

PART ONE

OVERVIEW

SECRETARY'S REVIEW



The Treasury has a long-standing commitment to improving the wellbeing of all Australians by delivering quality advice to government and by providing assistance in the implementation of key policy initiatives. This year has been no different. In an environment where both global economic volatility and the opportunities arising from the growth of the Asian economies remain front and centre, the Treasury has continued to provide relevant, well-argued and considered policy analysis and advice.

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Significant achievements in 2011-12

The Treasury's key objective is to develop timely and robust policy advice that improves the wellbeing of all Australians, and we do this by always striving to provide the government of the day with a whole-of-economy perspective. Our advice reflects the importance of: maintaining sound macroeconomic settings; ensuring the Australian economy's fiscal sustainability; and maximising resource efficiency, competitiveness and productivity. The Treasury undertakes this work both in terms of its own responsibilities, and as a key partner to other portfolios.

The Treasury updates the Mid-Year Economic and Fiscal Outlook (MYEFO) and delivers the Budget every year. As part of that work, we are responsible for providing analysis, preparing macroeconomic forecasts, revenue costings and revenue forecasts, and providing policy advice. This year, that work took into account matters such as the evolving sovereign debt crisis in Europe, the uneven global economic recovery, domestic and international fiscal consolidation, the mining investment boom, structural reform challenges, and Australia's high terms of trade.

The department was also responsible for providing advice on, and developing legislation for, a range of tax measures, including measures associated with personal tax, superannuation and assisting small business. During 2011-12, we also provided advice on, and developed legislation for, establishing the Minerals Resource Rent Tax (MRRT) and extending the Petroleum Resource Rent Tax (PRRT), as well as increasing the tax-free threshold as part of the Clean Energy Future package and establishing a new regulator, the Australian Charities and Not-for-profits Commission.

The Treasury assisted ministers to implement elements of the Clean Energy Future Plan, which involved work across several groups. This work included providing policy advice on related legislation, household compensation, and adjustments to the tax transfer and welfare systems, as well as on establishing the Energy Security Council, developing legislation to

establish the Clean Energy Finance Corporation, and preparing a range of changes to the taxation of fuel.

The Treasury also helped to deliver on other responsibilities that are shared with other portfolios or groups. We were a key contributor to the development of the Asian Century White Paper, the Gonski review of funding for schooling, aged care reform, the National Disability Insurance Scheme, the National Broadband Network, and the Prime Minister's Manufacturing Taskforce.

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During 2011-12, the Treasury provided secretariat support to the Business Tax Working Group and the 2011 Tax Forum. We also continued to monitor and provide advice on the general prudential framework that applies to the banking sector, insurers and superannuation funds. Internationally, we deepened our engagement with key Asian and Pacific economies and enhanced policy advice through dialogue, cooperation, research and capacity-building.

We are also now well into implementing the recommendations of both the Strategic Review and the Women in Treasury review, which will help us build on our organisational capabilities, such as through greater business and stakeholder engagement. Our pursuit of organisational change in 2011-12 was one of the Treasury's proudest achievements, signalling that we can look inward, recognise the need for changes, and begin to adapt and enhance our strengths.

Sound macroeconomic environment

Robust macroeconomic frameworks have underpinned Australia's sustained strong economic performance, which has resulted in 21 years of uninterrupted growth. Close monitoring and analysis of economic conditions in Australia and overseas have played a vital role in maintaining this strong performance.

Throughout 2011-12, the Treasury provided advice on the performance and outlook of the Australian economy in the context of a volatile global economy. This included advice on the implications of the evolving sovereign debt crisis in Europe; the impact of introducing a carbon price on the Australian economy; the economic impact of natural disasters at home and overseas; conservative household spending behaviour; and the effect of Australia's high terms of trade and exchange rate on growth across the economy.

Recognising our growing linkages with Asian economies, the Treasury also expanded its analytical expertise in relation to regional economic developments.

By continuing to engage actively with the G20, the Treasury advanced: initiatives that strengthen the legitimacy, credibility and effectiveness of international financial institutions (particularly the International Monetary Fund and the World Bank); international standards for the regulation of the financial system; and international development outcomes. The Treasury also continued to be an active participant in the Financial Stability Board in its efforts to strengthen international regulatory financial arrangements.

