

Accountability and management



George Serras

STATEMENT ON GOVERNANCE

The National Museum of Australia guides the delivery of its outputs through its corporate governance framework as well as through a number of management initiatives and other corporate activities.

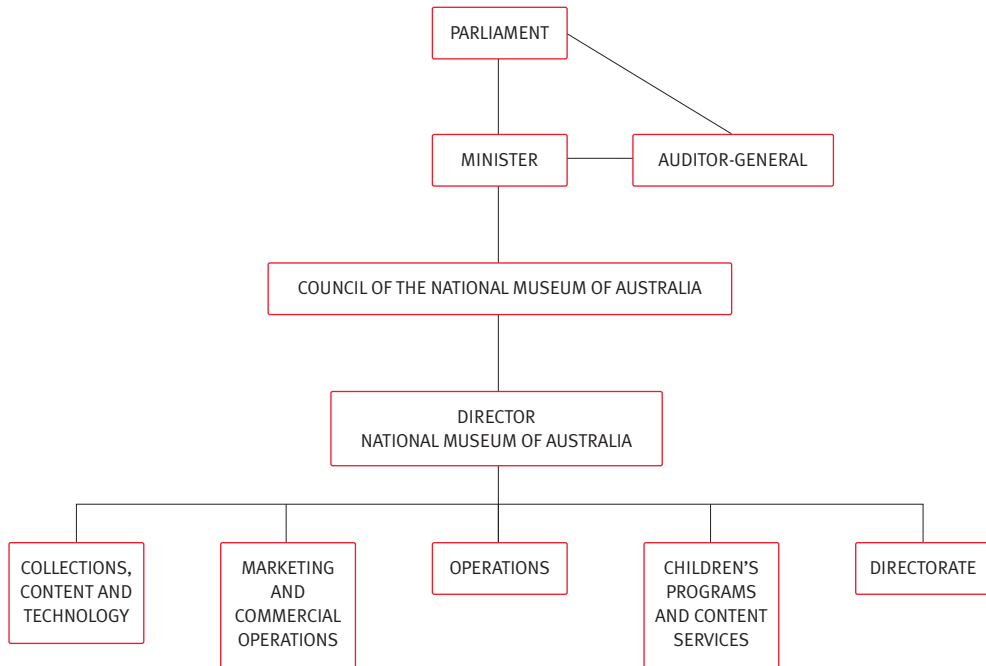
Legislative framework and portfolio structure

The Museum's key corporate governance and accountability legislation include:

- ▶ the *National Museum of Australia Act 1980*, which established the Museum as a Commonwealth statutory authority, and the National Museum of Australia Regulations
- ▶ the *Commonwealth Authorities and Companies Act 1997*, which provides a single set of core reporting, auditing and accountability requirements for directors of Commonwealth authorities such as the National Museum of Australia. It deals with other matters such as banking and investment and the conduct of officers. It also states that directors are responsible for the preparation and content of the report of operations in accordance with the Finance Minister's Orders
- ▶ the *Public Service Act 1999* which covers the powers of the Director of the National Museum in relation to the management of human resources.

The functions and powers of the Museum are in Appendix 2.

The Museum's chain of reporting and accountability to the Government at 30 June 2002 was:





Dean Gollia

The Council of the National Museum of Australia (left to right): David Barnett, Marcus Besen, Ron Webb, Dawn Casey, Andrew Reeves, Tony Staley, Sharon Brown, John Thame, Cathy Santamaria. Absent: Christopher Pearson, Kenneth Roberts, Michael Sexton

National Museum of Australia Council and Committees

The Council of the National Museum of Australia is responsible for the overall performance of the organisation including the strategic direction and establishment of goals for management. The Council works with senior management in developing, executing, monitoring and adjusting the appropriate strategies. The *National Museum of Australia Act 1980* provides for a Council comprising a Chairman, the Director and not less than seven or more than ten members. All members are appointed by the Governor-General and, apart from the Director, are part-time and appointed for terms of up to three years, although terms of appointment can be extended. The Director is appointed for a period not exceeding seven years.

The current membership of the Council provides a mix of relevant skills and experience in the areas of business, financial management, museum management, print media, and government policy and administration. Remuneration for non-executive members is determined by the Commonwealth Remuneration Tribunal.

During 2001–2002, two members were reappointed to Council for a term of three years, one member retired and the terms of two members lapsed on 28 June 2002. The Council usually meets every two to three months and four meetings were held during 2001–2002. Details of Council members are in Appendix 1. The Executive Director, Arts and Sport, from the Department of Communications, Information Technology and the Arts attends Council meetings as an observer.

As part of its ongoing commitment to maximise its performance, enhance the quality of Council discussion and decision-making, and to ensure that it is kept up to date with Government changes to corporate governance responsibilities, the Museum provides Council members with corporate governance information as it becomes available, including Australian National Audit Office (ANAO) documents and guidelines.

The Council has policy and procedures for the disclosure and resolution of any matter which may give rise to actual or potential conflicts as a result of a matter to be considered by the Council.

Members are required to make the nature of that interest known at the commencement of a Council meeting and details of such disclosures are recorded in the minutes of the meeting.

During the year, members received a presentation by PricewaterhouseCoopers Legal on their current governance obligations and accountabilities under the *Commonwealth Authorities and Companies Act 1997* and related legislation. PricewaterhouseCoopers Legal are also in the process of preparing Museum-specific governance materials. During the year, Council members also took part in a strategic planning forum.

As the Museum focuses its collecting activities on servicing the needs of the permanent exhibitions as well as articulating future collecting directions, the Council agreed to re-establish a Collections Committee during the year for this purpose.

The Council also decided to establish two new committees to assist in the execution of Council responsibilities. The new committees were:

- ▶ an Exhibitions Committee to prepare a scoping process for a review of the Museum's exhibitions and programs
- ▶ a Development Committee to support the Museum's fundraising functions.

