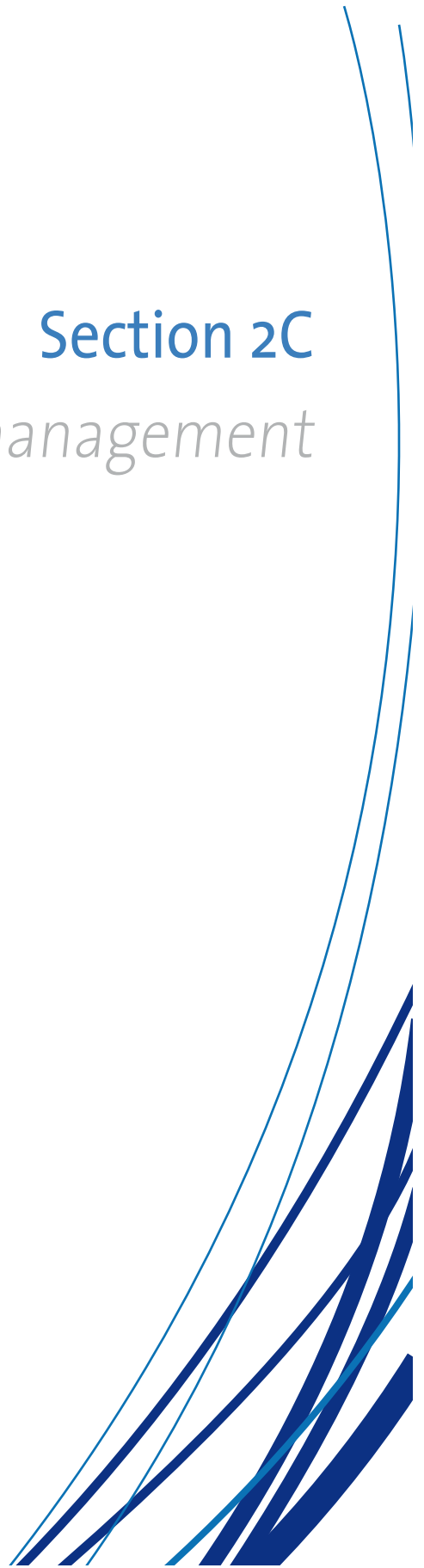


Section 2C

Resource management



This section outlines ComSuper's performance in regards to the management and development of our staff, financial management and information and communication technology.

Our workforce

ComSuper continued to achieve business objectives and shaping our desired culture, by attracting and recruiting diverse talent, building people capability and capacity, engaging and retaining employees and promoting a safe working environment.

Over 2010-11, we undertook a range of activities to support our workforce. These included:

- Formulating a Learning and Development strategy, with a greater focus on aligning staff learning with our key results areas
- Developing our leadership capability for managers and potential managers, as well as providing personal effectiveness and technical superannuation specific training to staff
- Establishing a common understanding of Workforce Planning and what it means to ComSuper
- Regular provision of workforce metrics, qualitative information, and specific workforce planning initiatives with business units such as PSSap staff in the context of outsourcing
- Focussing efforts on early intervention and injury management strategies
- Proactively engaging with managers to help manage health and safety in ComSuper
- Reinforcing key health and safety, APS Values, and APS Code of Conduct messages as part of compulsory annual awareness training
- Commenced bargaining for our next Enterprise Agreement.

All of our staff are based in Canberra.

At 30 June 2011, we employed 539 staff under the *Public Service Act 1999*. The tables below show staff headcount by classification, gender, full-time/part-time and ongoing/non-ongoing for the last two financial years.

During the year there were 106 staff commencements, which consisted of 74 non-ongoing and 32 ongoing staff. There were 164 separations, of which, 73 were non-ongoing or casual and 91 were ongoing staff. The majority of staff separations were due to resignations (48), movement to another agency (45) and non-ongoing contracts completed (34). The turnover of ongoing staff was 18.8%.

Our senior executives are provided with regular workforce reports to inform decision making. The reports, presented at both organisational and group levels, contain comprehensive information including staff demographics, leave usage and other associated analytics.

Table 11: Workforce profile for 2009-10 and 2010-11

These numbers represent substantive positions i.e. not temporary.