Effective government spending arrangements

Effective spending arrangements are crucial to facilitating sustainable economic growth, including through policies that enhance productivity and participation, and to improving the wellbeing of Australians. As always, though, there are more demands for expenditures than there is revenue available, requiring hard trade-offs by government and the community. Advising on these trade-offs, and helping to maintain fiscal sustainability, are key responsibilities for the Treasury.

During 2011-12, the Treasury assisted the Government to deliver the 2012-13 Budget, which projected a return to surplus in 2012-13 and increasing surpluses over the forward estimates despite the weaker than expected recovery in tax receipts.

The Treasury also contributed to the development of significant social policy initiatives during 2011-12, including the National Health Reform Agreement, which was finalised with all States and Territories in August 2011; the Joint Taskforce of the National Disability Insurance Scheme; and the Gonski review of funding of schools.

Facilitating structural adjustment and cost-effective climate change mitigation were also central to the Government's economic growth agenda and, to that end, in 2011-12, the Treasury provided advice on a range of policies that address the structural pressures facing the Australian economy. This included advice on the work being undertaken by the Prime Minister's Manufacturing Taskforce, as well as on regional structural adjustment. All Treasury groups contributed to policy advice on measures aimed at facilitating cost-effective climate change mitigation.

The Treasury also established a secretariat to support the GST Distribution Review, which is examining whether the distribution of the GST can maintain Australia's ability to respond to long-term trends and structural change in the economy while conserving confidence in the financial relations of the Australian Federation. During 2011-12, the Review panel produced two interim reports, with the final report to be presented to the Treasurer by October 2012.

The Treasury is also responsible for the payment of over \$90 billion per annum to the States and Territories and, in 2011-12, continued to oversee the development of, and provide advice on, the outcomes related to the Commonwealth-State agreements that frame this funding.

Effective taxation and retirement income arrangements

As with expenditure measures, the careful design of measures aimed at raising revenue can create incentives, and disincentives, for different types of behaviour. And in raising any given amount of revenue, it is critical that efforts be made to reduce the burden placed upon the community by ensuring the taxation system is as efficient as possible while delivering equitable outcomes.

During 2011-12, the Treasury provided policy advice that assisted the Government in its reforms to the tax and retirement income systems. The Treasury developed legislation that gave effect to measures announced in the 2011-12 and 2012-13 Budgets, as well as the

2011-12 MYEFO. The Treasury developed costings as an input to the medium-term analysis of initiatives announced in the 2012-13 Budget, which also included quantitative advice on changes to the fringe benefits tax on living-away-from-home allowances and benefits; consolidating dependency offsets; phasing out the mature age worker tax offset; changing the net medical expenses tax offset and duty-free allowances on tobacco; reforming superannuation; and increasing the withholding tax on managed investment trusts.

The Treasury also provided advice on, and developed legislation for, a number of other tax initiatives. These included establishing the MRRT and extending the PRRT; improving the efficiency of the research and development tax concessions; reforming taxation relief for small business; and consulting on a revised policy framework for the taxation of trust income. The Treasury also provided secretariat support to the 2011 Tax Forum and the Business Tax Working Group.

The Treasury also advised on, and developed legislation for, Australia's international tax arrangements. This work reflects efforts to maintain the integrity of the tax base while providing a competitive and modern international tax system. It also responded to the recommendations from the Board of Taxation's review of the foreign source income anti-tax-deferral regimes and the Johnson Report on Australia as a financial services centre. The department also contributed to global efforts to address tax transparency, such as by representing Australia as the Chair of the Global Forum on Transparency and Exchange of Information on Tax Matters.

Well-functioning markets

Well-functioning markets result in resources moving to the areas in which society values them the most. As such, a focus on market integrity and operation, and the effectiveness of price signals in reflecting the relative valuations society places on different activities, are critical underpinnings of fair and efficient economic outcomes.

During 2011-12, the Treasury continued to pursue regulatory and structural reforms that foster the well-functioning operation of key financial, infrastructure, energy, housing and labour markets. Areas of focus for the Treasury in 2011-12 included providing policy analysis and advice on maintaining the robustness of the financial system and in ensuring that regulatory frameworks promote macroeconomic stability and market confidence.