Details of all these Committees are in Appendix 1.

Executive management group

Day-to-day management of the Museum is guided by an executive management group comprising the Director and four General Managers.



George Seris

Director Dawn Casey (left) with General Managers Freda Hanley, Greg Andrews, Suzy Watson and Darryl McIntyre

INTERNAL AND EXTERNAL SCRUTINY

Internal audit

An external provider, PricewaterhouseCoopers, supplied internal audit services during 2001–2002. The major focus of the 2001–2002 program focused on an audit of the retail operations at the Museum, particularly inventory management and reporting.

External audit

The Australian National Audit Office (ANAO) continued to audit the Museum's annual financial statements. In addition to the interim and final audits of the financial statement program, the Museum participated in the ANAO's 2001–2002 Risk Management and Insurance audit. The outcomes of this performance audit will become available in 2002–2003.

Fraud control and risk management

The Museum's Fraud Control Plan will be reviewed in late 2002 to bring it into line with the *Commonwealth Fraud Control Guidelines 2002* which were issued in May 2002.

No cases of Fraud were detected during the year.

A risk management unit was established in August 2001 with a charter to review the Museum's risk management framework and to develop and promote the formal process of integrated risk management throughout the Museum. A cross-divisional risk management working group was formed in October 2001 which has been reviewing and evaluating the Museum's operational and safety risks. Comcover Risk Management Services provided training for the working group and also assisted the executive management group in reviewing the Museum's strategic risks. It is anticipated that the working group will continue to review the Museum's risk management plan at least twice a year.

Freedom of Information

The *Freedom of Information Act 1982* requires each Commonwealth Government agency to publish a statement setting out its role, structure and functions, the documents available for public inspection, and access to such documents. This statement is available in Appendix 11.

During 2001–2002 there were no formal requests made to the Museum for access to documents under section 15 of the Act.

Privacy legislation

The Museum provides information as required to the Privacy Commissioner for inclusion in the *Personal Information Digest*. No reports by the Privacy Commission under section 30 of the *Privacy Act 1988* concerning actions or practices by the Museum were received during 2001–2002.

Significant events

No significant events as defined by section 15 of the *Commonwealth Authorities and Companies Act 1997* have taken place during the year.

Formal decisions/notifications/Ministerial directions

There have been no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the Museum's operations. There have also been no directions by the responsible Minister, or other ministers, or notification of general policies of the Government by the responsible Minister.

Legal actions

No legal actions were taken against the Museum during the year.

Ombudsman

No issues or matters about the Museum were referred to, or raised with, the Ombudsman.

Indemnities and insurance

The Museum is insured by the Commonwealth's self-managed insurance fund, Comcover. In consultation with Comcover, in 2001–2002 the Museum reviewed all insurance covers held to ensure appropriate coverage was maintained for the full range of Museum's operating activities.

Gold and Civilisation, the Museum's first temporary exhibition, continued to be covered by Art Indemnity Australia, the Commonwealth's Indemnity Scheme, while it was on display at the Melbourne Museum until 21 October 2001, and until all objects were returned to lenders.

The National Museum maintained insurance cover for Council members and officers' liability.

Service Charter

In accordance with the Government's commitment to improving the quality of customer service provided by Commonwealth departments and agencies, the Museum developed and introduced its Service Charter in 1998. The Charter is available in Appendix 12.

In order to reflect the new range of services and facilities offered by the Museum, it had been intended to review the current Charter in the light of operational requirements following the Museum's opening to the public. Although this review has not yet been completed, a revised Service Charter will be put in place by the end of 2002 and will be in line with the *Client Service Charter Principles* as set out by Government.

During 2001–2002, the Museum received more than 2000 written comments from visitors regarding its services, programs, exhibitions, the building and facilities. Feedback ranged from compliments, to suggestions, to queries and opinions. Most of the negative comments related to the lighting or the size of the text labels in the exhibition areas. Positive comments were mostly in regard to exhibition content and the friendliness of visitor services staff.

Processes were put in place so that all visitor feedback was responded to in writing where addresses were provided. A visitor feedback database was also established which allows regular reporting and monitoring. It is also a useful tool for the identification of where changes in processes are required.

Environmentally sustainable development

In accordance with section 516A of the *Environmental Protection and Biodiversity Conservation Act 1999*, government agencies have been required since 2000–2001 to include in their annual reports

a section detailing the environmental performance of the organisation and the organisation's contribution to ecologically sustainable development.

The Museum recognises the importance and effect of its activities on the local Canberra area and took a number of steps during 2001–2002 to contribute to the protection and improvement of the local Acton Peninsula environment. These initiatives included:

- ▶ participation in the Lower Sullivan's Creek Catchment Ecological Survey to develop a bio-diversity management plan for the lower Sullivan's Creek catchment area. The Museum, in partnership with the Australian National University, Australian National Botanic Gardens, CSIRO Black Mountain, Environment ACT, Lower Sullivan's Creek Catchment Group and the National Capital Authority, is contributing both expertise and funding to this locally significant project
- ▶ in conjunction with the National Capital Authority, the Museum has contributed to the protection of culturally significant sites on Acton Peninsula such as the protection of heritage-listed trees
- ▶ providing local arboreal mammals displaced by the Museum's activities with alternative homes on Acton Peninsula to ensure the Museum's impact on local wildlife is minimised.

On a broader ecological scale, the Museum has continued its commitment to resource conservation. This has been achieved through improved energy management and the implementation of a number of sustainable resource use initiatives. Examples of these initiatives include:

- ▶ in association with ActewAGL, the Museum has been investigating the possibility of significant energy savings through the streamlining of lighting and plant equipment control. The Australian Greenhouse Office has provided support for this process and it is anticipated that significant energy savings will be made in the 2002–2003 financial year
- ▶ use of a recycling program which includes paper, toner cartridge and glass/plastic bottle recycling in administration areas
- ▶ ensuring that all cleaning chemicals used by the Museum's cleaning contractors meet the specification for AS/ANZ ISO 14001:1996 — *Environmental Management Systems: Specification with guidance for use* and AS/ANZ ISO 14004:1996 — *Environmental Management Systems: General guidelines of principles, systems, and supporting techniques*.

