave with pay for employees to attend lectures and tutorials totalling the equivalent of $184 280 in paid time.

Table 4.5:   Attendance at courses, seminars and learning activities—2011–12, 2012–13 and 2013–14

Type	Number of attendees		
	2011–12	2012–13	2013–14
Operating skills and knowledge	892	1903	1502
Legal skills and knowledge	620	944	900
Applying the Act	92	113	99
Economics and regulatory	233	360	282
Leadership, supervision and management	810	1110	631

Encouraging employees to give back to the community

Not only do ACCC employees care about achieving good outcomes through their work, they are also care about the wider community. For example through our workplace giving program, staff donated $16 700 to 10 charities. In 2013–14, ACCC employees raised more than $1500 for Boundless Canberra, a project to build an all-abilities playground on behalf of the public servants of Canberra. Employees were also touched by the devastation caused by Typhoon Haiyan in the Philippines, donating more than $4200 in voluntary pay deductions and various fundraising initiatives. ACCC employees continued giving blood through the Red Cross blood service.

Our staffing profile

The ACCC takes workforce planning activities seriously. Each week, senior management review vacancies and staffing movements to ensure resources are available across the organisation to meet our operational needs.

The recent Voluntary Redundancy Program combined with the tight fiscal management through the first half of calendar year 2014 have put the ACCC's staffing levels and finances in a good state. Staffing is now at a sustainable level.

The ACCC's budgeted staff level for 2013–14 was 802 average staffing level full-time equivalents. This included seven full-time ACCC members and two full-time AER members.

At 30 June 2014, the total number of full-time equivalent staff, including ACCC and AER members, was 736.26 (850.97 in June 2013). The budgeted staff level for 2014–15 is 735 full-time equivalents.

The total number of staff employed (including ACCC and AER members, part-time employees and employees absent on leave and secondments) at 30 June 2014 was 773 (892 in June 2013).

Appendix 2 shows the number of employees by gender, classification and location. Figure 4.1 below illustrates the age profile of staff at the ACCC while figure 4.2 shows the distribution of males and females at each classification level.

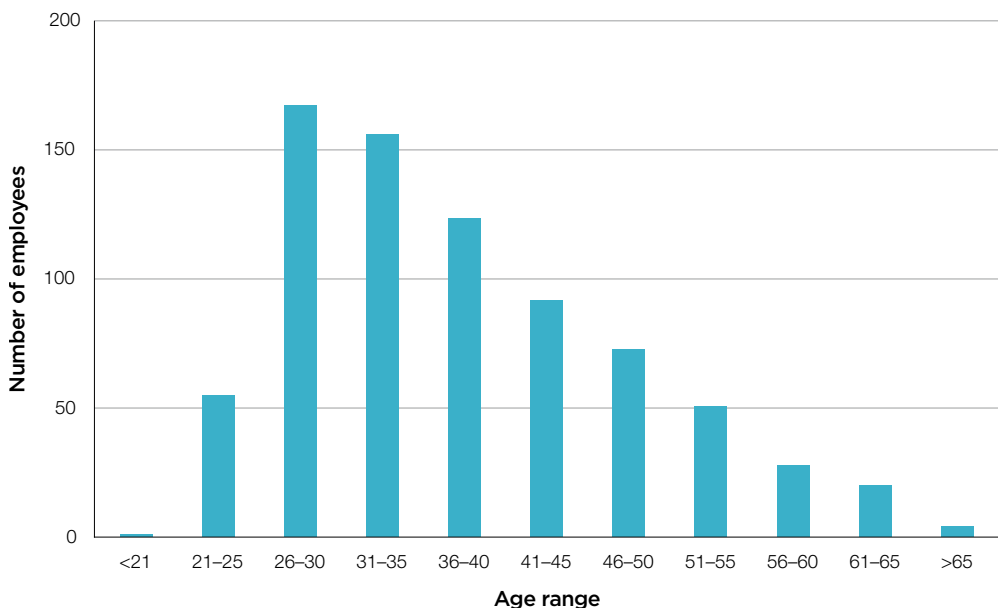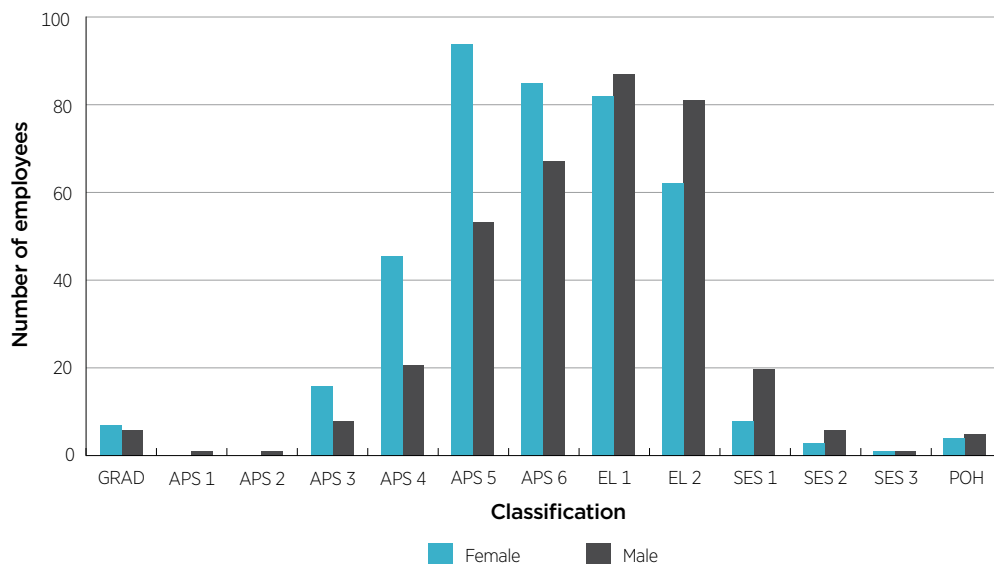**Figure 4.1: Age profile of ACCC staff at 30 June 2014**

