

BEFORE THE INDUSTRIAL RELATIONS COMMISSION
OF SOUTH AUSTRALIA

Report of DR JAMES ERNEST GUTHRIE

On the 23rd day of February 2005, I, Dr James Ernest Guthrie of 32 Windsor Street, Paddington in the State of New South Wales, declare:

1. I have held academic positions at the University of New South Wales and Deakin University prior to taking up my Professorship at the Macquarie Graduate School of Management (MGSM) in 1995 and being appointed Deputy Director from 1997- 2000. I am now a Professor of Accounting in the Faculty of Business, Sydney University. Prior to commencing my academic career I worked in a chartered accounting firm and since then have been made a Fellow of the Australian Society of Certified Public Accountants and a Fellow of the Institute of Chartered Accountants in Australia.
2. My academic and professional qualifications are BBus Royal Melbourne Institute of Technology, Grad Dip Acct (Deakin, War.), Grad Dip Ed (Tert.) USQ, MBus (Curtin), PhD (USA), FCPA, FACA.
3. I was made an Honorary Fellow of Dundee University in 1993 and Associate Director of the Centre for Social and Environmental Accounting Research at the same university. I also held the Tom Robinson Memorial Lectureship at the University of Edinburgh from 1993- 94 and have been a visiting lecturer at the School of Management, Bath University (1987), and a visiting Professor at the School of Business, Stockholm University (1996), the University of Sienna (1998) and the University of Ferrara (2003- 04).

4. My PhD was titled *Understanding Australian Federal Public Sector Accounting Developments in Their Context* and I have published over 130 articles in international and national refereed and professional journals. In addition, I have presented my ideas and research findings at many local and international gatherings.
5. My consultancies have included: advisor for the Organisation for Economic Co-operation and Development (OECD) on 'The Role of Audit in Performance Improvement in Government'; a survey of the environmental reporting practices in annual reports for the NSW Environmental Protection Agency; consultant to the Joint Committee of Public Accounts on social responsibility in annual reports of Public Business Enterprises; and consultant on public sector commercialisation for the Committee for the Economic Development of Australia. In addition, I have prepared material as an expert witness on productivity, budgets and performance measurement, and reporting in the public sector for the Industrial Relations Commission of South Australian, Western Australia and South Australia.
6. I am a Director of Knowledge Research Pty Limited.
7. I have specialised in the teaching and research of accounting, auditing and accountability issues in both the public and private sectors. My current research focus is the interaction between public sector management reform and changing public sector accounting and auditing. I was the joint founding editor of the international research journal, *Accounting, Auditing and Accountability Journal*, now in its 19th year, and I am an editorial board member of 18 other research journals in North America, Europe, Asia and Australia. I am also a founding Fellow of the Centre for Social and Environmental Accounting Research

in Scotland. In addition, my research and teaching interests include public sector management, knowledge management, intellectual capital and measurement of intangibles, and social and environmental reporting. I also consult on public and private sector management, management of knowledge, intellectual capital, performance benchmarking, and annual reporting strategies. I have extensive knowledge of the intellectual capital literature and I am the Australasian Editor for the *Journal of Intellectual Capital*. I have published my intellectual capital research findings in several research journals, professional journals and book chapters and have presented my ideas at both international and national conferences.

8. I presented the ASCPA Annual Research Lecture in Government Accounting, Canberra, 18 November 1999, my paper was titled *Australian experiences with output based budgeting: when theory and practice don't meet*. I have prepared a document setting out a summary of my relevant education and employment history and professional qualifications. That document is attached to this statement at **Attachment A**.

9. Knowledge Research Pty Limited was requested to produce an expert's report in relation to public sector performance since 2001 in relation to the following departments and agencies in the South Australian:
 - (D1) Department of Human Services;
 - (D2) South Australian Police;
 - (D3) Department for Correctional Services;
 - (D4) Department of Environment and Heritage; and,
 - (D5) Department of Transport and Urban Planning

10. Knowledge Research Pty Limited employed the following two main analysts to help with this performance analysis; they are Dr Tyrone M Carlin and Nigel Finch. A summary of the employment, professional and educational backgrounds of Dr Carlin and Mr Finch are also set out in **Attachment A**.
11. For South Australian State departments (and agencies), public servants and other government employees, performance has been redefined in the last decade, focusing not only on compliance with appropriations and proper use of public funds, but also on 'achievement of objectives', and now in terms of the government's desired outcome(s), which is to be measured and reported by performance information in public documents including the Budget Papers and the annual report of each department.
12. Two methodologies were used in this statement to make judgments on the performance of the sample of South Australian government departments and agencies.
13. The first methodology used was an analysis of South Australian department performance as reported in the annual reports. I undertook an analysis of the various South Australian departments' annual reports to form a view about movements in the organisation's 'general performance', as identified in Table B2 in **Attachment B**. In other words, I have attempted to identify whether the organisation reported an improvement in 'general performance' that was capable of being measured and such improvements in performance were regularly (through annual reports) reported to the Parliament and the public of South Australia.