The Museum's intention is to develop an Environmental Management Plan (EMP) in the coming year. This plan will incorporate air quality management, biodiversity management, community and staff education, energy management, waste management and water management. The EMP will recommend generic guidelines for all Museum activities to reduce its environmental impact and promote efficient use of resources.

The Museum's commitment to a sustainable environment both locally and nationally is also evident through its exhibition content and education programs. The Tangled Destinies gallery, the First Australians gallery and specific education programs promote environmental awareness to those who visit the Museum.

Disability strategies

In accordance with the Government's requirements, the Museum's performance during the year in the implementation of the Commonwealth Disability Strategies is set out below.

In 2001–2002, the Museum completed the development of its 2001–2004 Disability Action Plan for staff and customers. The plan was developed in accordance with the Commonwealth Government's Disability Strategy and will be reviewed over the life of the plan. The Strategy complements the Museum's Workplace Diversity Plan.

The Museum as an employer

PERFORMANCE INDICATOR	PERFORMANCE ACHIEVED IN 2001–2002
<ul style="list-style-type: none"> Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> 	<ul style="list-style-type: none"> 100% of employment policies, procedures and practices met the requirements of the <i>Disability Discrimination Act 1992</i>
<ul style="list-style-type: none"> Recruitment information for potential job applicants is available in accessible formats on request 	<ul style="list-style-type: none"> 100% of recruitment information is available in electronic format 100% of recruitment information is available in hardcopy format and large print
<ul style="list-style-type: none"> Agency recruiters and managers apply the principle of ‘reasonable adjustment’ 	<ul style="list-style-type: none"> Recruiters and managers were provided with information on ‘reasonable adjustment’ in 2001–2002 and this will continue on an annual basis
<ul style="list-style-type: none"> Training and development programs consider the needs of staff with disabilities 	<ul style="list-style-type: none"> Training and development programs which considered the needs of staff with disabilities increased from 50% in 2000–2001 to 100% in 2001–2002
<ul style="list-style-type: none"> Training and development programs include information on disability issues as they relate to the content of the program 	<ul style="list-style-type: none"> Where relevant to the content of the program training and development, programs include information on disability issues. For example, training for visitor services hosts includes up-to-date information on the needs of visitors with disabilities
<ul style="list-style-type: none"> Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised by staff 	<ul style="list-style-type: none"> Workplace Agreement and Service Charter provide these mechanisms

The Museum as a provider

PERFORMANCE INDICATOR	PERFORMANCE ACHIEVED IN 2001–2002
<ul style="list-style-type: none"> Mechanisms established for quality improvement and assurance 	<ul style="list-style-type: none"> Focus groups sourced from the community used to review program and service delivery Evaluations of visitor experiences conducted regularly and summarised monthly During Hearing Awareness Week storytelling sessions with Auslan interpretation held for school age children with hearing impairment and their families Hearing induction loops and touch trolleys available in various public areas of the Museum Projects have been identified to develop further activities and services with hearing and vision impairment Working group has been established to examine access issues for visitors with physical and intellectual disabilities
<ul style="list-style-type: none"> Established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for people with disabilities 	<ul style="list-style-type: none"> Service Charter in place specifying the roles of the provider and consumer, and service standards that address accessibility for people with disabilities

PERFORMANCE INDICATOR	PERFORMANCE ACHIEVED IN 2001–2002
<ul style="list-style-type: none"> Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance 	<ul style="list-style-type: none"> External mechanisms for complaints/grievances covered by Australian Standards AS4269–1995. Museum specific mechanisms under review for inclusion in Service Charter which will be revised in 2002–2003

The Museum as a purchaser

PERFORMANCE INDICATOR	PERFORMANCE ACHIEVED IN 2001–2002
<ul style="list-style-type: none"> Publicly available information on agreed purchasing specifications are available in accessible formats for people with disabilities 	<ul style="list-style-type: none"> Publicly available information regarding purchasing specifications is available in electronic and hardcopy formats Big print available on request
<ul style="list-style-type: none"> Processes for purchasing goods or services with a direct impact on the lives of people with disabilities are developed in consultation with people with disabilities 	<ul style="list-style-type: none"> Focus groups sourced from the community used to review proposed and existing program and service delivery
<ul style="list-style-type: none"> Purchasing specifications and contract requirements for the purchase of goods or services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> 	<ul style="list-style-type: none"> Specifications and requirements consistent with the requirements of the Act
<ul style="list-style-type: none"> Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided 	<ul style="list-style-type: none"> Publicly available performance reporting is available in electronic and hardcopy formats Big print available on request
<ul style="list-style-type: none"> Complaints/grievance mechanisms, including access to external mechanisms, are in place to address concerns raised about the providers' performance 	<ul style="list-style-type: none"> The Service Charter provides these mechanisms

Occupational health and safety (OHS)

With the Museum's opening to the public, the increase in visitors, staffing and volunteer numbers resulted in a changed profile of occupational health and safety risk.

The Museum established a framework to ensure integration of health and safety management into daily business operations including:

- a Statement of Commitment to Occupational Health and Safety in the Museum signed by the Museum's Director and the Community and Public Sector Union in September 2001 acknowledged the Museum's ongoing commitment to the health and safety of staff, volunteers, visitors and contractors
- in February 2002, the Museum appointed an ongoing full-time safety and risk manager to provide expert advice and facilitation on safety and health related issues to management and all staff

- ▶ site safety teams comprising the health and safety representative and two other staff members were established at each Museum site. All team members have been formally trained in hazard identification and risk assessment and will work with the Museum's safety and risk manager to identify hazards, assess their risks, and advise on appropriate corrective measures. Site safety teams will undertake a rolling inspection program across all of the Museum's sites
- ▶ the appointment of trained health and safety representatives, fire wardens and first aid officers in all Museum buildings
- ▶ the implementation of an ongoing OHS training program for staff and volunteers.

