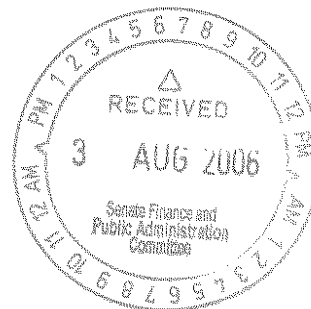




**Australian Government**

**Department of Finance and Administration**

Contact: Jonathan Hutson  
Telephone: 6215 2575  
e-mail: jonathan.hutson@finance.gov.au



Mr Alistair Sands  
Committee Secretary  
Senate Finance and Public Administration Legislation Committee  
Parliament House  
CANBERRA ACT 2600

Dear Mr Sands

**Estimates Hearings of 24 May 2006 – Correction of Response**

At the Estimates hearing of the Senate Finance and Public Administration Legislation Committee on Wednesday, 24 May 2006 Senator Sherry requested Dr Watt check the material provided in evidence to the Committee on Tuesday, 1 November 2005 by Mr Lembit Suur, the then General Manager, Corporate Group.

I am writing to you to correct the evidence provided to Senator Sherry during the appearance of the Department of Finance and Administration (Finance) at the 1 November 2005 and 14 February 2006 hearings.

Senator Sherry asked a number of questions relating to Australian Workplace Agreements (AWAs) in Finance. The questions appear in page F&PA 19 of the proof Hansard for 1 November 2005 and again at page F&PA 56 of the proof Hansard for 14 February 2006.

It was Mr Suur's understanding at the time that the answers provided were correct, based on reporting he received from the exit interviews. At the time of original response, Finance sought advice from the then service provider that no staff member had identified Finance's AWA process as a reason for leaving the Department. The service provider advised that no staff member had provided AWAs as the reason for departing Finance.

At the hearing of 24 May 2006, I undertook to revisit the raw data in the Exit Program records to determine the occurrence or otherwise of the Finance AWA being registered as a reason for leaving the Department. As a result of this review, I regret to advise that the original answers provided to the Committee were not correct. I would like to correct the evidence.

Exit interviews in Finance commenced on Friday, 1 October 2004. Since this time, until Friday, 28 July 2006, 570 people have separated from Finance. Since Friday, 1 October 2004 until Friday, 28 July 2006, 81 separating employees completed an exit interview and 220 completed an exit questionnaire.

A complete review of all 301 exit reports during the period Friday, 1 October 2004 to Friday, 28 July 2006 was conducted. The review identified instances where AWAs were identified in exit reports. The review concluded:

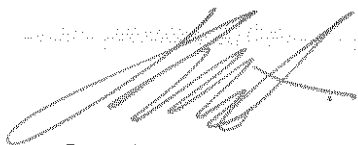
- prior to Mr Suur's evidence on 1 November 2005:
  - three individuals identified AWAs in the form of a negative comment; and
  - two individuals mentioned AWAs as a general or positive comment.
- prior to Mr Suur's evidence on 14 February 2006:
  - a further individual identified an AWA in the form of a negative comment; and
  - a further individual mentioned AWAs as a general or positive comment.
- subsequently:
  - two individuals in March and July 2006 have identified AWAs in the form of a negative comment.

This issue has highlighted a weakness in the reporting of exit program information from the original pilot exit program. The analysis of data gathered at exit interview focused on movement trends and identified issues of concern generating separation from Finance. The management reports did not outline every response from every participating employee but rather identified trends.

As a result of a recent tender, Finance has changed service provider for the delivery of the exit program on Thursday, 27 April 2006.

On behalf of the Department, I would like to apologise to the Committee for the provision of incorrect advice and would appreciate you bringing this matter to the attention of the Committee. Should you have any queries or require further clarification on this matter, please do not hesitate to contact me on 02 6215 2575.

Yours sincerely



Jonathan Hutson  
General Manager  
Corporate Group

31 July 2006