14. The second methodology used was the departmental budgetary resource and performance analysis of various South Australia departments. This methodology purpose was to generate resource assessments of agency performance, with a particular emphasis on the inferences that might reasonably be drawn from budget paper data in relation to employee performance.
15. Therefore, this statement addresses South Australia performance issues associated with the selected departments and some broader issues associated with South Australia's standing as a knowledge economy.
16. This statement, and its attachments, is divided into six sections as follows:
 - A. The Changing Nature of the Australian Public Sector and Budgets
 - B. An Introduction to the Knowledge Economy
 - C. Annual Reporting Briefing and Performance Analysis
 - D. Departmental Budgetary Resource and Performance Analysis
 - E. Conclusion
 - F. Attachments

A. The Changing Nature of the Australian Public Sector and Budgets

17. The Australasian public sector has been under an intensive period of 'New Public Management' reform since the mid- 1980s (see, for example, Jones, Guthrie & Steane, 2001a; b). A managerialist philosophy was promoted, which brought about a shift from a 'civic' culture, based on equitable consumption, towards a 'business' culture based on commodified production

of 'new public management' (Broadbent, 1992; English, Guthrie and Parker, 2003).

18. An important element of this philosophy, which is one of introducing a particular type of 'management' into the public sector. The model it imposes is one in which authority for 'performance' is delegated much closer to operational areas. The managers at this level must plan their operations and account for their performance.
19. This philosophy, with its accompanying changes, has focused on gaining optimal performance in return for the resources needed to achieve the goals pursued by the public sector agencies and its members. The thrust of this emphasis is on a concept of 'public accountability' for performance, and it has impacted all areas of the Australian public sector.
20. In the last decade in SA there has been a number of significant changes in public sector management and the way in which it has been organised. In my book, Jones et al., (2001a: 5) we argued that all sorts of promises have accompanied the 'new era' of Australian public management reform. These include: transition to smaller, less interventionist and more decentralized government; improved public sector efficiency and effectiveness; greater public service responsiveness and accountability to consumers and citizens; increased choice between public and private providers of public services; an 'entrepreneurial' public sector more willing and able to work with business; and improved economic performance. It is clear that public employees during this period have been involved in significant transformations in terms of service delivery and re-organisations.

21. Adherents of these recent reform movements demonstrate strong commitment to contestability, privatization, decentralization and individual-centered responses to public needs. These philosophical commitments signal a major strategic and cultural shift in the way advanced public sectors seek to define the public sphere, and the roles of citizens and employees within it.
22. The fundamental elements of the financial management reforms adopted in the SA public sector over the past decade are a full accrual approach to planning, budgeting, resource allocation decisions and reporting; fully-costed service provision; a focus on the outputs / outcomes departments provide; and a change in incentives underlying management of total resources available to departments. In seeking to raise the level of the standards of service delivery such as technologies as benchmarking, best practice and performance indicators have been used extensively in structuring activities.
23. Also in the past few decades, the Australian Public Sector (APS) has undergone some significant changes in financial management practices (see, Jones et al, 2001a; b). One recent aspect of this is a changing central budgetary regime, and within this a shift towards the presentation of public sector budgeting information on an accruals and 'output' basis. This means a move away from cash appropriations to a representation in budget papers of future costs and the reporting of performance in terms of outputs and outcomes.
24. The central public budgeting problem is the process by which government funds are distributed amongst competing interests. An annual budget system has developed whereby major actors in the process have established criteria and discourse as a

means of resolving choices about the allocation of funds (also 'new' policy choices). The budget process and the annual budget itself are immersed in these political processes.