By classification	At 30 June 2010			At 30 June 2011		
	Female	Male	Total	Female	Male	Total
APS1	3	1	4	3	0	3
APS2	15	2	17	14	6	20
APS3	52	25	77	47	15	62
APS4	73	39	112	66	34	100
APS5	70	36	106	69	25	94
APS6	75	53	128	65	53	118
Total APS	288	156	444	264	133	397
EL1	52	61	113	51	55	106
EL2	16	19	35	16	15	31
Total EL	68	80	148	67	70	137
SES1	1	4	5	1	3	4
SES2	1	1	2	0	0	0
CEO	0	1	1	0	1	1
Total SES	2	6	8	1	4	5
Grand Total	358	242	600	332	207	539
By employment type	Female	Male	Total	Female	Male	Total
Full-time	297	231	528	273	197	470
Part-time	61	11	72	59	10	69
By employment status	Female	Male	Total	Female	Male	Total
Ongoing	439	62	501	408	64	472
Non-ongoing	89	10	99	62	5	67
By age group and gender	Female	Male	Total	Female	Male	Total
<20	2	0	2	5	3	8
20-24	49	35	84	54	25	79
25-29	45	20	65	48	25	73
30-34	45	38	83	41	34	75
35-39	48	31	79	45	23	68
40-44	30	33	63	27	30	57
45-49	39	28	67	34	25	59
50-54	38	23	61	35	21	56
55-59	20	14	34	21	18	39
60+	15	6	21	22	3	25
Total	331	228	559	332	207	539

Workplace diversity

In 2010–11, we implemented the Workplace Diversity Plan (WDP). This included the provision of in-house seminars and awareness sessions for our staff.

Our WDP will help to focus future attraction, retention and engagement strategies.

Enterprise Agreement

All APS and Executive Level (EL) employees in ComSuper are covered by the *ComSuper Enterprise Agreement 2010-2011* (the Agreement).

The Agreement provides a range of non-salary benefits available to our staff, including:

- flexible working hours between 7.00 am and 8.00 pm
- access to purchased leave
- payments for the attainment of work related competencies
- school holiday care allowance for the July school holiday
- health initiatives
- a performance management framework to assist staff achieve their career and development aspirations.

The Agreement specifies that ComSuper will be open for business over the period between Christmas and New Year. Previously this was a 'Christmas closedown' period and service to members was not provided. The Agreement also introduced extra salary points at the executive level in order to reduce the number of employees requiring special salary arrangements. Advancement to the extra levels is dependent on a work performance assessment.

In line with government bargaining requirements, the Agreement has a nominal expiry date of 30 June 2011. Negotiations for a replacement Enterprise Agreement, which are also being undertaken in line with the government's bargaining framework, commenced in May 2011.

At 30 June 2011 there were four substantive and two acting senior executive Band 1 employees in ComSuper, and they have their terms and conditions of employment determined under section 24(1) of the *Public Service Act 1999*. The determinations align performance expectations, individual goals and objectives in line with ComSuper's Strategic Plan. Employees at lower levels are not covered by section 24(1) determinations.

Senior executives are provided with non-salary benefits including a fully maintained motor vehicle or cash-in-lieu allowance, professional association memberships and airline memberships.

The Chief Executive Officer's remuneration and conditions are set by the Minister for Finance and Deregulation, as the employing body for the office, within a framework established by the Remuneration Tribunal.

Table 12: Salary ranges contained in the Agreement at 30 June 2011

Level	Range (\$)
APS1	39,051 – 43,162
APS2	44,196 – 49,016
APS3	50,593 – 54,603
APS4	56,107 – 60,916
APS5	63,203 – 67,021
APS6	67,760 – 77,839
EL1	87,300 – 99,695
EL2	99,695 – 123,917

Individual flexibility arrangements

The Agreement contains a flexibility clause enabling the CEO of ComSuper to make an individual flexibility arrangement (IFA) with an employee regarding matters of remuneration, and other terms and conditions of employment, in order to meet the genuine needs of both ComSuper and the employee.

At 30 June 2011 there were 55 IFAs in place. These have been made to enable the payment of special remuneration conditions for employees with specialised skills, and to ensure that ComSuper can attract and retain those employees in a tight labour market.

Table 13: Salary ranges contained in IFAs at 30 June 2011

Level	Range (\$)	Number of staff
APS3	50,593 – 55,718	2
APS4	56,107 – 62,159	6
APS6	78,229 – 85,329	7
EL1	97,948 – 130,991	25
EL2	109,733 – 173,310	15

Performance Pay

There were no performance bonuses paid to staff during the 2010-11 financial year.