The Treasury continued to monitor and provide advice on the general prudential framework that applies to the banking sector, insurers and superannuation funds. The Treasury also coordinated Australia's participation in the International Monetary Fund's Financial Sector Assessment Program and participated in international forums, such as the G20 and the Financial Stability Board, to enhance regional and global financial architecture. In addition, the Treasury provided advice on foreign investment and trade policy to support Australia's national interest, while also continuing to participate in free trade agreement negotiations.

Treasury provided advice on, and prepared legislation for, reform of the financial advice industry and the implementation of a national approach to the provision of consumer credit.

In 2011-12, the Treasury also worked: on the COAG reform agenda to reduce the regulatory burden on business, which included implementing a national law for consumer protection; on housing supply and affordability; and, as the lead agency, on the multi-agency Standard Business Reporting initiative, which is a significant initiative aimed at reducing the regulatory burden on business.

Our organisation

In 2011, Treasury undertook two major reviews aimed at improving our capabilities and ability to support the Government. The intent was to ensure the most effective use of the resources entrusted to us, to engage better with our stakeholders, and to create a more inclusive workplace that offers stimulating and rewarding careers for all our staff. The Strategic Review gave us a blueprint for improving our organisational priorities, systems and capabilities, while the Progressing Women initiative (arising from the Women in Treasury review) is a suite of strategies intended to widen and deepen the pool of future leaders, and to build greater inclusivity in our organisational culture.

As a result of the two reviews, our organisational strategy function was combined with corporate services in early 2012 to form the new Corporate Strategy and Services Group. This change underlines the importance we place on delivering all corporate and governance functions in a way that supports the Treasury's broader organisational strategy, and the significant responsibility given to the group for coordinating and implementing recommendations from the reviews.

In 2011-12, the Treasury implemented a number of recommendations from the Graduate Development Program review aimed at enhancing workforce capability and introducing a workforce planning framework to drive the development of strategies to attract, retain and develop a skilled and diverse workforce. To continue supporting and driving individual and organisational performance, the Treasury also refreshed its Performance Management System, an exercise that reinforced the value we place on performance management and the types of behaviours the Treasury seeks.

Implementing the recommendations of our reviews is the beginning of a journey of organisational change to which the Treasury is committed. This journey is not only about becoming more reflective of the community we serve, it is also about making the department a resilient, adaptive, engaged and highly capable organisation that can better meet the challenges of a rapidly changing, dynamic environment.

More broadly, as part of the Australian Public Service, our objective is to be the policy advisers of choice for Australian governments, now and into the future. To achieve this, we must be well informed about our country, its place in the world and the opportunities that gives us as a nation. We must be ready to adapt to transformations in our operating environment. We must also be united by our ethics and our sense of purpose, and always remember that we serve the Australian public through the government of the day. We strive to provide our ministers and the Government with high-level, considered and timely advice, and, to achieve this, we

must ensure we effectively and openly engage with business and the broader community, as well as our colleagues from other departments, agencies and levels of government.

In achieving our objectives, it is vital that we be trusted by governments, business, the public and one another. We should collaborate generously and our culture should encourage constructive debate about ideas and innovation. The nature and importance of our work requires us to have a high-quality and diverse workforce, and the Strategic Review and Progressing Women initiative are key to ensuring that continues and improves into the future.

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Finally, APS leaders are responsible for the future of our individual organisations, while also being stewards of the APS itself. To do this requires conscious and deliberate efforts to nurture the talents of our employees so they can both give their best and motivate those around them to become future leaders.

2012-13 outlook

The year ahead will bring a number of policy challenges, both internationally and domestically. Ensuring a stable and resilient macroeconomic environment and efforts to lift productivity across the economy are two key areas in which I expect the Treasury to continue to play a significant role. Adjusting to the structural change in our economy as a consequence of growth in the Asian economies will continue to require our analysis, advice and expertise.

Delivering on the Government's fiscal strategy and, in particular, helping deliver on the commitment to surpluses across the forward estimates will remain a key focus for the Treasury. In addition, we will continue to provide analysis and advice on the Government's reform agenda, such as the National Disability Insurance Scheme, school funding reform and implementation of the Clean Energy Future package. The Treasury will also be involved in the outcomes of the GST Distribution Review and the Business Tax Working Group later this year.