25. The current South Australia Budget Papers consist of a number of core budget papers together with a number of supporting papers. Of course, during the year, the government issues other information concerning policy and financing of specific budget sector entities. The state budget sets out estimates of the South Australia Government's expenditure and revenue for the financial year ahead. Also within the budget, actual expenditures for the previous period are reported, as well as performance information.
26. In summary, in relation to the discussion of public sector budgetary changes, there has been a change in the last decade towards an increasing focus on outcome and outputs in evaluating and funding public sector organisations. This means a move away from cash appropriations to a representation in budget papers of accrual and output information. Without this movement we would not be able to use the budgetary resource analysis methodology. Our focus would have just been on cash appropriations.
27. It is important at this point to state that there is an analytical divide concerning responsibility for financial performance by the executive government and individual government agencies. Under the traditional Westminster system of parliamentary control of the 'public purse' the Ministers of the Crown form the executive which is responsible for the preparation and submission of the government's financial plan or budget to parliament or the 'legislature'. After the legislature considers and authorises the budget, the 'executive' takes responsibility

for administering this financial plan. That is, the performance of individual departments is constructed as managing 'the actual against budget'. Budgets, by their very nature, are only estimations of future factors such as Consumer Price Index (CPI) increases, increases in inputs and the amount of resources required for a certain new government policy initiative.

B. Introduction to the Knowledge Economy

28. The Western world has entered what is commonly referred to as the 'knowledge age', where information and ideas have overtaken agricultural produce and manufactured goods as the key commodities (Dunford, Steane and Guthrie, 2001). National wealth and economic strength are now being increasingly measured in terms of knowledge, its usefulness, and the speed with which it can be applied. Nations are being forced to compete in a global information economy where ideas, information and knowledge have no boundaries, but are instead multiplying and growing at a hectic pace (Petty and Guthrie, 2000). In this knowledge-based world, a national economy's maintenance of the competitive edge increasingly depends on the management of ideas and innovation. As governments and their employees embrace the 'knowledge age', the value of, and demand for, government information and services will increase significantly.

29. Indeed, some authors have suggested that it is increasingly the case that knowledge (or intellectual capital), in fact, dominates these other factors, an argument exemplified by Quinn's statement (1992, p. 241) that, in most cases, the economic and productive capacity of an organisation "lies more in its intellectual and service capabilities than its hard assets". A growing band of authors is persuasively arguing that, in private

sector settings, competitiveness is increasingly being driven by the capacity of an organisation's employees to generate new knowledge and apply existing knowledge to defend and increase its market space and its capacity to utilise other non-knowledge resources efficiently and effectively (Kim and Mauborgne, 1999).

30. Intellectual capital (IC) is often represented as the 'intangible wealth' of an organization, comprised of human, social and relational. Therefore, there are dimensions of both personal and inter-personal value in organizations. In the private sector, it is the quality of service or the quality of technology that makes the difference between the value of the company on the balance sheet and the value perceived in the market place. What comprises the difference is the way this human and interpersonal value is manifested: through innovation, dynamism, skill and competency. These are intangible value-creators in business. It is increasingly being recognised that the performance of any organisation, including public sector organisation, is substantially dependent upon the knowledge of its employees and on the application that knowledge to the operations of the organisation for service delivery.

31. Reforms in the SA public sector over the past decade has generated greater flexibility in organizational form, in partnerships between actors, broader appreciation of stakeholders, and facilitated greater entrepreneurial activity. This is seen in utilities, through government services such as health, education or welfare, in the regulatory frameworks established by government in the 'new public management' mold. In many ways, the facilitation of service-provision by different contractors requires a shift in professional managerial thought. Hospitals and schools and services continue to provide value in what is done.

32. In summary, for SA public sector organisations in the past decade because of the reforms discussed above, there was a need for a greater capacity to generate new knowledge. In order to bring effect these reforms of the SA public sector its employees have had to apply and manage existing knowledge and activities to facilitate the creation of improved capacity to deliver quality services within constrained resource bases.

C. Annual Reporting Briefing and Performance Analysis

33. **Attachment B: *Annual Reporting Briefing and Performance Analysis***, contains an overview of the annual reporting performance framework presently in use by the public sector in South Australia. The document discusses several related issues:
- an overview of the key elements of the annual reporting performance framework and philosophy currently in place in South Australia;
 - an overview of contemporary performance reporting in the South Australia general government sector;
 - an analytical framework for mapping 'general performance' in the annual reports of South Australia government departments;
 - details concerning the sample used and the actual reports analysed using the analytical framework;
 - a summary of findings from the static analysis of the sample organisations' annual reports.
34. In particular, this document examines up to 3 years of the selected South Australia departments' annual reports and from this I was able to make several conclusions concerning performance in the South Australian public sector. In addition, the linkage between general performance and employee

contribution to department improvements is evidenced in the annual reports in various statements by Ministers, Chief Executives and others.