Productivity Gains

Under the current Agreement, there was a single pay increase of 3% in 2010-11. The funding for this salary increase was derived from ongoing business improvements, including:

- improvements in data quality resulting in reduction of manual work
- improved processes for producing member statements resulting in less time taken and fewer staff needed.

Learning and development

During 2010-11, we developed a learning and development (L&D) strategy to ensure greater alignment with ComSuper’s key results areas. This strategy focused on the finer skills of our leaders and developing our staff to improve the quality of service to our members and clients.

The main program rolled out during the year was ‘Managing and Leading for Performance’, with 83 leaders attending. We also rolled out a course for non-leaders which complimented the leadership program called ‘Managing Yourself and Your Performance’, with 137 employees attending.

An important part of the leadership program was to continue the growth of our ‘Emerging Leaders’ course conducted in 2009-10. Further training was provided to staff who wanted to develop their leadership skills, with 47 employees attending.

Throughout the year we held several presentations which focused on motivational leadership.

The presenters were:

- **Peter Harper** – Chief Operating Officer, Australian Bureau of Statistics
- **Craig Robertson** – Group Manager Infrastructure, Department of Education, Employment and Workplace Relations
- **Christine Nixon** – Voluntary advisor to the Victorian Bushfire Reconstruction and Recovery Authority
- **Andrew Hughes** (previously engaged for leadership training) – CEO and founder of Dare2XL.

As a financial services provider, staff in customer service roles must receive training prescribed by the Australian Securities and Investments Commission’s Regulatory Guide 146 (RG 146). In 2010-11, 31 staff successfully obtained their RG 146 competency and a further 54 staff completed the RG 146 refresher course.

In June, the 2011 ASFA (Association of Superannuation Funds of Australia) Policy Roadshow was held at ComSuper. This program provided ComSuper staff an overview of the issues currently facing the superannuation industry.

Other learning and development activities undertaken during the year included:

- training to ensure a smooth transition to a new IT desktop environment, with 70% of ComSuper staff attending this program.
- recruitment training to ensure ComSuper has a consistent approach to recruitment and delegation responsibilities, with 99 staff attending this training.
- ComSuper’s Studybank program to support staff undertaking external tertiary and other studies to further enhance their skills and abilities. A total of 55 staff have accessed this program totalling 2240 hours in study leave.
- Annual Awareness Training rolled out to all ComSuper staff, which was completed in August 2011. This training provided staff with a reminder of their responsibilities in the areas of security, freedom of information, privacy, APS Code of Conduct & Values, occupational health and safety and financial compliance.
- ComSuper Week— an opportunity for all staff to learn about different business groups— which was held in May 2011. There were 10 sessions held with a total of 400 attendees.
- development of a new framework and implementation plan for superannuation schemes training for 2011-12.

Table 14: Corporate training programs

Training program	Number of attendees
Change Management	44
Code of Conduct	8
Contract Management	14
Great Leaders, Great Teams, Great Results	20
How to manage Difficult Members (Mental Health)	14
Managing and Leading for Performance	83
Managing Yourself and Your Performance	137
Recruitment Training for Delegates	37
Recruitment Training for Panel Members	62
Writing effective emails for members	85

Occupational health and safety

ComSuper is committed to providing and maintaining a safe and healthy workplace to support employee well-being and continues to meet requirements in compliance with the *Occupational Health and Safety Act 1991* (OHS Act) and the *Safety Rehabilitation and Compensation Act 1988* (SRC Act).

Our Health and Safety Management Arrangements (HSMAs) provide a flexible framework for the day-to-day management of OHS matters with a focus on continuous improvement and strong governance.

ComSuper’s Comcare premium has been revised down again for the third year running from a prescribed 1.98% to a revised 1.90%. This, together with the significant reduction in the number of injury claims in 2010, reflects the high priority ComSuper places on workplace health and safety.

Improved rehabilitation practices and more proactive case management have resulted in a

reduction in the average claim cost, with claim frequency falling below the APS average for the first time in several years. Provision of health initiatives such as Health and Well-Being seminars, staff awareness sessions, annual health assessment programs and influenza vaccinations have also helped to ensure we reach our OHS targets of reducing injuries and disease in the workplace.