Internationally, 2012-13 will prove a busy and active year for the Treasury as we work towards Australia's hosting of the G20 in 2014. Commencing in December 2012 with Australia's three-year membership of the troika that guides the work of the G20, the Treasury will be engaged in organising the Finance Ministers' and Central Bank Governors' meetings, as well as related officials' meetings, while also supporting other APS colleagues in their preparation for the leaders' meeting scheduled for Brisbane in 2014. Increased engagement with the Asian region will remain a major focus for the department in all of its international activities.

The year ahead, of course, will have as many unexpected developments as those that have passed. Yet its tempo and unpredictability will, invariably, be no different. We will continually refine ways of doing things and build our capacity to support the Government and the Australian community. Our commitment to the Treasury's two recent organisational reviews is testament to this.

In concluding this section of the Annual Report, I would like to express my gratitude to all Treasury staff. They have faced the challenges before us with high-calibre professionalism, commitment and good humour. The department's achievements over the past 12 months are their achievements. And those achievements are a reflection and a distillation of the Treasury's mission: to ensure the wellbeing of all Australians.

Martin Parkinson
Secretary to the Treasury

DEPARTMENTAL OVERVIEW

THE TREASURY'S MISSION

The Treasury's mission is to improve the wellbeing of the Australian people by providing sound and timely advice to the Government, based on objective and thorough analysis of options, and by assisting Treasury ministers in the administration of their responsibilities and the implementation of government decisions.

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POLICY OUTCOME

In carrying out its mission, the Treasury has responsibility for the following outcome:

- Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

The Treasury has four policy groups that contribute to achieving this outcome:

- Macroeconomic Group;
- Fiscal Group;
- Revenue Group; and
- Markets Group.

Macroeconomic Group

Macroeconomic Group provides advice on a sound macroeconomic environment, which is an essential foundation for strong, sustainable economic growth and the improved wellbeing of Australians.

Macroeconomic Group contributes to a sound macroeconomic environment by undertaking careful monitoring and analysis of economic conditions in Australia and overseas, which forms the basis of quality macroeconomic policy advice to portfolio ministers.

Macroeconomic Group also provides advice to government on a range of international economic policy issues, including strengthening multilateral regimes underpinning open trade and capital flows, supporting developing countries' development aspirations and on helping to shape the evolution of regional economic architecture.

Macroeconomic Group is also responsible for payments to international financial institutions as outlined in program 1.2 on pages 88-89.

Fiscal Group

Fiscal Group provides advice on effective government spending arrangements that contribute to the overall fiscal outcome, help deliver strong and sustainable economic growth and improve the wellbeing of Australians.

Effective spending measures should meet their stated objectives, minimise behavioural distortions and deliver significant economic and other benefits compared with costs.

Fiscal Group provides policy advice to portfolio ministers to promote government decisions that further these objectives.

Fiscal Group takes a whole-of-government and whole-of-economy perspective in developing its advice on the fiscal strategy and spending arrangements across and within portfolios.

Fiscal Group is also responsible for the efficient payment of general revenue assistance, National Specific Purpose Payments and National Partnership Payments to the States and Territories as outlined in programs 1.4 to 1.10 on pages 92-105.

Revenue Group

Revenue Group provides advice on effective tax and retirement income arrangements policy and on legislation to implement policy that contributes to the overall fiscal outcome and to strong, sustainable economic growth.

Revenue Group takes a whole-of-government and whole-of-economy perspective in developing its tax and retirement income advice.

Tax and retirement income policy affects the wellbeing of Australians through influencing individuals' decisions on saving and investment and labour market participation and businesses' decisions about whether, where and how much to invest.

Well-designed tax legislation contributes to the ability of taxpayers to understand and comply with their tax obligations.

Revenue Group provides advice on the fiscal and distributional impacts of changes to tax policy.

Markets Group

Markets Group provides advice on well-functioning markets that contribute to improving national productivity and promoting stronger economic growth, thereby enhancing the living standards and wellbeing of all Australians.