35. I have used content analysis to provide a systematic inquiry into selected performance information within South Australian public sector annual reports. It has been used in the project to collect evidence and to facilitate the mapping of information that is deemed to be communicated as part of 'general performance' for a department. Also it is noted that many of these performance measures are inherently related to contribution of employees and examples of the types of performance measures which I regard as inherently related to employee performance include service provision, employee efficiency improvements, new policy initiatives, etc.

The sample of South Australia government departments was provided by the PSA and consisted of the following organisations.

- (D1) Department of Human Services;
 - (D2) South Australian Police;
 - (D3) Department for Correctional Services;
 - (D4) Department of Environment and Heritage; and,
 - (D5) Department of Transport and Urban Planning.
36. As indicated in detail in **Attachment B**, I report the results of the analysis in Table B2: Static Analysis Results for the Selected South Australian Departments, and this provides a summary of the 15 static analyses. The following provides an overview of the results of the static analysis results as indicated in Table B2.

37. Our static analysis indicates that the annual report performance information indicates an improvement in departments' activities in the current 12 months when compared to the previous year(s) or to the Minister's requirements.
38. Assessment was expressed in the following terms: performance worse than last year; performance the same as last year; performance better than last year; no opinion can be formed. The opinions expressed were formed by assessing the written assertion or assertions concerning performance information contained within the annual reports.
39. Having conducted the analysis of the various South Australian departments, I have formed the view that during the financial years that were the subject of analysis (see, Table B2), they have improved 'general performance' when gauged against statutory reporting requirements. In other words, the organisation reported an improvement in 'general performance' which was capable of being measured by the use of comprehensive measures and such improvements in performance were regularly (through annual reports) reported to the Parliament and the public of South Australia.
40. Therefore, several key conclusions have emerged from the research. Generally, South Australia departments indicate in their annual reports an improvement in performance and financial position. This means that, at the present time, the state's departments are performing satisfactorily.
41. Furthermore, I conclude from the above analysis that the improvements in the 'general performance' of the organisations have been achieved, at least in substantial part, through the performance of the employees engaged in those organisations.

For many of the performance indicators reported in the annual reports employees have been a major contributor to the organisation's performance. Also, in this respect, I rely upon various statements concerning employees in the annual reports to support this claim.

D. Departmental Budgetary Resource and Performance Analysis

42. The annual Budget Paper series produced by the South Australian Treasury represents a key element of the public accountability regime operated within the state. Alongside annual reports the budget paper series contains key information relating to the state fiscal position and the financial and non-financial dimensions of the operations of public agencies.
43. **Attachment C: *Departmental Budgetary Resource and Performance Analysis*** concentrates on data to be found in the annual South Australian Budget Papers, particularly in Budget Paper 4 associated with the financial and non-financial performance of general government agencies.
44. **Attachment C** consists of two key parts. The first part of the document includes a high level review of the budgetary position of South Australia and some of the factors which are likely to drive the budgetary position in the near to medium term. Three key conclusions are reached in this section of the document, being that:
 45. (a) The fiscal position currently enjoyed by the state of South Australia is sound, and is showing signs of further strengthening, taking current treasury estimates at face value. Further, because of the inherent conservatism detected in the framing assumptions surrounding the budget, it is possible to

have an even greater degree of confidence in the projections of material net lending surpluses over the forward estimates period.

46. (b) The economic data, both at a national and a state level also suggest that economic conditions, particularly those germane to key revenue streams, are currently very buoyant and look set to continue in that direction over the short to medium term.
47. (c) These points taken together suggest a considerable degree of fiscal flexibility available to the South Australian government to meet resource demand challenges which might arise but have not yet been factored into planning for forthcoming fiscal cycles.
48. The second part of **Attachment C** uses the budget reporting framework for the purpose of deriving conclusions as to the performance of a sample of agencies for which reviews were conducted on the basis of data for 2001- 02 through 2004- 05. The analysis undertaken and described in this section of the document examines a group of agencies individually, but also constructs a portfolio analysis in which key data pertaining to the individual sample agencies is pooled for the purposes of a high level confirmatory analysis. The benefit of adopting this technique is the additional confidence it provides as to the inferences to be drawn from the available data. As set out in the second part of this document, the individual agency case studies and the portfolio analysis undertaken as a triangulation device all lend support to the proposition that observable performance improvements did take place over the period for which analysis was undertaken.
49. In particular, Attachment C part B describes a methodology for the utilization of data derived from annual Budget Paper

documentation aimed at generating robust assessments of agency performance, with a particular emphasis on the inferences that might reasonably be drawn from Budget Paper data in relation to employee performance.