Figure 4.2: Gender profile of ACCC staff at 30 June 2014

Recruiting and retaining talented employees

In addition to filling 13 graduate positions, the ACCC successfully selected 88 staff for promotions, engagements, transfers and other opportunities. In October 2013, the Australian Public Service Commission introduced the interim arrangements for recruitment in the Australian Public Service which placed significant restrictions on any recruitment activity within the APS. As part of these arrangements a hold was placed on all recruitment activity, except in exceptional circumstances. All but eight recruitments were completed prior to the introduction of these arrangements.

When recruiting, we work to maintain our status as an employer of choice by:

• leveraging our positive reputation

• promoting our commitment to engaging and rewarding jobs

• offering flexible working conditions, L&D opportunities and competitive remuneration packages.

Eighty-one employees took advantage of the 2014 Voluntary Redundancy Program, which ran from February to June 2013.

The internal transfer register, now into its second year of operation, continues to allow employees to access career opportunities within the organisation, enabling best use of and retaining existing staff.

The individual performance framework further encourages employees to outline their career aspirations, including any skills they are seeking to develop or enhance, in line with our organisational priorities.

We capture data from departing staff through exit surveys and report the results to senior managers. The average turnover of permanent staff during the year was 17.2 per cent, an increase from 8.6 per cent in 2012–13.

Table 4.6:   Staff turnover according to separation type, 2013−14

Separation	Classification	Number of staff
External transfer or promotion	Non-SES	13
Redundancy	Non-SES	95
Contract expired	Non-SES	15
	SES	1
Resigned	Non-SES	36
	SES	2
Retirement	Non-SES	2
	SES	4
Other	Non-SES	2
Total		170

Taking on highly skilled graduates and developing them

Our graduate program, first launched in 1996, has been successful in attracting highly qualified graduates to the ACCC and AER and allowing them to develop their careers here. We have a high retention rate for graduates and several are now in SES positions.

The ACCC recruited 29 graduates through the 2013 Graduate Recruitment Program, which ran from February to November 2013. We contracted a company to review the initial 610 applications for the 2014 intake and identify the best 190 candidates. ACCC senior staff then shortlisted 100 potential recruits who attended one of our major offices for an assessment program comprising:

- a group task
- an individual interview
- a work sample assessment
- a cognitive ability test.

The final intake for the 2014 program was 13. All will complete three rotations and undertake comprehensive on-the-job and formal training over 10 months.

Case study

The ACCC graduate experience

The ACCC has employed almost 500 graduates in the past 20 years, welcoming a new cohort each year. The program is well regarded and many of the ACCC's current senior staff have come from the graduate ranks.

2014 graduate Jim applied for the ACCC graduate program because it provided a fantastic opportunity to further develop the two disciplines he studied at university: law and business. His favourite subject at university was competition and consumer law.