Well-functioning markets enable the most efficient use of resources and maximise consumer confidence in markets, thereby enhancing community benefits from economic activity.

Markets Group provides advice on policies that promote competitive, efficient markets that work to enhance consumer wellbeing, a secure financial system and sound corporate practices, and foreign investment consistent with Australia's national interest.

Markets Group also maintains the operations of the Australian Government Actuary, the Financial Reporting Council and the Takeovers Panel, and provides business management for Standard Business Reporting.

Markets Group is also responsible for payments to support markets and business as outlined in program 1.3 on pages 90-91.

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Corporate Strategy and Services Group

To support the Treasury's policy outcomes, Corporate Strategy and Services Group provides key services, systems and facilities that provide essential organisational support to the groups.

Corporate Strategy and Services Group is responsible for providing corporate services, products and advice including accommodation and facilities management; communications advice and support; financial management; human resource management, training and development; information management and technology services; freedom of information management; media management and monitoring; ministerial and parliamentary support; procurement; publishing; security and travel.

Corporate Strategy and Services Group functions also include assisting development of whole-of-department corporate strategy; providing support to the Secretary, the Executive Board and the Audit Committee, including oversight of departmental structures and systems; designing and facilitating whole-of-department policy discussions; coordinating organisational strategy initiatives; overseeing the risk management framework; and undertaking and assisting with departmental reviews.

TREASURY PEOPLE VALUES

Treasury people are skilled professionals, committed to providing quality advice, thinking analytically and strategically, and striving to achieve long-term benefits for all Australians. We uphold the important values and behaviours that shape the Treasury culture. These values influence all aspects of the way we work.

Treasury people:

- strive for excellence;
- value teamwork, consultation and sharing of ideas;
- value diversity among our people;
- treat everyone with respect;
- exhibit honesty in all our dealings; and
- treat colleagues with fairness.

Treasury people management principles are:

- open, two-way communications at all levels;
- to clearly define accountabilities;
- work performance is the basis for remuneration, which is determined by fair and transparent processes; and
- to facilitate an appropriate work and private life balance.

THE TREASURY'S ROLE AND CAPABILITIES

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The Treasury's mission statement reflects the breadth of its ministers' responsibilities and underscores the key importance for the Treasury of a strong relationship with its ministers, built on trust and effective advice. As a central policy agency, the Treasury is expected to anticipate and analyse policy issues from a whole-of-economy perspective, understand government and stakeholder circumstances, and respond rapidly to changing events and directions. As such, the Treasury's interests are broad and diverse.

The Treasury is engaged in a wide range of issues that affect the lives of Australians, from macroeconomic policy settings to microeconomic reform, social policy, tax policy and international agreements and forums. The Treasury has a program delivery role in supporting markets and business, and providing Commonwealth payments to the State and Territory governments.

In undertaking its mission, Treasury takes a broad view of wellbeing as primarily reflecting a person's substantive freedom to lead a life they have reason to value.

This view encompasses more than is directly captured by commonly used measures of economic activity. It gives prominence to respecting the informed preferences of individuals, while allowing scope for broader social actions and choices. It is open to both subjective and objective notions of wellbeing, and to concerns for outcomes and consequences as well as for rights and liberties.

Treasury brings a whole-of-economy approach to providing advice to government based on an objective and thorough analysis of options. To facilitate that analysis, we have identified five dimensions that directly or indirectly have important implications for wellbeing and are particularly relevant to Treasury. These dimensions are:

- The set of opportunities available to people. This includes not only the level of goods and services that can be consumed, but good health and environmental amenity, leisure and intangibles such as personal and social activities, community participation and political rights and freedoms.
- The distribution of those opportunities across the Australian people. In particular, that all Australians have the opportunity to lead a fulfilling life and participate meaningfully in society.

- The sustainability of those opportunities available over time. In particular, consideration of whether the productive base needed to generate opportunities (the total stock of capital, including human, physical, social and natural assets) is maintained or enhanced for current and future generations.
- The overall level and allocation of risk borne by individuals and the community. This includes a concern for the ability, and inability, of individuals to manage the level and nature of the risks they face.
- The complexity of the choices facing individuals and the community. Our concerns include the costs of dealing with unwanted complexity, the transparency of government and the ability of individuals and the community to make choices and trade-offs that better match their preferences.