The Museum conducted a safe operation to remove loose asbestos material from a number of objects in the National Historical Collection. This operation was conducted over a week by a qualified and licensed asbestos removal company. Independent air quality monitoring was performed throughout the work to protect the health of all personnel involved.

The Museum continuously monitors its safety performance. Where incident trends have emerged, efforts have been directed to identifying and assessing the relevant risks, and implementing control measures. For example, some minor accidents occurred outside the Museum building following its opening and corrective work was undertaken to reduce accident risk.

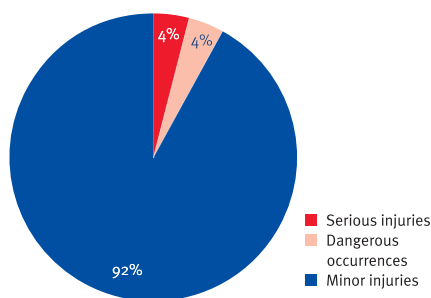
The number of incidents occurring during the year were as follows:

July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Average
5	8	7	7	9	7	11	7	12	13	12	7	8.75

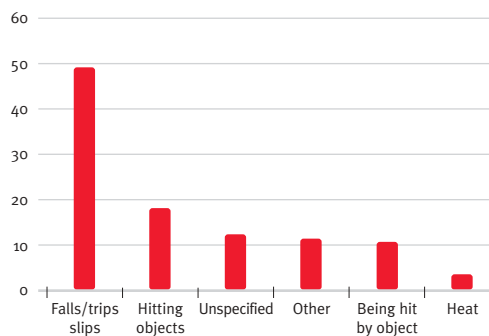
The higher than average number of reported incidents in January, March, April and May 2002 can be attributed to a varying combination of higher visitor numbers and wet weather conditions.

The graphs below show the nature of the reported incidents in 2001–2002, and their causes:

Category of incident



Causes of injury



The Museum's Occupational Health and Safety Committee met quarterly during 2001–2002 to assist with the implementation of the framework and address operational issues affecting the whole of the Museum's activities.

A planned investigation was conducted by Comcare in November 2001 as part of its ongoing program of OHS investigations of Commonwealth Government departments and agencies. A significant proportion of the recommendations had been addressed by 30 June 2002 and it is envisaged that the remainder will be addressed by the end of the year.

There were no fatalities or provisional improvement notices recorded during the period. There were eight incidents reported under section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

Advertising and market research

In accordance with reporting requirements contained in section 311A of the Commonwealth Electoral Act 1918, the total payment by the Museum to advertising and market research organisations in 2001–2002 was \$893 790 and comprised:

- ▶ advertising agencies \$348 362
- ▶ market research organisations \$144 612
- ▶ media advertising organisations \$400 816.

A detailed list is in Appendix 13.

OTHER ACCOUNTABILITY AND PLANNING MECHANISMS

Strategic planning

The Museum embarked on the staged development of a new five-year strategic plan. The development of the new plan draws on previously identified strategic priorities, the experience gained since the Museum's public opening as well as various evaluations and reviews recently undertaken by the Museum. The development process is being informed by extensive consultation involving a range of stakeholders. Input is being obtained through focus groups, consultation sessions, questionnaires, and planning sessions. Consultation is expected to be completed by the end of calendar year 2002.

Business planning

In recognition that there needs to be a strong relationship between an organisation's strategic plan and annual business plans, the Museum introduced an integrated business, project and risk management planning approach during the year. All business units are now expected to prepare business and project plans including the establishment of financial and non-financial targets. Once the Museum's new strategic plan is put in place, all planning within the Museum will be consistent and complementary.

The Financial Management Information System (FMIS) enhancements were also introduced allowing budgeting and reporting by business unit, project and sub-project across the organisation. Preliminary technological investigations were commenced to improve monitoring and reporting of project tasks and financial performance.

In 2002–2003, the Museum intends to enhance and integrate its risk management planning and reporting with its overall planning approach.

Evaluation and review

The Museum is committed to an ongoing process of evaluation and review to ensure the continued effective delivery of its programs and services to its customers and clients. During the course of the year, evaluations and reviews were conducted in the following areas:

- ▶ temporary exhibitions, *To Mars and Beyond: Search for the Origins of Life* and *Australia's Lost Kingdoms*
- ▶ communication technologies and information management
- ▶ funding and revenue options
- ▶ schools program
- ▶ asset management
- ▶ Museum shop
- ▶ front of house operations
- ▶ media coverage.

COMMERCIAL PERFORMANCE

Sponsorship and development

A number of activities were undertaken during the year to increase support in philanthropic donations, corporate sponsorships and partnerships to enable the Museum to enhance its programs.

In 2001–2002, the Museum received \$471 592 in cash and in kind sponsorship and donations, excluding its temporary exhibitions managed by Art Exhibitions Australia Ltd.

A review of the Museum's sponsorship proposals was undertaken with the rights and benefits broadened across the Museum rather than being product-related. An endowment fund program was established as the philanthropic vehicle for the Museum with the goal of achieving a capital base of \$60 million over 20–25 years in the medium term. Funds will be directed towards acquisition, conservation, education and exhibitions programs. The endowment fund will be launched in the major capital cities during August 2002.

A range of other new programs were also introduced, for example:

- ▶ the Director's Luncheon Program — aimed at increasing the level of knowledge of the Museum with corporate leaders particularly in Sydney and Melbourne and to establish ambassadors for the Museum beyond Canberra
- ▶ the Canberra Corporate Circle Program — designed to inform Canberra business leaders of the values and benefits of an association with the Museum for an annual fee. Supporters include KPMG and Adecco and a number of other companies are expected to join in 2002–2003
- ▶ a CD-ROM promoting the Museum's vision and introducing the core themes — produced for distribution to those parts of the corporate sector in Sydney and Melbourne which may not have first hand knowledge of the Museum.