'While I've only been at the ACCC for six months I've already had the opportunity to work on a range of challenging and interesting matters including the development of new workplace policies, a judicial review of the ACCC's statutory power and a billion dollar acquisition,' Jim said.

Principal Lawyer Kate did a summer placement as an intern at the Trade Practices Commission (as the ACCC was known then) and then applied for the graduate program. As an intern she was asked to summarise a large pile of hard copy legal advices to establish what is now the ACCC's legal advices database. Working in the Legal Group, she has seen it grow from a handful of internal lawyers, working alongside AGS seconded lawyers to the larger group of internal lawyers we have now.

'I spent my early years at the ACCC working in enforcement, which was a great opportunity to be involved in the front line of the Commission's work,' Kate said.

'I recall at one stage working in a newly formed 'internet commerce project team'—in the days where the internet was relatively new and novel, rather than an integral part of commerce as it is today.'

She is now a Principal Lawyer working on litigation matters in conjunction with our investigators and external legal teams.

Nigel graduated with qualifications in Law and Public Policy at the tender age of 39 after a background in retail banking, community welfare and small business. He became interested in the competition policy reforms during his studies and, with his mixed commercial and community experience, the ACCC appealed as an agency would allow him to pursue those interests.

Nigel now heads up the Consumer, Small Business and Product Safety Division, and says his work experience proved invaluable in his work with the ACCC in helping to understand the perspectives of both businesses (large and small) and of less advantaged consumers.

'My experience both as a TAFE teacher and in working with people with a disability, also proved valuable in developing ways to best communicate and educate many interested parties about their rights and obligations under the laws we enforce,' Nigel says.

'I have always been impressed with the variety of interesting and challenging work that the Commission is able to provide to all of us from graduate through to senior managers and commissioners. There is never a shortage of opportunities to shine here.

'As my role has widened, I have also come to rely more on the good work of others within the Commission and in partnering associations and agencies. No less than when I was a new graduate, I continue to be impressed with the professionalism, work ethic and tremendously positive attitude of so many who are committed addressing serious problems and achieving strong outcomes,' said Nigel.

Improving the work environment

2013–14 Corporate Plan Strategy 5.2:	*Promote a safe, healthy and respectful work environment for our people*

The ACCC is committed to building on our reputation among the public and private sectors as a preferred employer through:

- understanding our staffing profile and making best use of employees' talents
- engaging our people to shape workplace culture through consultation
- ensuring our workforce recognises the diversity within Australian society
- offering flexible working conditions.

Shaping workplace culture through consultation

The ACCC has a culture of being 'frank and fearless', actively encouraging employees to give feedback through various employee surveys or directly to their managers. Senior managers use this information to identify and remedy issues and strengthen our culture. For example, past surveys showed staff concerns about work/life balance, which we have addressed through a range of strategies. Data from the 2013 APS State of the Service Employee Census showed a 78 per cent positive rating on work/life balance, 7 per cent higher than the APS average. The census also showed the ACCC and AER rate well on:

- job engagement (7.3, higher than the APS average of 6.7)
- access to effective learning and development (80 per cent, 19 per cent higher than APS)
- clear understanding of role (89 per cent, 10 per cent higher than APS)
- high quality leadership (68 per cent, 21 per cent higher than APS)
- agency pride (85 per cent, 16 per cent higher than APS).

While these are positive results, staff have indicated they would like to see better performance management, improved internal communication, better change management and more opportunities for career progression. This last is likely the result of a reducing workforce and hence fewer opportunities. Strategies are underway in all areas, overseen by our consultative committees.

Consultative committees

The Workplace Relations Committee (page 201), meets quarterly to consult on employment conditions and other matters affecting the implementation of our enterprise agreement, including:

- productivity savings contemplated by, and costs arising from, the agreement
- workplace issues arising from the agreement
- work value standards
- the development and review of ACCC employment-related policies
- procedures and guidelines.

The Health and Safety Committee (page 201) is a joint management and staff committee established in accordance with the *Workplace Health and Safety Act 2011* to facilitate:

- consultation and cooperation between the ACCC and employees on work health and safety matters
- continuous improvement in managing these matters by the ACCC.

Appendix 3 details workplace health and safety programs and outcomes for the year.

ACCOUNTABILITY

4

The Organisational Wellbeing Committee met to consult on wellbeing issues such as staff mood, workplace culture, flexible working conditions, and other issues identified by employees. The Chief Operating Officer chairs this committee which includes employee representatives from across the ACCC.