Work health and safety harmonisation

In July 2008, the Council of Australia Governments formally committed to the harmonisation of Work Health and Safety (WHS) laws by signing the Intergovernmental Agreement for Regulatory and Operational Reform in OHS. We will be required to revise all health and safety policies, practices and procedures to accord with the model work health and safety laws by the end of December 2011.

Preparation for the transition to WHS harmonisation will be a strong focal point for ComSuper in the first half of 2011–12. An implementation strategy will be developed to ensure ComSuper is well placed to achieve the target date of 1 January 2012.

Chart 3: ComSuper’s health and safety governance structure at 30 June 2011



Health and safety management arrangements

ComSuper's HSMA's comply with section 16(2)(d) of the OHS Act. These arrangements set out the responsibilities of the employer, management, supervisors and employees in maintaining effective health and safety practices.

We have an established Health and Safety Committee (HSC), which is chaired by the OHS Manager and comprises four management and four employee representatives. The HSC facilitates communication and cooperation between management and employees. Quarterly meetings provide a forum for open discussion of initiatives to further enhance strategies for injury prevention, early intervention and reducing unplanned leave. As current and emerging risks are identified, the HSC promotes the strategies developed to eliminate or control those risks.

During 2010-11, eight ComSuper employees were elected or re-elected as Health and Safety Representatives (HSRs) under the OHS Act and received initial or refresher training as appropriate. As part of their role, HSRs conduct regular workplace inspections to identify risks and hazards, conduct workstation assessments and generally promote the health and safety of employees in the workplace.

The Health and Safety and Workplace Relations Committees and the network of HSRs provide a vehicle for consultation on OHS issues affecting employees. Our staff are encouraged to provide feedback through the HSRs and other channels such as dedicated email and an anonymous mailbox.

In-house case managers regularly engage with managers and employees to promote the importance of early notification of illness or injuries. ComSuper case managers have undertaken Certificate IV Government (Injury Rehabilitation Management).

Health initiatives

To ensure the health and safety of employees in 2010-11 we focused on raising awareness, prevention and early intervention with an aim to reduce unplanned leave, improve productivity and enhance work-life balance.

Education and awareness training sessions were presented to managers and employees on their OHS obligations. We promoted the importance of staff cooperation and compliance in reporting hazards to reduce the incidence of workplace injury and disease.

A review of rehabilitation performance, of both compensation and non-compensation cases, highlighted the positive impact of early intervention and was further validated by the reduction in the overall number of cases, with only one new compensation case for 2010-11.

A range of initiatives aimed at encouraging staff to pursue healthy and active lifestyles included:

- annual health assessments
- eye-sight testing and subsidies for glasses for screen-based work
- subsidised influenza vaccinations
- subsidised contributions for undertaking health improvement programs, such as Quit Smoking and gym/fitness club membership
- ergonomic workstation assessments, advice and assistance
- provision of rest break software and ergonomic aids to support at-risk staff
- Employee Assistance Program (EAP) services for staff and their immediate families
- regular health and well-being seminars and workshops
- antibacterial gel dispensers throughout the office.

We continued to raise the profile of health and safety issues through our staff newsletter and encouraged staff contributions through a dedicated OHS email address.

Internal networks and regular meetings for HSRs, First Aid Officers and Harassment Contact Officers ensure that health and safety issues maintain a high profile at ComSuper. Staff in these roles receive training and guidance on the statutory requirements placed on them.

We have shown steady improvement in health and safety outcomes for the past three years. As a result of our increased focus on early intervention activities and injury management, the number of workplace injuries and lost time has decreased, as has the average time to commence return to work activity. Consequently, the Comcare premium rate continues to be revised downwards.

Notifiable events, investigations and notices

In 2010-11 there were:

- no dangerous occurrences (S68 of the OHS Act)
- no workplace investigations carried out by Comcare
- no Provisional Improvement Notices issued.

Financial management

ComSuper had two distinct areas of focus in 2010-11 for financial management. Firstly, ensuring ComSuper had sufficient capacity to invest in the 'transformational projects' (see Section 2B under 'Program and project management'). A conscious effort was made to boost our cash reserves over the past two years, and we are now in a position to invest in the upgrading of our key superannuation administration systems.