Examples of sponsor-related activities that occurred during the year are:

- ▶ infomercials for the Museum's major sponsor SAS appeared on the Optiwave screen in the Hall resulting in greatly increased visitor recognition for the company. The company has the naming rights to the SAS Visions Theatre and it held many corporate functions and training sessions at the Museum



George Serrais

Visitor Liza Stephens and son Monte go shopping at the Museum

- ▶ a competition supported by Cadbury Yowie, the presenting rights sponsor for *Australia's Lost Kingdoms*, and Rydges Hotels was linked to the exhibition. Cadbury also provided prizes and contributed to the children's and schools education programs
- ▶ Rosemount Estate Wines (Southcorp) continued to support the Museum with products for official events and openings
- ▶ substantial sponsorship for the *To Mars and Beyond: Search for the Origins of Life* exhibition by the principal sponsor, Sun Microsystems. Other major sponsors were Fujitsu, Ball Solutions Group, Singapore Airlines, Accor and BHP Billiton. Support was also received from the Department of Defence, Science and Technology, Geoscience Australia and the Bureau of Meteorology. The French Government also provided generous assistance
- ▶ assistance by Qantas with airfares for students to participate in the Talkback Classroom program
- ▶ provision of accommodation by Rydges Hotels and Doma Hotels Canberra
- ▶ the Myer Foundation provided support for the Museum to develop its Eternity exhibition for touring regional Australia.

A full list of sponsors is in Appendix 14.

Merchandising and retail services

Merchandising and retail services provide opportunities for the Museum to raise revenue, enhance its broad educational role and supply visitors with a memento of their experience.

By 30 June 2002, the following retail sales trends had emerged:

- ▶ approximately 37 per cent of three-dimensional product directly related to the Museum's own logo and exhibitions
- ▶ Museum publications accounted for 7.4 per cent of product sold
- ▶ the wide variety and choice of books in both children and adult ranges continued to grow and books accounted for approximately 20 per cent of stock holding, with sales of 18 per cent achieved
- ▶ Aboriginal and Torres Strait Islander products continued to sell well with the most receptive audience being clients from the United States of America and Europe, in particular Germany
- ▶ mail order and trade sales continued to grow and at the end of the year the total value was \$24 000
- ▶ approximately 20 per cent of the Shop's visitors, some of whom were repeat visitors, came from interstate destinations.

Despite total sales of \$1.2 million, including \$315 000 derived from special exhibitions merchandise, the Shop reported a disappointing 3 per cent loss for 2001–2002. In view of this, the Museum sought external expertise to review the retail operations with a view to improving financial performance and ensuring that a net profit target agreed with the Government would be met for the coming 2002–2003 year. The review was undertaken jointly by Ernst & Young and the Brackenbury Group, who provided the Museum with a strong mix of retail expertise, including financial analysis, retail benchmarking, inventory management, retail reporting, merchandise policy, range planning, physical shop layout and marketing expertise. The objectives of the review were to examine and report on:

- ▶ overall operations and performance of the Shop since opening
- ▶ retail staff structures
- ▶ other operating expense levels
- ▶ management reporting
- ▶ merchandise policy and physical shop layout.

Benchmarking against industry standards and competitors was undertaken as part of the review.

The recommendations of the review were accepted by the Museum and will be implemented early in 2002–2003. Other measures will also be taken by the Museum such as the creation of new markets through mail order, e-commerce and licensing agreements.

Venue hire

In conjunction with the Hyatt catering team, use of the Museum's facilities for venue hire proved to be a highly successful area of commercial operation in the Museum's first full year of operation. More than 760 private functions were attended by approximately 75 000 people for a range of events such as banquets, cocktail parties, launches and seminars. This resulted in an additional \$200 000 increase in the Museum's estimated income from venue hire.

To reach new markets and promote the Museum venues to the convention industry nationwide, the Museum commenced the development of a five-year sales and marketing strategy. This will be completed and implemented in 2002–2003.

FINANCIAL PERFORMANCE

An overview of the National Museum's financial performance for the 2001–2002 financial year is provided below. The National Museum's financial statements commence on page 75 and the resource summary of output prices is provided on page 14.

Resources, estimates and outcomes

The Museum's appropriation for 2001–2002 was \$62.552 million, which was provided by the Government to continue the development of the Museum's operations following opening of the new Acton facility in the prior year.

The table below indicates the estimates approved by the Minister and the outcome in terms of actual expenditures for 2001–2002.

	Budget 2001–2002 \$'000	Actual 2001–2002 \$'000	Budget 2002–2003 \$'000
Employee expenses	12 360	10 823	11 652
Administrative and other operating Expenses	29 879	29 342	29 714
Capital use charge	29 313	29 326	28 233
Less revenue from independent sources	-4000	-3205	-2104
Net Resources Used	67 552	66 286	67 495

Statement of financial performance

The statement of financial performance discloses an operating surplus for 2001–2002 of \$25 591 596 (2000–2001: \$140 223 950). This result includes income from Government for Capital Use Charge of \$29.313 million. If the Capital Use Charge income is removed, the underlying operating result in the Statement of Financial Performance would be a deficit of \$3.721 million.

Appropriation revenues from Government increased by \$26.513 million from \$36.039 million in 2000–2001 to \$62.552 million in 2001–2002. The variation included a \$13.897 million increase in Capital Use Charge funding resulting from the impact of the new building on total asset valuation, \$4 million supplementation for foregone admission fees, and increased depreciation funding.