Making the most of our diversity

As part of the greater APS, the ACCC has a responsibility to ensure our workforce recognises the diversity within the Australian community. Through diversity awareness activities, the ACCC gave employees opportunities to learn more about:

- the significance of reconciliation with Indigenous Australians
- how numerous cultures make up Australia
- strategies to improve our accessibility to employees with a disability
- how all employees should be embraced for who they are regardless of their sexual orientation.

The HR Branch completed significant work in 2013–14 to streamline and consolidate our approach to workplace diversity, including the upcoming launch of the ACCC Diversity Strategy in 2014–15. The ACCC has been working closely with other APS and private sector agencies to share knowledge, learn new ideas and aim for best practice approaches in diversity. During NAIDOC week, staff heard about Indigenous experiences from Professor Mick Dodson. The ACCC developed an agency multicultural plan and held Harmony Day, on which staff shared their national dishes. The ACCC Gay and Lesbian Ally Network helped ensure that we remain a homophobia-free workplace and five employees attended the Sydney Gay and Lesbian Mardi Gras as an ACCC delegation.

Table 4.7:   Workplace diversity profile at 30 June 2014

	Total number	Female	ATSI	CLBD	PWD
SES and ACCC/AER members	48	16		2	1
APS1	1				
APS2	1				
APS3	24	16	2	1	2
APS4	67	46	1	17	1
APS5	149	95	1	33	5
APS6	154	86	3	39	3
EL1	171	83		18	3
EL2	145	63		16	1
GRAD	13	7	2	3	
Totals	**773**	**412**	**9**	**129**	**16**
Proportion of the total		53.30%	1.16%	16.69%	2.07%

ATSI = people from Aboriginal or Torres Strait Islander backgrounds; CLDB = self-identified people from culturally or linguistically diverse backgrounds; PWD = people with disabilities. A staff member could be classified under one, two or all three of these headings.

Disability reporting

The National Disability Strategy 2010–2020 sets out a 10-year policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014 at www.fahcsia.gov.au.

The ACCC continued its membership with the Australian Network on Disability in 2013–14. It also joined the National Disability Recruitment Coordinator, membership of which is assisting us on a range of disability issues.

Flexible working conditions

During 2013–14, the ACCC continued to give employees access to flexible working conditions, among other benefits.

Enterprise agreement

The ACCC enterprise agreement for 2011–14 sets out the terms of conditions for all APS employees from APS1 to EL2.

Employees have access to flexible working conditions, flextime and time off in lieu schemes, and the healthy lifestyle reimbursement. The agreement also outlines classification structures, the performance management framework, remuneration, leave, cooperative working relationships, workplace adjustments and other working conditions and allowances.

Under the agreement, employees received a 3 per cent salary increase on 1 July 2013. The current agreement, which nominally expired on 30 June 2014, continues until a new enterprise agreement is finalised.

Bargaining for the new agreement started in July 2014. The ACCC, along with all other APS agencies, must follow the Australian Government Public Sector Workplace Bargaining Policy, which was released on 28 March 2014.

Work/life balance

During 2013–14, senior management continued to promote a better work/life balance for executive staff by actively monitoring and managing excess executive working hours.

Employment agreements

Senior executive remuneration

The remuneration for ACCC and AER members is determined by the Remuneration Tribunal in accordance with:

*   the *Remuneration Tribunal Act 1973*
*   Determination 2013/10, Remuneration and Allowances for Holders of Full-Time Public Office.

Tables 4.8 and 4.9 set out the nature and amount of remuneration for ACCC and AER members.

Table 4.8:   Remuneration of members of the ACCC at 30 June 2014

Full-time	Position	Base salary	Total remuneration of office
1	Chair	$501 760	$716 800
2	Deputy Chair	$376 320	$537 600
4	Member	$322 560	$460 800

Table 4.9:   Remuneration of members of the AER at 30 June 2014

Full-time	Position	Base salary	Total remuneration of office
1	Chair	$358 400	$512 000
1	Member	$280 320	$384 000

Determinations

SES employees are subject to individual determinations covering remuneration, leave and a range of other employment conditions. Determinations are made in accordance with the *Public Service Act 1999*.

Common law contracts and Australian Workplace Agreements

No employee is covered by a common law contract or an Australian Workplace Agreement.