Secondly, we focused on the financial support provided throughout ComSuper. An internal restructure gave each finance team a clear purpose and customer focus. As a result, more time was devoted to strengthening both internal and external stakeholder relationships.

Cost centre managers now have an increased involvement with budget forecasting to assist the

organisation to forward plan financially to meet our finite budget. We also invested in our financial management systems to replace manual processes.

These improvements, along with ongoing training, have allowed for greater financial focus and acumen across ComSuper.

Key operational achievements in financial management for 2010–11 included:

- restructuring the finance business group to provide clear internal and external relationships and focus
- increasing responsibility and involvement in budget processes for the cost centre managers
- promoting the use of Finance 1 and Activity Based Costing models throughout ComSuper
- streamlining the schedule of delegations for staff at APS5 level and above
- enhancing our accounts payable and purchasing processes
- improving our asset management framework, including policies and reporting
- overhauling the Chief Executive Instruction's and associated policies
- successfully transitioning to a new banking services provider.

Operating result

ComSuper recorded an operating surplus of \$1.950 million at 30 June 2011. This result was in line with our budgeted surplus of \$2 million, which will be used to provide the necessary savings to government. This includes property savings of \$1.5 million and superannuation administration reform savings of \$0.5 million.

Total own-source income of \$86.160 million remained stable, compared to \$86.152 million in 2009-10. Government revenue reduced to \$0.776 million in 2010-11, compared to \$2.433 million in 2009-10. This reduction is mainly due to lapsing funding, previously provided by the government for depreciation.

The financial statements are presented in Section 3 of this report. The Australian National Audit Office (ANAO) issued an unqualified audit opinion for these statements on 28 August 2011.

Expenses

Total expenditure for 2010-11 was \$84.986 million. This is a slight increase from \$84.611 million in 2009-10.

In 2010-11, employee and related costs of \$48.917 million made up 58% of our total expenditure. Other major categories of expenditure were supplier expenses of \$21.524 million, depreciation and amortisation expenses of \$9.471 million and other expenses of \$5.074 million. See Chart 4.

Revenue

ComSuper's primary source of revenue is derived from fees from employers whose current or former employees are members of the superannuation schemes we administer.

Fees are paid quarterly by Australian Government agencies and other agencies with residual membership in the schemes, such as the Australian National University and the Northern Territory and Australian Capital Territory governments.

For the APS schemes (CSS, PSS and PSSap) fees are calculated on a 'cost per member' basis. Fees are based on the number of contributors, pensioners and preserved benefit members that an agency has within each of the schemes and are charged on a quarterly basis. The fee schedule was increased in line with wage and cost indexation parameters, after deducting the efficiency dividend.

For the military schemes (MilitarySuper, DFRB and DFRDB), an annual fixed fee is paid by Defence.

We received \$86.064 million in fees and project-based revenue during 2010–11 with a further \$0.776 million in revenue appropriated by the Government. See Chart 5.

Liabilities

Our total liabilities for 2010-11 were \$19.415 million. Liabilities have reduced by \$6.831 million compared to 2009–10. This generally reflects a reduction in income received in advance for fees.

Our major categories of liabilities were employee provisions of \$10.597 million, supplier payables of \$4.730 million and other provisions and payables totalling \$4.088 million. See Chart 6.

Assets management

Total assets decreased by \$4.363 million, mostly due to the preparation for the outsourcing of PSSap and associated depreciation. Our financial asset position for 2010-11 was \$24.840 million, an increase of \$2.414 million from 2009–10.

The non-financial asset balances decreased to \$19.581 million from \$26.358 million in 2009-10. This is largely due to the amended 'end of useful life' of PSSap assets.

ComSuper revalued non-financial assets in 2010-11 which increased the asset revaluation reserves to \$0.551 million from \$0.033 million in 2009-10.

Major categories of assets were comprised of cash and cash equivalent balance of \$3.828 million, receivables of \$21.012 million, leasehold improvements of \$1.919 million, infrastructure, property, plant and equipment of \$3.529 million, intangibles of \$12.826 million and other non-financial assets of \$1.307 million. See Chart 7.

Purchasing

Our procurement policies are in accordance with the direction of the *Commonwealth Procurement Guidelines* (December 2008). These guidelines are in place to ensure the effective, efficient and ethical use of public monies when procuring goods and services.