These dimensions reinforce our conviction that trade-offs matter deeply, both between and within dimensions. The dimensions do not provide a simple checklist; rather their consideration provides the broad context for the use of the best available economic and other analytical frameworks, evidence and measures.

The Treasury applies and develops its technical expertise, knowledge base and support systems to deliver on the Government's priorities. To maximise our potential, we nurture and strengthen our core organisational capabilities and consistently seek better ways to do business.

Our organisational capabilities are:

- Deep understanding: understanding our mission, the economic and policy environment, and the views of our stakeholders.
- Collaboration: collaborating with internal and external stakeholders to develop effective policy.
- Proactivity and vision: anticipating policy, implementation and organisational issues.
- Influence and reputation: building trust with the Government and other stakeholders, and influencing the policy agenda.
- Improvement and adaptability: being flexible, adaptable and innovative.
- Efficiency and productivity: managing costs, allocating resources and enabling efficiencies.

FINANCIAL PERFORMANCE

The Treasury received an unqualified audit report on the 2011-12 financial statements from the Australian National Audit Office. These statements can be found in Part 4 on pages 150-259.

Departmental

The Treasury ended 2011-12 with an attributable deficit of \$11.6 million, compared to a \$2.4 million surplus in 2010-11. Employee expenses increased by \$15.8 million from 2010-11, which was associated with the cost of voluntary redundancies offered to staff in the first half of 2012, and the significant drop in the bond rate resulting in a large increase of long service leave expenses.

The Treasury's net asset position decreased by \$23.7 million in 2011-12, mainly due to the reduction of appropriation receivable used to pay for the voluntary redundancies and the increase in the long service leave provision as a result of the bond rate decrease.

The Treasury has sufficient cash reserves to fund liabilities as and when they fall due.

Administered

The Treasury incurred \$86.9 billion in administered expenses in 2011-12 compared to \$86.9 billion in 2010-11. There was a small reduction in grant expenses to the States and Territories that the Treasury provides under the *Intergovernmental Agreement on Federal Financial Relations*.

The Treasury's administered net assets increased by \$3.3 billion in 2011-12. This is mainly due to an increase in the value of financial assets and a decrease in provisions and payables.

The Treasury has sufficient cash reserves to fund liabilities as and when they fall due.

Figure 1: Treasury senior management structure (as at 30 June 2012)