Table 4.10: Number of employees covered by each industrial instrument
             (at 30 June 2014)

	ACCC Enterprise Agreement 2011–14	Section 24 determinations
APS1	1	0
APS2	1	0
APS3	24	0
APS4	67	0
APS5	149	0
APS6	154	0
EL1	171	0
EL2	144	1
SES B1	0	28
SES B2	0	9
SES B3	0	2
GRAD	13	0

Table 4.11: Salary ranges for APS employees (at 30 June 2014)

	ACCC Employee Collective Agreement 2011–14	Section 24
APS 1	$44 830–$49 550	–
APS 2	$50 733–$56 257	–
APS 3	$57 783–$62 370	–
APS 4	$64 408–$69 930	–
APS 5	$71 837–$76 172	–
APS 6	$79 517–$89 125	–
EL 1	$98 797–$109 339	–
EL 2	$114 539–$134 229	$150 009
SES 1	–	$175 075–$201 959
SES 2	–	$233 539–$292 465
SES 3	–	$297 224–$314 097
L1	$62 370–$122 901	–
L2	$129 880–$137 664	
GRAD	$56 257–$64 408	–

Table 4.12: Performance pay

	SES B1	SES B2	SES B3*	ACCC*
Number who received bonus	32	10	2	44
Total bonus	$449 041	$251 824	–	$700 865
Average bonus	$14 033	$25 182	–	$16 687
Range	$3064–$19 452	$20 236–$30 737	–	$3064–$30 737

* As at 30 June 2014 the ACCC had only two Senior Executive Service Band 3 employees, therefore these details have been omitted to protect privacy.

Streamlining our project management

The government introduced the Agency Capability Initiative to improve agencies' organisational capability to commission, manage and realise benefits from ICT-enabled investments. Agencies, including the ACCC, are using the Portfolio, Programme and Project Management Maturity Model as the common methodology for assessing their organisational capability.

The ACCC's Project Management Office has developed a governance framework based on best practice and has successfully implemented the project management framework. It has trained project managers and potential project managers on applying PRINCE2, a common project management methodology, to enhance project management, leading to better use of the framework.

Improving specialist services

| 2013–14 Corporate Plan Strategy 5.4: | *Transforming our specialist legal and economic services* |

Legal and economic services

In 2013–14, the ACCC's specialist legal and economic services combined to become the Legal and Economic Division. The ACCC Legal Group consists of four core units providing in-house legal services to specific business areas, and General and Special Counsel. The Legal Group assists the ACCC and AER in making legally informed decisions, and managing its litigation including through facilitating, as an informed purchaser, external litigation services. It also assists in managing the agency's corporate legal obligations. The ACCC Economic Group consists of two core units providing in-house strategic economic advice and related services to specific business areas. The Economic Group aims to facilitate the consistent use of economic principles in decision making, increase the quality of economic analysis and contribute to economics-related learning and development initiatives. The Economic Group is committed to strengthening the quality of economic analysis in the organisation and to maximising the influence of economic ideas.

Legal services

The ACCC Legal Group consists of four core units:

- Competition and Consumer Law Unit, which provides legal service to the ACCC's Enforcement and Compliance Division
- Mergers and Authorisation Law Unit, which provides legal services to the Mergers and Authorisation Division
- Regulatory Law Unit, which provides legal services to the ACCC and AER on regulatory matters
- Corporate Law Unit, which deals with corporate in-house issues, strategic development initiatives, legal technology services and freedom of information requests.

Special and General Counsel provide additional high level independent strategic advice on complex major issues across all areas of the ACCC and AER.

The roles of in-house lawyers include providing legal advice and specialist skills in drafting legal documents and helping to prepare and manage litigation. They also manage external lawyers who are engaged where additional resources are needed, or as required under the Legal Services Directions. In-house lawyers are located in most ACCC offices to ensure that specialist legal services are available to staff at all times.

During 2013–14, there were a number of initiatives to improve the effectiveness of the Legal Group, including:

- Establishing two legal parcelling arrangements under the Legal Services Multi Use List. The parcelling arrangements started on 1 January 2014 and will end on 31 December 2016. Through these arrangements, the ACCC has a number of external legal service providers to provide it with specialist advice and assistance.

- Restructuring its service delivery as part of a new Legal and Economic Division, which commenced operations on 25 November 2013. The restructure has improved management oversight and administrative support for in-house legal and economic services. For more information see Economic advice below.