50. The same five departments and agencies were able to be used in the budget resource analysis reported. However, as described in Attachment C, part two a number of limitations of scope were found in the sample because of a range of factors, including inconsistencies in agency constitution and data format, a range of other scope limitations reduced the final length of the time series analysis and range of agencies that could practicably be included in the review.
51. The methodology employed for constructing the budget resource analysis consists of a multiple case study design. Case study methodologies are appropriate in the context of a desire to gather insights into complex phenomena manifested over a period. The performance of an organisation or a portfolio of organisations represents a phenomenon marked by a degree of complexity sufficient to warrant the application of a case-based research methodology.
52. Two forms of case study were undertaken for the purpose of the analysis. The first form consists of a review of individual agencies' financial and non-financial data. This provides a perspective on the conditions faced by, and achievements of, each general government sector agency which was the subject of review on key financial and non-financial dimensions. The second form represents a portfolio perspective, in which data from each of these agencies is aggregated and analysed on a collective basis. This allows the development of a holistic

perspective on financial and non-financial performance not possible in the context of single agency case studies.

53. In the first form of analysis associated with each of the individual budget resource agency case studies data is presented on two key financial dimensions, as well as in relation to aspects of non-financial performance of the entities in question. The key financial issues examined in each individual agency case study are:
- a) Cost-based measures. For each agency, data relating to the number of Full Time Employees (FTE) staff employed by the agency, employee-related cost per FTE staff member and non-employee related cost per staff member is examined.
 - b) Asset-based Measures. Because agencies have at their disposal a range of hard assets other than their softer intangible assets (e.g. human capital), it is necessary to have regard to measures relating to the degree to which agencies appear to be utilising their asset bases.
 - c) Non-financial Performance. In addition to the financially focused measures reviewed in each of the agency case studies, a range of non-financial performance data is reviewed with a view to providing a wider perspective on the operational trajectory taken by the entity over the period under review.
54. Detailed conclusions relating to the data set out in the individual case studies and the portfolio analysis have been set out in Attachment C, part two. However, a summary of the conclusions for the organisations examined by the budgetary resource and performance analysis highlights that in the sample the overall

performance of the organisation improved during the period under review, and that employees, as key stakeholders, made a material contribution to the achievement of this outcome.

55. The second form of analysis in part two was portfolio-based work and its objective was to attempt to provide a view of performance based on the group of agencies studied as a whole, rather than as individual entities. The analysis is referred to as a 'portfolio' analysis because data pertaining to the six agencies which constituted the final study sample was grouped or consolidated together to be examined on a unitary basis. This raises certain methodological issues, the most important of which is the manner in which the data is grouped for the purposes of study and these are discussed in detail in Attachment C.
56. Three key observations are pertinent to this analysis. First, substantial asset based investment appears to have transpired within the portfolio of agencies over the horizon of the analysis. The unweighted cumulative average asset growth demonstrated across the portfolio totalled 7.3% over the period under review, while the weighted growth rate was 9.2%. The asset turnover data, which relates the dollar value invested in assets to the dollars expended on activities carried out by the agencies within the sample in the production of their outputs, reflects the impact of this expanded asset investment. Weighted asset turnover fell by one third during the period of the review, indicating a significant shift from human capital to physical capital as a key input factor to production over the period. So, it seems evident that the agencies within the sample were not subject to a constant operating environment or a constant input factor mix during the period reviewed. This type of parameter

shift can sometimes confound data analysis, but on this occasion, that has not been the case.