Total expenses increased by \$10.343 million from \$29.822 million in 2000–2001 to \$40.165 million in 2001–2002. The 35 per cent increase in costs over the prior year results from the impact of the first full year of operation of the new facility at Acton Peninsula. This included full year costs relating to security, cleaning, utilities, staffing, depreciation and information technology.

The underlying operating deficit for 2001–2002 was within the financial target set by Government of a maximum \$5 million underlying deficit for the year.

Statement of financial position

The statement of financial position discloses a decrease in the Museum's net assets of \$2.563 million, from \$259.171 million in 2000–2001 to \$256.608 million in 2001–2002.

A full revaluation and stocktake of non-Collection assets was conducted in 2001–2002. The revaluation and stocktake resulted in an asset write-down of \$1.443 million and an increase in asset revaluation reserve of \$1.171 million.

Cash at bank as at 30 June 2002 totalled \$3.534 million (2000–2001: \$2.449 million) and investments totalled \$12.153 million (2000–2001: \$6.0 million). The investments primarily comprise reserves for depreciation and employee provisions.

Statement of cash flows

Cash received for operating activities increased by 55 per cent in 2001–2002 due to the increased Commonwealth Appropriation.

Interest received during the year reduced from \$990 395 in 2000–2001 to \$486 856 in 2001–2002 due to a reduction in available investment funds throughout the year. The reduction in investment funds resulted from changes to funding arrangements for the Capital Use Charge which were introduced by the Government on 1 July 2001.

Recoveries of Goods and Services Tax increased by 140 per cent in line with increased supplier payments resulting from full year operations at the new Acton Peninsula site.

Capital Use Charge paid during the year totalled \$28 614 000, which comprised the payout of the accrual for 2000–2001 of \$103 000, and provisional payment for the 2001–2002 year of \$28 511 000 in June 2002.

MANAGEMENT PERFORMANCE

Consulting and contracting services

The Museum contracts out, on a competitive basis, services for catering of the facility, cleaning, internal audits, information technology hardware and support, security, media, and transactional banking.

The total number of consultancy services provided to the Museum in the period 2001–2002 was 109. The total value of these consultancies amounted to \$1.695 million. Major services involved exhibition management, program evaluation, market research, information and communication technologies and financial services.

Facilities management

In conjunction with the Acton Peninsula Alliance, the Museum successfully resolved defects through the twelve months' defects liability period for the Acton facility. At the end of 2001–2002, there were only three issues still being addressed, and it is expected these will be completed by December 2002. All warranty issues were successfully addressed and some minor retrofit works were undertaken to improve functionality within the building.

The Museum's cleaning contractor, Tempo Cleaning, was presented with the National Cleaning Certificate Award for 'best cleaned tourist attraction within the ACT and NSW' during the year by Kimberley Clark.



Dean Gollja

Facilities staff Dale Dummett and Barbara Burton examine the Museum's plant room

Implementation of the Museum's computerised maintenance management system was completed during the year. This enables full and systematic tracking and costing of all maintenance and repair activities undertaken at the Acton complex, as well as the programming of planned maintenance activities. The system will be extended during 2002–2003 to cover the Mitchell sites.

There were a number of staff relocations between the Acton administration building and Mining Industry House during the year as a result of some organisational changes and increased staff in some sections. In addition, the former Medical Superintendents residence at Acton Peninsula, leased from the National Capital Authority, was refurbished to provide office accommodation for 14 staff.

With the benefit of experience gained through operating the building, Facilities staff made significant contributions to the implementation of a number of Museum-wide initiatives. These included changes to wayfinding and signage within the Museum, the establishment of a programmed exhibition maintenance regime and the initiation of a specialised exhibition lighting maintenance program.

The development of the specifications, tender conditions and draft contract documentation for the facilities maintenance tender was a major component of the section's work in the latter part of the year. The tender is for integrated facilities maintenance for an initial period of five years, with options for up to a further five years based on performance, and is expected to be issued in July 2002.

The parking pressure experienced in the first few months after opening has lessened. In order to provide further parking options for visitors during peak visitation times, the Museum contracted ACTION buses to provide a no-fee shuttle bus service from carparks in the Civic area for Museum visitors. The free service was introduced in August 2001, and runs on a regular timetable each weekend and on public holidays. In November 2001, ScreenSound Australia agreed to participate in this arrangement on a cost-sharing basis.

Security

During the year, the Museum's security contractors successfully provided specialised security on 80 occasions for VIPs visiting the Museum. These visits were coordinated with the Australian Federal Police (AFP).

On five occasions, the Museum also assisted the AFP and the Attorney-General's Protective Security Coordination Centre by providing a 'live' venue for a number of their training courses.

Security arrangements at the Mitchell facilities were reviewed during 2001–2002 to determine the scope of works required to bring those arrangements in line with the high standard of security provided at the Acton complex. Subject to the availability of an externally provided connection to the ICON network, the resultant upgrade works are scheduled to commence in September 2002. As an interim measure, additional security patrols of the Mitchell sites are now being conducted.

Purchasing and asset management

The Museum's purchasing practices and procedures are consistent with the Commonwealth Procurement Guidelines and are also in accordance with the *National Museum of Australia Act 1980* and better practice principles.

The Museum's Asset Management Plan for management of the fixed plant and equipment assets has been developed with a 25-year outlook and provides a detailed cost plan over the next five-year period. It will be extended to cover the Mitchell sites by the end of December 2002.

Human resource management

Museum staff are employed under the *Public Service Act 1999* and their employment conditions are established under legislation applying to the Australian Public Service.

Museum staffing of 138 ongoing and 88 non-ongoing staff as at 30 June 2002 represents an increase of 23 staff or 20 per cent over the twelve-month reporting period. The tables below show the breakdown of staffing by employment category and division as at 30 June 2002.