- Developing new systems and processes to more effectively track and analyse legal expenditure and monitor forecasts of future expenditure.

- Providing detailed assistance to staff on the use and management of expert witnesses in ACCC matters.

- Developing a Dispute Resolution Plan and Dispute Management Policy, which describe the ACCC's approach to dispute management and resolution.

- In cooperation with the Economic Group, designing and providing a comprehensive program of legal and economic training to Commission staff.

Legal technology services

Transforming our legal support services

The legal technology services function within the Legal Group specialises in information management and case support for investigations and litigation by the ACCC. During the reporting period, activities included:

- coordinating the conversion of relevant case material into formats compliant with document exchange protocols and court requirements

- arranging secure access to material for ACCC staff, legal panel firms and counsel

- designing workflows to increase the efficiency and consistency of large document reviews

- negotiating, implementing and enforcing document exchange protocols, in conjunction with internal lawyers and panel firms

- preparing electronic exchange of discoverable material

- upgrading Ringtail software and infrastructure, in conjunction with IMTS

- providing Ringtail software training and advice.

Economic advice

Until 24 November 2013, two groups, the Regulatory Development Branch and the Competition and Consumer Economic Unit, provided in-house economics advice for the ACCC. After that date, the function transferred to the newly formed Legal and Economic Division. The Economic Group within the division comprises two units: the Regulatory Economic Unit and the Competition & Consumer Economic Unit.

Economic Group specialists provide advice to all areas of the ACCC/AER; research and develop best practice regulatory techniques; and contribute to economic discussion, debate and training on regulatory and competition issues. During the reporting period, activities included:

- managing a seminars program which featured internal and external presenters speaking about regulatory, competition and finance topics
- organising the annual Regulatory Conference, which more than 400 delegates attended
- coordinating the Utility Regulators Forum, which provides for cooperation between Australian, state and territory based regulators
- publishing working papers, and periodicals on regulation (Network; Regulatory Observer).

Transforming corporate support

2013–14 Corporate Plan Strategy 5.5:	*Transforming our corporate support services and systems*

Information communication and technology

This year saw the approval of the ICT strategy for 2013–14 to 2016–17. It sets a common purpose and clear direction for ICT at the ACCC. Highlights for 2013–14 include the following.

Expertly executed changes

Over 2013–14, the stability of the ACCC's systems measurably improved and working hours lost due to system issues were negligible since August 2013. Following a major outage in August, we established a plan to address the technology and process changes necessary for more reliable systems. This included an independent review of our technology and taking a risk-based approach to removing single points of technology failure.

The benefits were evidenced by a significant technology change in January 2014. The team expertly executed the technical aspects of this change which, combined with extensive communications, resulted in a smooth transition with minimal impact on staff.

Improved collaboration

The ACCC operates from a number of geographic locations, making staff collaboration complex. From March 2014, staff were able to collaborate better via a new tool—Microsoft Lync. This has enabled more immediate communications between staff and easier collaboration across regions, which has proved useful in keeping travel to a minimum. Introduction of Microsoft Lync is the first step in a planned move to unify communications across telephony, personal computers and mobile devices.

Development of a new intranet was one of the year's major projects. Work will culminate in a new site in October 2014 to inform and engage staff and allow easy access to core information to support operational efficiency.

Enhanced business systems

As well as providing stable and responsive systems, the Information Management and Technology Services Branch must deliver systems that meet business needs. Throughout the year, the branch worked closely with business areas to enhance the litigation support platform and workflow and case management systems.

Communicating our messages

The Strategic Communications Branch develops strategies and works with the operational areas of the ACCC and AER to inform consumers, business, media and government about our role and work. As well as working daily with the ACCC on media issues, the branch liaises with business areas to ensure that our information is accurate and easy to understand, targeted to audience needs and readily accessible.

Strategic Communications is leading the change to a digital first approach to communication, using the ACCC and AER websites as the default channels.