57. The second key observation is that per FTE employee related cost growth was constrained to below inflation growth rates over the period of the analysis. On an unweighted basis, the growth in per FTE employee related costs totalled 7.5% across the period reviewed, while on a weighted basis, the growth totalled 12.3%, in both cases lower than aggregate inflation over the period indicating declines in cost when measured on a real (inflation adjusted) basis. The higher growth in the weighted data series indicates that per FTE cost growth was higher in larger agencies (which factor more heavily in the weighted cost calculation than in the non weighted cost calculation) than in smaller agencies. However, this pattern reverses when the data relating to net cost of services per FTE employee is examined. Whereas unweighted net cost of services per FTE staff member fell in nominal terms by 13.4% over the period in question, the decline in the weighted data series was twice as large, at 26.8%, indicating that larger agencies had experienced a greater capacity to grow fee streams at a higher pace relative to cost growth than had been the case in smaller agencies in the sample. Either way, substantial declines in net cost of services per output produced represents a state of affairs in which less of the day to day operating cost of the agency in question is required to be met via budget appropriations, giving rise to a stronger fiscal position than would otherwise have been the case.
58. The third key observation relates to the high degree of cost constraint exhibited by the portfolio of agencies reviewed in relation to non employee related costs. Unweighted per full time equivalent staff member non employee related costs grew by

2.4% over the analytical horizon, while weighted costs declined by .7%, again indicating that those agencies which enjoyed the benefits of greater scale were able to take advantage of that scale to give effect to lower overheads relative to throughput than in smaller agencies. In all cases, the real (inflation adjusted) level of non employee related costs fell during the period under review, suggesting higher levels of economy and efficiency in operations and resource deployment.

59. In conclusion, the empirical analysis conducted for the purposes of the budget resource analysis suggests that overall performance improvements did transpire across the portfolio of agencies studied during the period under review, and those employees within the sample made a key contribution to the achievement of this outcome.

Inflation projections

60. Inflation numbers used in this affidavit are from the SA budgets and these do not contain forward estimates for inflation numbers for each year outside of the current budget (2004/05). The inflation measure used for this adjustment is the South Australian CPI. This data and a resulting price deflator index are set out in table 4 below.

Table 4 — South Australian CPI Inflation Index

2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
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	actual	Actual	Estimated	forecast
South Australian CPI	2.80%	4.0%	3.0%	2.0%
South Australian CPI Index (2001- 2002 = 100)	101.60	103.89	110.33	113.64

*(Source: 2003- 2004 SA Budget Paper 3, p.8.2 and
2004- 2005 SA Budget Paper 3,
p.8.3)*

E: Summary and Conclusions

61. In conclusion, I am satisfied on the basis of the available published information (Budget papers and Annual reports) produced by the SA Government that there has been, in relation to the Departments and Agencies concerned, an overall improvement in performance and efficiency of the SA public sector and that the improvement has been achieved, in substantial part, by the contribution and performance of the employees.

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List of Attachments

Attachment A: Biographical Data

Attachment B: Annual Reporting Briefing and Performance Analysis

**Attachment C: Departmental Budgetary Resource and Performance
Analysis**

Attachment A: Biographical Data**For Dr James Guthrie, Dr Tyrone Carlin and Nigel Finch**

NAME: James E. GUTHRIE

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DATE OF BIRTH: 25 June 1952

EDUCATION:

Dr James Guthrie, B.Bus R.M.I.T, Grad Dip Acct Deakin (War.), Grad Dip Ed (Tert.) USQ, M.Bus Curtin, Ph.D (USA) and FCPA, FCA, has held positions at the University of South Australian and Deakin University. He has also been Visiting Professor at Universities in Sweden, Italy, Scotland and England.

GENERAL AND ACADEMIC SHORT CV DETAILS:

Dr Guthrie has held posts at the University of New South Wales and Deakin University prior to taking up his Professorship at the Macquarie Graduate School of Management in 1995. He has also been Visiting Professor at universities in Sweden, Italy, Scotland and England. He was appointed Deputy Director of MGSM in 1997, being Director of Academic Programs from 1996 to 1999, and from 1999 to 2000 held the position of Director of Research. He has been on the Executive Committee of MGSM for the last 7 years and Discipline Convenor of Accounting and Finance since his appointment (similar to a Head of Department position at MU). He has now been appointed Professor of Accounting in the Faculty of Business, Sydney University. Before

commencing his academic career, Dr Guthrie worked in a chartered accounting firm, and has been made a Fellow of the Australian Society of CPAs and a Fellow of the Institute of Chartered Accountants in Australia.

