



Statement of corporate intent

2011–12

ABOUT AGS

The Australian Government Solicitor (AGS) provides legal and related services primarily to Australian Government agencies through AGS offices situated in every Australian State and Territory.

AGS is a statutory authority within the Attorney-General's portfolio, established under the *Judiciary Act 1903*. We are prescribed as a government business enterprise (GBE) under the *Commonwealth Authorities and Companies Act 1997* and operate on a fully commercial and competitive basis. We have 2 shareholder Ministers: the Attorney-General and the Minister for Finance and Deregulation.

Our vision

To be a world-class adviser helping our clients to advance the national interest

Our values

Our core values are:

- *integrity, which requires us to be honest and impartial in our dealings with others*
- *professionalism, which demands excellence in working with our clients and interacting with the legal system*
- *collegiality, which necessitates our working collaboratively as one national team sharing our knowledge*
- *commitment to the public good, which inspires us in what we do.*

AGS'S MANDATE, VISION AND ETHICS

Our business is based on:

- our mandate
- our vision
- our ethics and values.

Our mandate

Our mandate from government emphasises 2 objectives for AGS:

To support the Attorney-General in his role as First Law Officer of the Commonwealth by:

- providing quality legal services to the Australian Government and its agencies
- ensuring that we maintain:
 - the ability, through our focus on government, to meet the general legal services needs of agencies at competitive prices
 - a 'whole-of-government' approach
 - the corporate memory of Commonwealth legal practice and advice given by AGS on the Constitution and the law applicable to the Australian Government and its agencies
 - the ability to meet the unique legal services needs of the Australian Government, including in the areas of work reserved for government providers.

To operate efficiently as a government business enterprise and add shareholder value by:

- operating on a commercial basis
- achieving a commercial rate of return on equity investment
- paying agreed dividends to shareholder Ministers on behalf of the Commonwealth.

Our ethics and values

Our ethics govern our attitudes and actions. They reflect our distinctive character as a legal services provider and government business serving predominantly public sector clients.

Our ethics are integral to the way AGS employees work together. Our shared commitment to AGS being an ethical business strengthens us and what we offer to our clients.

Our ethics and values are put into practice through the AGS Code of Conduct which sets out the principles and rules of conduct that guide our people in meeting the high professional and ethical standards required of them.

AGS'S STRATEGIC FOCUS

By the end of the 2011–14 corporate planning period, AGS aims to have:

- wide client recognition as the **first choice** legal service provider in core government work
- an enhanced role in supporting the Attorney-General as First Law Officer
- successfully transformed AGS into a truly integrated national practice that delivers consistent high-quality legal services
- strengthened our reputation as having the best government lawyers
- optimised our workforce mix to meet client demand and realise business efficiencies.

To meet our aims, we have identified 4 areas of strategic focus for 2011–14.

OUR CLIENTS

- build our business with key clients
- develop strategic and trusted partnerships with in-house legal teams
- increase our work in emerging areas of government policy
- demonstrate our value and our commitment to consistency and quality of service

OUR PEOPLE

- enhance our leadership capability
- optimise our workforce profile
- foster a highly-professional and collegiate culture
- ensure AGS is a centre of excellence for core Government legal work

OUR PRACTICE

- continue to evolve our national practice
- build our legal services capability and capacity
- ensure AGS is a centre of excellence for core Government legal work

OUR BUSINESS

- make doing business with AGS easier
- create business efficiencies
- ensure our technology is appropriate to our business

Our 2011–14 corporate plan sets out under each area of strategic focus, a number of specific actions to be undertaken during 2011–12.

GOVERNANCE AND ACCOUNTABILITY ARRANGEMENTS

Under the Judiciary Act, AGS's shareholder Ministers have the authority to issue corporate governance arrangements that apply to AGS.

The Chief Executive Officer (CEO) is the sole director of AGS for the purposes of the Commonwealth Authorities and Companies Act. The CEO is responsible to AGS's shareholder Ministers for the management of AGS.

Each year, we prepare a confidential corporate plan covering an outlook period of 3 years, for consideration by shareholder Ministers. We then provide confidential reports to shareholder Ministers after each quarter, reporting performance against the plan.