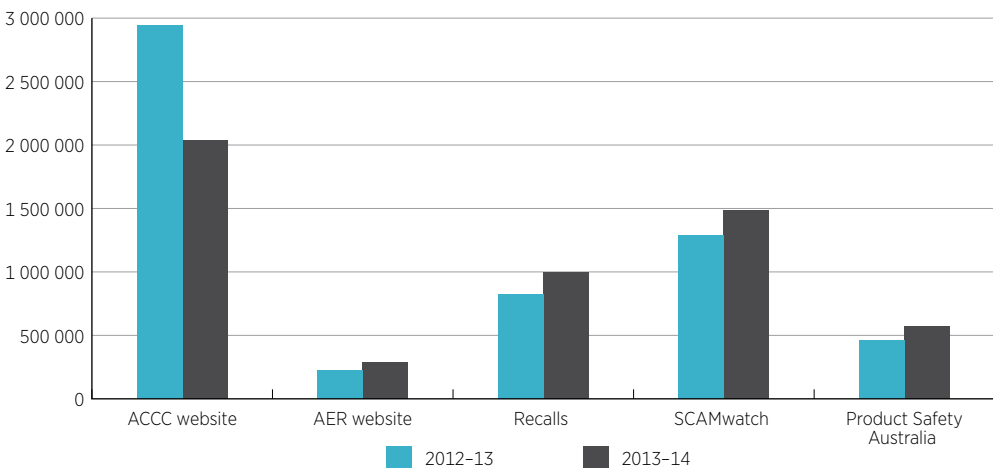*Online communications*

ACCC and AER websites

The ACCC finalised the upgrade of www.accc.gov.au in 2013–14. Since the site's launch, contacts to the ACCC Infocentre have dropped by an average of 11 per cent per day as more users find what they need on the website. Overall, the site received 2 035 808 visits from unique users in 2013–14, which was a 31 per cent decrease on the previous year's traffic. The decrease is because an outdated directory function was removed from the new site. It had generated many website visits from users who immediately clicked through to another site. Statistics now indicate users have a better experience, view more pages and spend more time on the site.

The most popular consumer web pages include 'Recent city petrol prices' and 'Repair, Replace, Refund'. 'Consumers' rights & obligations' and 'Unconscionable conduct' were the most popular business pages. The most popular downloads were *Consumer Guarantees—a guide for consumers* and *The Little Black Book of Scams*.

Readspeaker, an accessibility feature allowing users to listen to content, was activated in 35 428 visits. Readspeaker is particularly helpful for people with low literacy and those from non-English speaking backgrounds or from Indigenous communities.

The figure below shows website change over the past two years.

Figure 4.3: Website visits for 2012–13 and 2013–14

The AER also operates a separate website (www.aer.gov.au) and manages the Energy Made Easy website (energymadeeasy.gov.au). Details of these websites are included under program 1.2 on page 171.

Social media

The Strategic Communications Branch works with the operational areas of the ACCC and AER to provide social media governance and guidance, as well as chairing the Social Media Working Group. The branch also manages social media accounts on Facebook, YouTube and Twitter.

Two of the largest referrers of traffic to the ACCC website are Facebook and Twitter, demonstrating the effectiveness of our cross-platform communication strategies.

We have three Facebook pages:

- ACCC Consumer Rights—building awareness of consumer issues and responding to simple enquiries and comments. It had 3615 'likes', adding 2418 in 2013–14.
- ACCC Product Safety—sharing product safety news, tips and recalls. It had 11 607 'likes', adding 5695 in 2013–14.
- ACCC—Your Rights Mob Tiwi Islands—delivering targeted consumer protection messages for Indigenous Australians in the Tiwi Islands. It had 297 'likes', adding 133 in 2013–14.

We maintain three Twitter accounts:

- @acccgovau—promoting ACCC news, activities and tips, as well as responding to queries. It had 2900 followers in 2013–14.
- @ACCCprodsafety—sharing recalls and product safety news and tips. It had 4139 followers.
- @Scamwatch_gov—alerting social media users to new scams and providing tips on how to avoid being scammed. It had 6874 followers.

The ACCC YouTube channel hosts videos on a range of topics for use on other social media sites and the ACCC website. Videos on the channel have been viewed 87 790 times.

News releases and speeches

The ACCC issued 342 and the AER 33 news releases in 2013−14. The chairman, commissioners and senior staff undertook more than 139 public speaking engagements. Through the speeches program, the ACCC engages with many stakeholder groups, from local communities, small business associations industry and professional groups through to the boards of multinational corporations.

Publications

The ACCC and AER are moving away from hard copy publications in favour of digital communication, except for hard copy publications that either support a specific campaign or meet a specific requirement—for example, this annual report. In 2013–14, the ACCC and AER:

- spent $95 658 less on hard copy publications than in 2012–13, a reduction of 40.9 per cent
- produced 628 492 fewer copies, a reduction of 83 per cent
- used 18.28 fewer tonnes of paper, a reduction of 79 per cent
- logged 199 210 visits to online publications, and distributed 673 766 print items compared to 701 248 items in 2012–13.