His research and teaching interests include social and environmental reporting and auditing, public sector management, management of knowledge, and intellectual capital and the measurement of intangibles. He also consults on public and private sector management, management of knowledge, intellectual capital, budget performance, and annual reporting strategies. Dr Guthrie was awarded the prestigious Chartered Institute of Management Accountants (CIMA UK) Research Foundation International Visiting Professorship for 2000, and an Italian national government outstanding international academic award for 2003- 2004.

As well as public sector accounting, auditing and accountability, other major research interests include social and environmental reporting. His methodology in this field, developed in his master's thesis in the early 1980s, has become an internationally used standard for national and international comparative work. Dr Guthrie continues to supervise doctoral research students, and actively referees and examines in this area. His auditing research work has included corporate governance and audit committees and he has presented his research findings to several Parliamentary committees. His extended performance reporting research work has been linked to several consultancies for government and non-profit organisations. He has also been asked, over the past decade, to provide comments to many Parliamentary Public Accounts Committees inquiries into public sector annual reporting and performance measurement. His education research work has challenged both the construction and reporting of teaching, administration and research performance in both the Australian and the UK tertiary sectors. His work for the OECD on the management of

knowledge and the measurement and reporting of intellectual capital in both the public and private sectors has led to several important large research projects and publications.

Consultancies include involvement as expert for the Organization for Economic Co-operation and Development (OECD) on 'The Role of Audit in Performance Improvement in Government'; a survey of the environmental reporting practices in annual reports for the SA Environmental Protection Agency; consultant to the Joint Committee on Public Accounts on Responsibility in Annual Reports of Public Business Enterprises; and consultant on public sector commercialisation for the Committee for the Economic Development of Australia. He has appeared as an expert witness on productivity and performance measurement in the public sector for the Industrial Relations Commissions of SA, WA and SA.

Dr Guthrie has been actively involved in several professional and community bodies concerned with the above academic interests, particularly as an Associate Director of the Centre for Social and Environmental Accounting Research, Dundee University, Scotland, and as an International Associate of the International Public Sector Accounting Research Centre, Edinburgh University, Scotland.

Dr Guthrie was made an Honorary Fellow of Dundee University in 1993 and Associate Director of the Centre for Social and Environmental Accounting Research at the same university. He held the Tom Robinson Memorial Lectureship at the University of Edinburgh for 1993- 94, has been visiting lecturer at the School of Management, Bath University (1987), and has been a visiting Professor at the School of Business, Stockholm University (1996), University of Sienna (1998), and University of Ferrara (2001/02), University of Bologna (2004), University of Bocconi, Milan (2005).

His doctoral thesis examined the emergence of Australian public sector accounting and management developments and translated into a number of international refereed journal articles and professional publications. He has published across a range of academic disciplines on accounting and management issues, with refereed articles in public administration, law, economics, management, public policy and, of course, accounting journals. He has completed several major international research projects comparing public sector financial management reforms in various countries, which appear in my edited books.

He has published over 130 articles in both international and national refereed and professional journals and 28 chapters in books. He has presented my ideas and research findings to over 220 national and international gatherings. Dr Guthrie is also co-editor of seven public sector management and accounting books.

He is on the editorial board of approximately 18 international research journals, including: Accounting Forum; Accounting, Commerce and Finance; The Islamic Perspective Journal; Advances in Public Interest Accounting Journal; Critical Perspectives on Accounting Journal; Human Resource Costing and Accounting Journal; International Public Management Journal; Pacific Accounting Review; Journal of Intellectual Capital (Australasian Editor); Journal of Public Budgeting; Accounting and Financial Management; Research in Health Care Financial Management; Research in Governmental and Non-profit Accounting Journal; and two newsletters, Social and Environmental Accounting and the Environmental Accounting and Auditing Newsletter (UK).

Dr Guthrie has co-edited seven books on public sector management and accounting developments: The Public Sector: Contemporary Readings in Accounting and Auditing, Harcourt Brace and Jovanovich, Sydney 1990; The Australian Public Sector: Pathways to Change in the

1990s, IIR Publishing, Sydney, 1992; Making the Australian Public Sector Count in the 1990s, IIR Publishing, Sydney, 1995; Global Warning: Debating International Developments in New Public Financial Management (Bergen, Norway: Cappelen Akademisk Forlag); Learning From International Public Management Reform, Vol. 1 and Vol. 2, Elsevier-Oxford, London, 2000; Debating Public Sector Management and Financial Management Reforms: An International Study, InformationAge Press, USA, (2005, forthcoming).

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