Delegations and procedures are in place to provide controls for the procurement processes. We have streamlined the financial delegations, providing them at levels rather than positions. We have a dedicated contracts and procurement team that provides specialist advice and support to the organisation when engaging in procurement.

Chart 4: ComSuper expenses

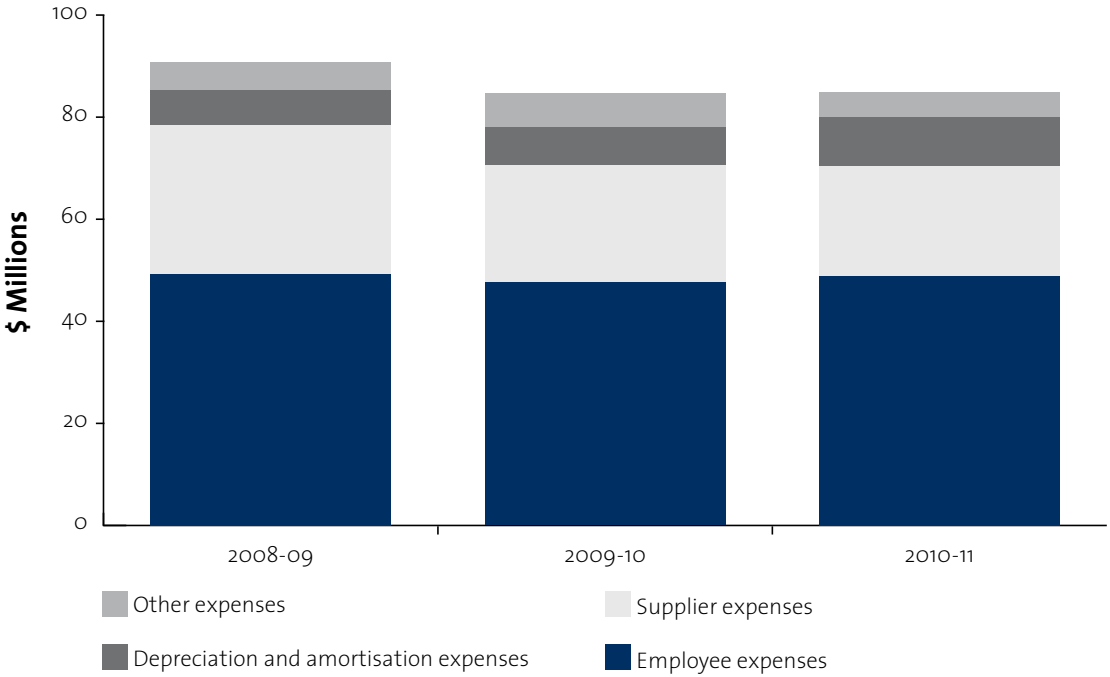


Chart 5: ComSuper revenue

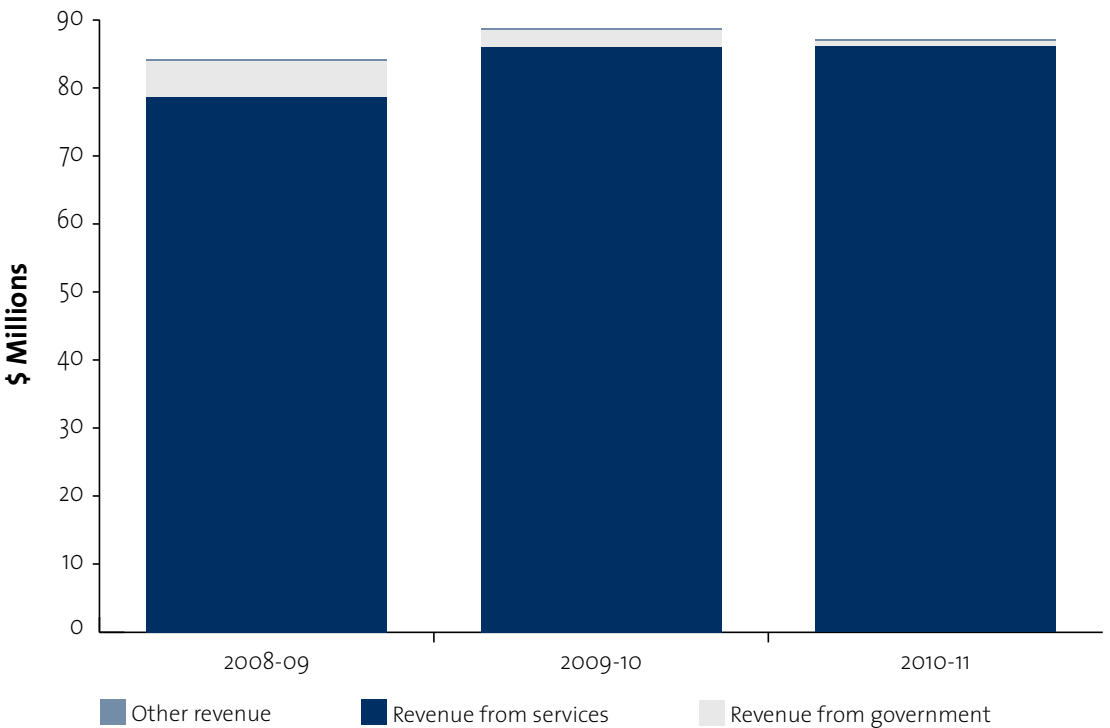


Chart 6: Liabilities at 30 June 2011

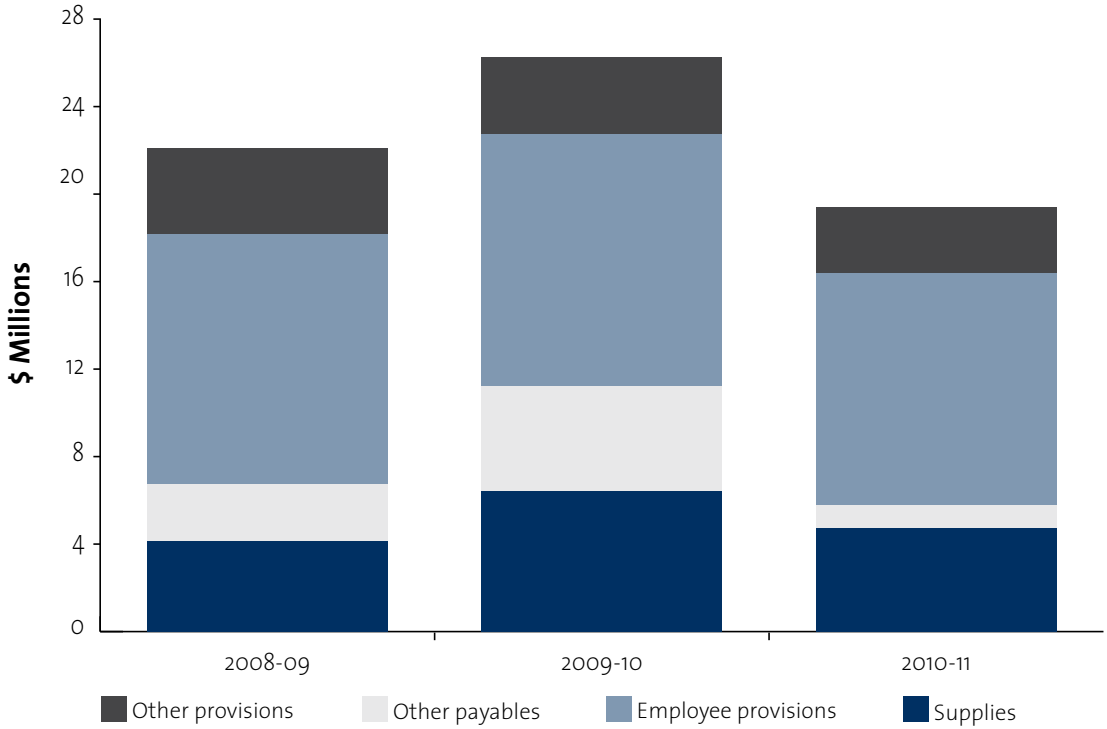
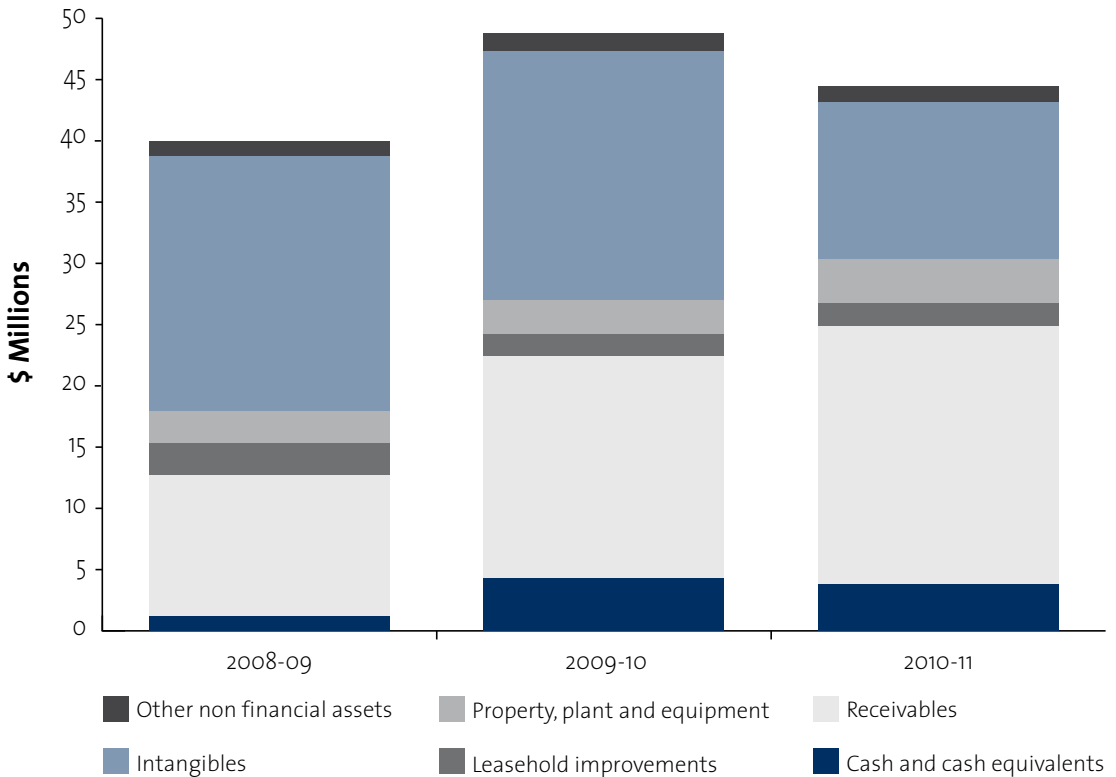