Finance and Corporate Services

The Finance Branch is responsible for all ACCC financial matters and asset management. Our Corporate Services teams maintain our offices, planning and coordinating any moves.

In addition to the business as usual functions detailed below, in 2013–14 we:

* supported the Chief Risk Office in developing the Financial Improvement Strategy
* developed an long-term accommodation strategy
* introduced a five-year budget and forecasting model
* established a legal services panel.

Assets management

Assets managed by the ACCC include:

* buildings, including fit-outs and leasehold improvements
* infrastructure, plant and equipment, including office equipment, furniture and fittings and computer equipment
* intangibles, including computer software.

Activities undertaken in 2013–14 to confirm the validity and valuation of assets held included:

* a stocktake to confirm the location of assets
* an assessment of impairment in accordance with government requirements to ensure that the ACCC only carries assets at a value above the recoverable amount
* a fair value assessment to ensure that assets are recorded at their appropriate value in line with accounting standards.

Purchasing

The ACCC uses Australian Government resources and spends public money in accordance with the requirements of the *Financial Management and Accountability Act 1997*.

Responsibility for procurement lies with the financial delegates in each business unit who have support from a central procurement team. The team advises on risk management, probity, specification development and contract management. Low-risk procurements (valued at less than $80 000) are managed by business units. Procurements of $80 000 or more and whole of government and panel arrangements are managed by both the business unit and the central procurement team, ensuring that the ACCC complies with the *Commonwealth Procurement Rules.*

Tenders

The ACCC advertises all tender opportunities through the AusTender website, www.tenders. gov.au. Information on contracts and consultancies awarded by the ACCC is also available on the AusTender website.

The ACCC's annual procurement plan was published on the AusTender site by 1 July 2013. No contracts were exempted from contract reporting requirements in 2013–14.

Consultancy contracts

During 2013–14, the ACCC entered 48 new consultancy contracts involving actual expenditure of $2 million. In addition, there were 25 ongoing consultancy contracts involving actual expenditure of $1.2 million.

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The ACCC engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants typically investigate or diagnose a defined issue or problem; carry out reviews or evaluations; or provide independent advice, information or creative solutions to assist ACCC decision-making.

Prior to engaging consultants, the ACCC takes into account the skills and resources required for the task, the skills available internally, and the cost effectiveness of engaging external expertise.

The decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997* and related regulations, including the *Commonwealth Procurement Rules.* In 2013–14, we engaged consultants through open public tender, select or limited tender (including through panel arrangements).

Table 4.13: Consultancy trend data

	2011–12	2012–13	2013–14
Number of new consultancies	66	62	48
Expenditure on new consultancies	$4.4 m	$4.4 m	$2.0 m
Number of ongoing consultancies	24	17	25
Expenditure on ongoing consultancies	$2.8 m	$4.0 m	$1.2 m

Exempt contracts

The ACCC had no exempt contracts for the financial year.

Environmental performance

Mandatory environmental reporting

The ACCC adheres to the Energy Efficiency in Government Operations Policy, reporting annual levels of energy use and emissions to the Department of Sustainability, Environment, Water, Population and Communities.

To meet the requirements of the National Packaging Covenant, the ACCC also reports on the volume of packaging and paper waste it produces.

Environmental performance

The ACCC remains committed to the development of best practice in environmental sustainability and performance. The ACCC's environmental policy includes strategies to improve sustainability that are consistent with the *Australian Government ICT Sustainability Plan 2010–2015* and better practices outlined by the Australian National Audit Office.

The ACCC made significant progress in environmental policy performance reporting in 2013–14. We achieved key performance indicators and improved data collection and recording. The ACCC's overall performance has improved by more than 40 per cent since inception of the reporting program in 2011–12.

Grant programs

Neither the ACCC nor the AER administers any grant programs.

Financial performance

The ACCC's financial statements, both administered and departmental, are in part 5 of this report. A financial reporting summary, including information about revenue and expenditure, and an operating statement and a staffing summary, appears in part 1.

The ACCC's outcome summary in appendix 1 contains a resource summary.

Developments that have affected or may affect the ACCC's operations or financial results

No developments since the end of the financial year have affected, or may affect, Outcome 1 operations or financial results.

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