STATUS	MALE	FEMALE	TOTAL
Ongoing full-time staff SES	1	1	2
Ongoing full-time staff non-SES	37	70	107
Ongoing part-time SES	0	0	0
Ongoing part-time non-SES	9	20	29
Non-ongoing full-time SES	2	1	3
Non-ongoing full-time non-SES	26	34	60
Non-ongoing part-time SES	0	0	0
Non-ongoing part-time non-SES	9	16	25
Temporary movements SES	0	0	0
Temporary movements non-SES	0	0	0
Total	84	142	226

The distribution of staff by Division as at 30 June 2002 is shown below.

DIVISION	ONGOING	NON-ONGOING	TOTAL
Directorate	9	1	10
Marketing and Commercial Operations	24	5	29
Operations	36	51	87
Collections, Content and Technology	49	26	75
Children's Programs and Content Services	20	5	25
Total	138	88	226

The limited timeframes for some exhibition-related projects at the Museum since opening has contributed to a requirement for a high proportion of non-ongoing jobs. Steps were taken during the year to reduce the number of non-ongoing jobs in the Museum by 17 per cent. In addition, by the end of the reporting period, selections had been completed to fill 56 visitor services host positions on an ongoing basis. This has reduced the number of non-ongoing staff to 29, a reduction of 72 per cent since 30 June 2001.

The Museum's project planning approach and the 2001–2002 Budget outcome will assist the Museum to further stabilise the requirement for non-ongoing jobs.

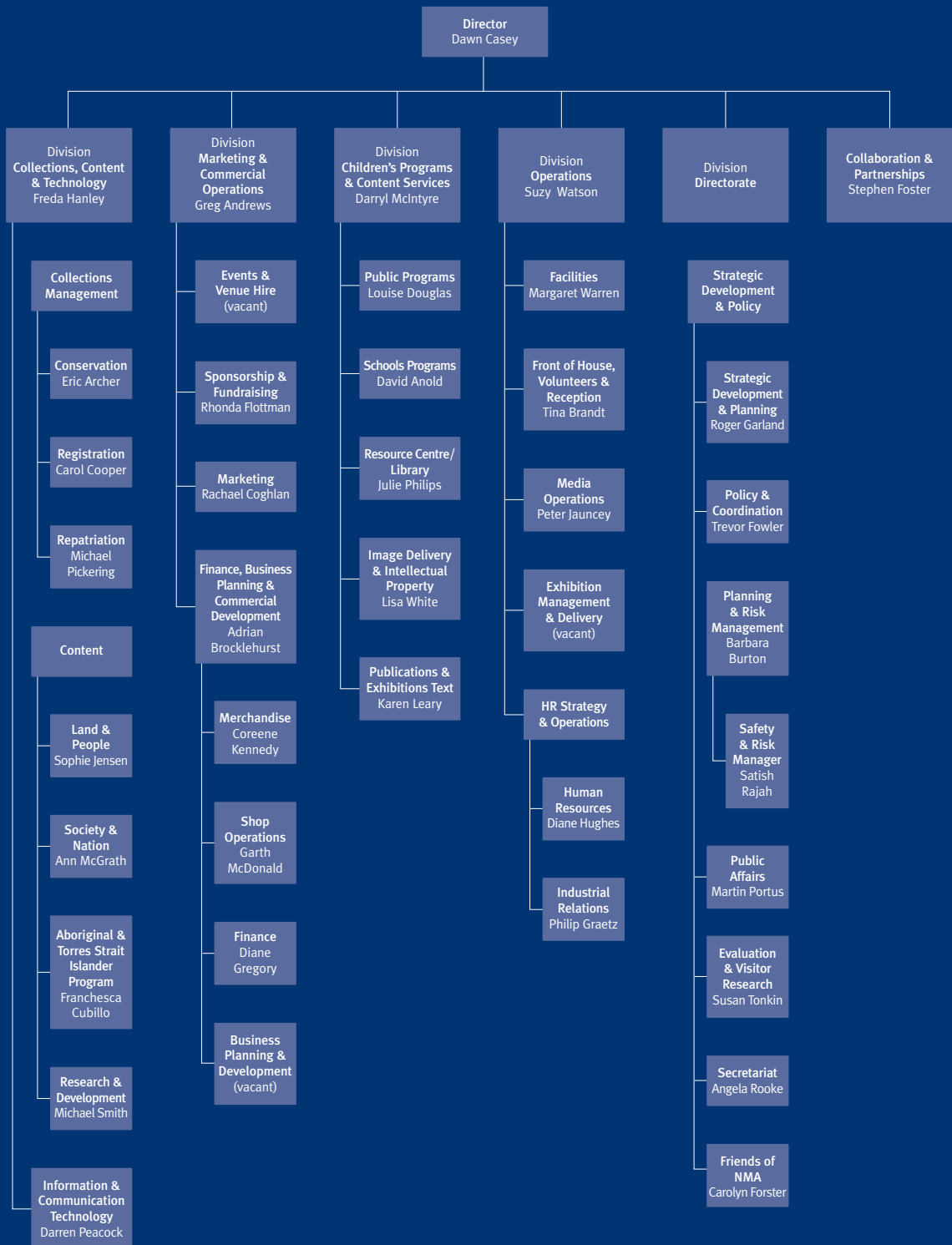
In late 2001, the Museum decided to develop new work level standards to assist with the classification of positions. The purpose of the new work level standards are to:

- ▶ provide a framework for consistent job classification and for preparing and/or reviewing job descriptions and selection criteria for Museum jobs
- ▶ be consistent with the Australian Public Service (APS) eight level classification structure to ensure that mobility across the APS is supported
- ▶ provide scope for future broadbanding under a workplace agreement, flexibility in designing the way work is done and remuneration paid, and to allow jobs to be designed which meet the needs of the Museum and of individual employees
- ▶ allow merit to remain a cornerstone of Museum staff selection processes
- ▶ to enable the Museum to base remuneration outcomes under future workplace agreements on both the inherent requirements of a job and the personal qualities brought to the position.