Secretary: Dr Martin Parkinson PSM	
Executive Director (Policy Coordination and Governance): Mr Barry Sterland	
<p>Corporate Strategy and Services Group Group General Manager: Mr Steve French</p> <p>Financial and Facilities Management Division General Manager: Mr Matthew King</p> <p>Information Management and Technology Division General Manager: Mr Peter Alexander</p>	<p>Ministerial and Communications Division General Manager: Ms Mary Balzary</p> <p>People and Organisational Strategy Division General Manager: Ms Marisa Purvis-Smith</p> <p>Stakeholder Engagement General Manager: Ms Jan Harris</p>
Macroeconomic Group: Executive Director (Domestic), Dr David Gruen	
Macroeconomic Group: Executive Director (International/Special Envoy), Mr Mike Callaghan	
<p>Domestic Economy Division General Manager: Dr Steve Morling</p> <p>Macroeconomic Policy Division General Manager: Mr James Kelly</p> <p>Macroeconomic Modelling Division General Manager: Mr Russ Campbell</p> <p>International and G20 Division General Manager: Mr Jason McDonald</p> <p>International Finance and Development Division General Manager: Ms Sue Vroombout</p> <p>Overseas Operations</p> <p>Papua New Guinea Mr Colin Johnson</p> <p>Solomon Islands Mr Paul Flanagan</p>	<p>Indonesia Mr Jason Allford</p> <p>Overseas Posts</p> <p>Washington DC Ms Amanda Sayegh</p> <p>OECD (Paris) Mr Matthew Flavel</p> <p>London Ms Kerstin Wijeyewardene</p> <p>Tokyo Ms HK Holdaway</p> <p>Beijing Mr Adam McKissack</p> <p>Jakarta Mr Trevor Thomas</p> <p>New Delhi Mr Matt Crooke</p>
Fiscal Group: Executive Director, Mr Nigel Ray	
<p>Budget Policy Division General Manager: Mr John Lonsdale</p> <p>Commonwealth-State Relations Division General Manager: Mr Peter Robinson</p> <p>Industry, Environment and Defence Division General Manager: Ms Luise McCulloch</p>	<p>Social Policy Division General Manager: Mr Chris Foster (A/g)</p> <p>Review of GST Distribution Secretariat General Manager: Mr Paul McCullough</p>
Revenue Group: Executive Director, Mr Rob Heferen	
<p>International Tax and Treaties Division General Manager: Mr Tony McDonald</p> <p>Tax Analysis Division General Manager: Mr Roger Brake</p> <p>Business Tax Division General Manager: Ms Christine Barron</p> <p>Tax System Division General Manager: Mr Gerry Antioch</p>	<p>Personal and Retirement Income Division General Manager: Mr Nigel Murray (A/g)</p> <p>Indirect, Philanthropy and Resource Tax Division General Manager: Ms Brenda Berkeley</p> <p>Board of Taxation Secretariat Secretary: Mr Roger Paul</p>
Markets Group: Executive Director, Mr Jim Murphy	
<p>Foreign Investment and Trade Policy Division General Manager: Ms Sam Reinhardt</p> <p>Financial System Division General Manager: Mr Ian Beckett (A/g)</p> <p>Infrastructure Division General Manager: Mr Brenton Thomas</p> <p>Corporations and Capital Markets Division General Manager: Mr David Woods</p>	<p>Competition and Consumer Policy Division General Manager: Mr Geoff Francis</p> <p>Retail Investor Division General Manager: Ms Irene Sim</p> <p>Australian Government Actuary General Manager: Mr Peter Martin</p> <p>Takeovers Panel Director: Mr Allan Bulman</p>

Figure 2: Treasury outcome and program structure (as at 30 June 2012)

Outcome 1:	Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.
Program 1.1: Department of the Treasury	
Macroeconomic Group	Domestic Economy Division Macroeconomic Policy Division Macroeconomic Modelling Division International Finance and Development Division International and G20 Division Overseas Operations Overseas Posts
Fiscal Group	Budget Policy Division Commonwealth-State Relations Division Industry, Environment and Defence Division Social Policy Division Review of GST Distribution Secretariat
Revenue Group	Business Tax Division Indirect, Philanthropy and Resource Tax Division International Tax and Treaties Division Personal and Retirement Income Division Tax Analysis Division Tax System Division Board of Taxation Secretariat
Markets Group	Foreign Investment and Trade Policy Division Financial System Division Infrastructure Division Competition and Consumer Policy Division Corporations and Capital Markets Division Retail Investor Division Australian Government Actuary Takeovers Panel
Corporate Strategy and Services Group	
Program 1.2: Payments to International Financial Institutions	
Macroeconomic Group:	International Finance and Development Division
Program 1.3: Support for Markets and Business	
Markets Group:	Financial System Division
Program 1.4: General Revenue Assistance	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.5: Assistance to the States for Healthcare Services	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.6: Assistance to the States for Schools	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.7: Assistance to the States for Skills and Workforce Development	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.8: Assistance to the States for Disabilities Services	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.9: Assistance to the States for Affordable Housing	
Fiscal Group:	Commonwealth-State Relations Division
Program 1.10: National Partnership Payments to the States	
Fiscal Group:	Commonwealth-State Relations Division

Figure 3: Treasury portfolio outcome and program structure (as at 30 June 2012)