Chart 7: Assets at 30 June 2011



Management of administered appropriations

We deliver a range of superannuation programs on a third-party basis on behalf of the Departments of Finance and Deregulation, and Defence, and AusAID. These programs include the payment of pensions, benefits and the collection of superannuation contributions.

We are granted drawing rights to access special appropriations to meet benefit payments on an ongoing basis and maintain a number of special accounts. These transactions are approved under section 20 of the *Financial Management and Accountability (FMA) Act 1997*. A summary of these transactions is provided in Appendix A.

Managing information and communication technology

ComSuper manages a diverse range of technology in support of the administration services we provide. As well as other business activities, during 2010–11, we have undertaken a major refresh of all desktop hardware including the rollout of a new windows operating system, along with the strengthening of our disaster recovery capability. We have also further improved services to members through the automation of some previously manual processes and further system changes which were implemented to improve our data quality.

Further detail of our information and communication technology (ICT) related achievements are below.

Implementation of telephone system enhancements including:

- Skills based routing to better target customer calls to the most appropriate customer information centre representative
 - Enhanced resource scheduling to better track and resource peak call times.
- Infrastructure modernisation program including:
- Desktop refresh project – migration to new desktop hardware including the Windows 7 Standard Operating Environment and Office 2007
 - Email and authentication – migration from Novell GroupWise and eDirectory to Microsoft Exchange 2010 and Active Directory.
- Implemented and tested disaster recovery (DR) capability encompassing critical ComSuper technology in the event of a business continuity scenario. This included:
- design of the DR solution
 - procurement of alternate DR hardware and data centre capacity
 - implementation of system changes and replication of data
 - testing of DR cut-over/cut-back capability under audit supervision
 - handover of ongoing DR testing to business as usual operations.
- We successfully supported the delivery of application development projects including Data Quality Improvement, Early Release Deduction Account, Graded Other Ranks Pay Structure (GORPS), and Automation of DFRDB re-entered benefit payments. For more information, see Section 2A under 'Projects'.