After a public tender process, a human resources consultancy firm, Yellow Edge Pty Ltd, was appointed in February 2002 to undertake the project. The consultant is required to benchmark against appropriate APS agencies and other cultural institutions to identify best practice approaches, and to develop standards that are consistent with the Museum's commitment to workplace diversity and equal employment opportunity. The project is expected to be completed in July 2002.

The organisation was also restructured during the year to adequately reflect experiences gained through its new operational environment. The structure of the Museum at 30 June 2002 is set out on the next page.

NATIONAL MUSEUM OF AUSTRALIA STRUCTURE — JUNE 2002



Recruitment

Workforce change and growth created a significant workload during the year with over 100 recruitment actions undertaken.

The major recruitment achievement during the year was recruitment of the ongoing team of visitor hosts. Advertisement of the ongoing positions were advertised in February 2002 and after a large number of inquiries, more than 200 people attended three public information sessions. From more than 300 applications, a short list of 200 applicants were selected to attend assessment centres which identified applicants with the requisite aptitude and skills for the positions. A total of 120 applicants were subsequently invited to an interview and 58 accepted ongoing positions as visitor hosts, to commence in early July 2002.

Filling vacant positions in the Information and Communication Technology section was another significant recruitment activity during the year. This followed the creation of new positions in line with the recommendations in the Museum's strategic review of communications technologies and information management.

Workplace diversity

Museum management recognises that, ideally, the Museum workforce would reflect the cultural diversity of contemporary Australian society. In particular, the Museum is keen for the public to be able to relate well with Museum staff encountered during their visit. The Museum seeks to maximise opportunities for people from diverse cultural and social backgrounds to work at the Museum. In addition to the national and local Canberra press, vacant positions are advertised in Indigenous and ethnic community publications. The Museum also seeks to identify and, subject to the application of the merit principle, remove unnecessary barriers to the recruitment of a diverse workforce.

As part of the Museum's commitment to developing and implementing sound management practices, a new workplace diversity plan was developed and implemented for the period 2001–2004. The plan is now included in the induction manual for all new employees. Progress on the implementation of the plan was reported annually to executive management and as part of the Public Service and Merit Protection Commission's State of the Service Report for 2001–2002.

As at 30 June 2002, Museum staff who identified themselves as being from target groups were:

GROUP	NUMBER OF STAFF
Person of Aboriginal or Torres Strait Islander descent	10
Person with a disability	4
Person from a culturally and linguistically diverse background	11
Women	142

Performance management

The Museum's performance management scheme, where managers are required to have agreements in place for all their staff, to undertake regular reviews and to identify areas requiring personal development, continued throughout the year. Occupational health and safety and workplace diversity are included as core skills within the performance management guidelines.

Human resource development

Individual staff members are encouraged to identify personal development requirements through their performance management agreements and business project planning discussions. Staff are also encouraged to develop their skills by participating in external development activities that are relevant to their fields of interest. These activities include the presentation of papers at conferences and seminars, undertaking research and publishing studies, as well as attending technical or professional workshops.

The National Museum of Australia (Opening Years) Agreement 2000–2002 provides access to study leave for all staff.

The Museum resumed its formal corporate development program in 2001–2002 with all staff participating in corporate governance courses including such topics as values, ethics and accountability. Section managers also undertook courses in occupational health and safety and three staff members completed cultural management and advanced workplace skills training during the year.

Visitor services training was provided for staff and covered topics such as customer service skills, communication, including cultural diversity, and handling difficult situations.

Workplace relations

The Museum's workplace agreement, the Workplace Relations Committee and the Workplace Relations manager provide a framework for consultation with staff and union representatives on issues concerning workplace change and environment.

Workplace agreement

The National Museum of Australia (Opening Years) Agreement 2000–2002 was certified by the Australian Industrial Relations Commission (AIRC) in February 2001 with a nominal expiry date of 30 June 2002. Issues arising during 2001–2002 relating to implementation and monitoring of the agreement included:

- ▶ flextime for APS level employees
- ▶ executive level workload management
- ▶ hours of work
- ▶ overtime
- ▶ unsatisfactory attendance
- ▶ visitor service rostering
- ▶ visitor service attendance records
- ▶ higher duties allowance for non-ongoing employees.

Regular staff circulars and meetings facilitated discussion of these issues.

In support of new flextime arrangements brought in under the workplace agreement, where provisions introduced were designed to prevent excessive accrual of flex leave entitlements, a new electronic flexsheet was introduced at the beginning of 2001–2002. The new flexsheet is designed to assist staff and their supervisors to negotiate workloads so that excessive flex credits do not accrue.

On 4 July 2001, the Community and Public Sector Union (CPSU) notified a dispute and threatened industrial action to the AIRC about restructuring following the Museum's strategic review of communications technologies and information management. In August 2001, the CPSU further notified a dispute to the AIRC under the dispute resolution procedures in the workplace agreement. Following a series of conferences involving the AIRC and extensive consultation with staff and union representatives, the matter was settled in February 2002.

Workplace Relations Committee

The Workplace Relations Committee is established under the auspices of the Museum's workplace agreement. The Committee consists of two staff representatives, two Community and Public Sector Union and two management representatives. The Union organiser and management advisers also attend meetings of the Committee.

During 2001–2002, the Committee met 11 times and addressed a range of issues including:

- ▶ arrangements for negotiating the next workplace agreement
- ▶ the pricing review
- ▶ staffing, recruitment and organisational structures
- ▶ the communications technologies and information management strategic review
- ▶ the visitor host strategy
- ▶ front of house staffing and rostering
- ▶ occupational health and safety
- ▶ development of new work level standards
- ▶ management of non-ongoing staff
- ▶ accommodation
- ▶ vehicle fleet and local travel arrangements
- ▶ all staff meeting times
- ▶ management of flexitime
- ▶ childcare.

Post-separation employment

There were no applications for post-separation employment during the year.