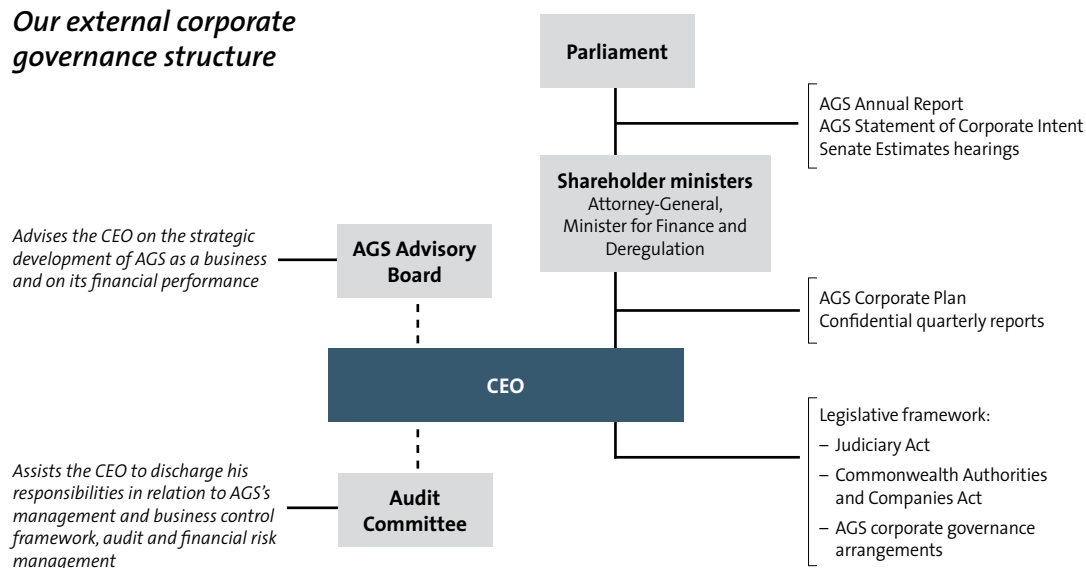
We also submit AGS's annual report each year, prepared in accordance with the Commonwealth Authorities and Companies Act, to the Attorney-General for subsequent tabling in Parliament.

AGS has an Advisory Board comprising the CEO and 3 to 5 external business people appointed by the CEO on the nomination of the shareholder Ministers. Current non-executive members of the Advisory Board are:

- John Allen (chair)
- Jeffrey Browne
- Richard Ryan AO.

The AGS Audit Committee is chaired by an Advisory Board member, Richard Ryan AO.

Our external corporate governance structure



AGS PERFORMANCE

AGS's annual corporate plan incorporates a range of financial and non-financial performance measures. AGS reports its performance against these indicators in its confidential quarterly reports to shareholder Ministers.

Financial performance indicators under AGS's Corporate Plan 2011–14 include:

- legal services revenue
- legal services earnings before interest and tax (EBIT)
- return before tax on equity
- net profit after tax and dividends.

We will also use the following non-financial performance measures to assess and report to shareholder Ministers on progress against the corporate plan:

- client satisfaction
- legal service capability
- employee engagement
- business process strength.

Since 1999, when AGS became a GBE, we have made profits totalling \$134.7m, from which we have provided \$42m in tax or tax equivalents and \$82.2m in dividends, special dividends and repayments of equity.

Our 2011–14 corporate plan includes a dividend payment for each year of the plan. Capital investment is covered in the plan, with the timing, level and financing of this investment being subject to investment appraisal to ensure maximum value is added.

Over the corporate planning period, we aim to continue to add shareholder value and improve the efficiency of our operations. We will also be aiming to realise performance against our non-financial performance measures that is at the same level as or better than the corporate plan target.

RISK MANAGEMENT FRAMEWORK

The CEO is responsible for effective risk management in AGS.

Under the CEO's leadership, our Executive Management Committee develops the overall risk management plan for AGS, and reviews the individual risk management plans for AGS's significant business risks. The Audit Committee annually reviews AGS's overall risk management plan, particularly in relation to AGS's risks associated with financial management. As necessary, the CEO will report any major risk issue to shareholder Ministers.