<p>Portfolio Minister — Deputy Prime Minister and Treasurer The Hon Wayne Swan MP</p> <p>Assistant Treasurer The Hon David Bradbury MP</p> <p>Minister for Financial Services and Superannuation The Hon Bill Shorten MP</p> <p>Minister for Housing The Hon Brendan O'Connor MP</p> <p>Parliamentary Secretary to the Treasurer The Hon Bernie Ripoll MP</p>	
<p>Department of the Treasury Secretary: Dr Martin Parkinson</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p> <p>Program 1.2:</p> <p>Program 1.3:</p> <p>Program 1.4:</p> <p>Program 1.5:</p> <p>Program 1.6:</p> <p>Program 1.7:</p> <p>Program 1.8:</p> <p>Program 1.9:</p> <p>Program 1.10:</p>	<p>Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations</p> <p>Department of the Treasury</p> <p>Payments to International Financial Institutions</p> <p>Support for Markets and Business</p> <p>General Revenue Assistance</p> <p>Assistance to the States for Healthcare Services</p> <p>Assistance to the States for Schools</p> <p>Assistance to the States for Skills and Workforce Development</p> <p>Assistance to the States for Disabilities Services</p> <p>Assistance to the States for Affordable Housing</p> <p>National Partnership Payments to the States</p>
<p>Australian Bureau of Statistics Statistician: Mr Brian Pink</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>Informed decisions, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information</p> <p>Australian Bureau of Statistics</p>
<p>Australian Competition and Consumer Commission Chairman: Mr Rod Sims</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services</p> <p>Australian Competition and Consumer Commission</p>
<p>Australian Office of Financial Management Chief Executive Officer: Mr Robert Nicholl</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government</p> <p>Australian Office of Financial Management</p>

Figure 3: Treasury portfolio outcome and program structure (continued)

Australian Prudential Regulation Authority	
Chairman: Dr John Laker AO	
Outcome 1:	Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality
Program 1.1:	Australian Prudential Regulation Authority
Australian Securities and Investments Commission	
Chairman: Mr Greg Medcraft	
Outcome 1:	Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks
Program 1.1:	Research, policy, compliance, education and information initiatives
Program 1.2:	Enforcement/deterrence
Outcome 2:	Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services
Program 2.1:	Legal infrastructure for companies and financial services providers
Program 2.2:	Banking Act and Life Insurance Act, unclaimed moneys and special accounts
Australian Taxation Office	
Commissioner: Mr Michael D'Ascenzo AO	
Outcome 1:	Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law
Program 1.1:	Australian Taxation Office
Program 1.2:	Tax Practitioners Board
Program 1.3:	Australian Business Register
Program 1.4:	Australian Valuation Office
Program 1.5:	Product Stewardship for Oil
Program 1.6:	Cleaner Fuels Grant Scheme
Program 1.7:	Australian Screen Production Incentive
Program 1.8:	Research and Development Tax Offset
Program 1.9:	Private Health Insurance Rebate
Program 1.10:	Superannuation Co-contribution Scheme
Program 1.11:	Superannuation Guarantee Scheme
Program 1.12:	Fuel Tax Credits Scheme
Program 1.13:	Education Tax Refund
Program 1.14:	National Urban Water and Desalination Plan
Program 1.15:	National Rental Affordability Scheme
Program 1.16:	First Home Saver Accounts
Program 1.17:	Baby Bonus
Program 1.18:	Interest on Overpayment and Early Payments of Tax
Program 1.19:	Bad and Doubtful Debts and Remissions
Program 1.20:	Other Administered
Commonwealth Grants Commission	
Secretary: Mr John Spasojevic	
Outcome 1:	Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue and health care grants
Program 1.1:	Commonwealth Grants Commission

Figure 3: Treasury portfolio outcome and program structure (continued)

Corporations and Markets Advisory Committee	
Convenor: Ms Joanne Rees	
Outcome 1:	Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice
Program 1.1:	Corporations and Markets Advisory Committee
Inspector-General of Taxation	
Inspector-General: Mr Ali Noroozi	
Outcome 1:	Improved tax administration through community consultation, review and independent advice to Government
Program 1.1:	Inspector-General of Taxation
National Competition Council	
President: Mr David Crawford	
Outcome 1:	Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure
Program 1.1:	National Competition Council
Office of the Auditing and Assurance Standards Board	
Chairman: Ms Merran Kelsall	
Outcome 1:	The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements
Program 1.1:	Auditing and Assurance Standards Board
Office of the Australian Accounting Standards Board	
Chairman: Mr Kevin Stevenson	
Outcome 1:	The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions
Program 1.1:	Australian Accounting Standards Board
Productivity Commission	
Chairman: Mr Gary Banks AO	
Outcome 1:	Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective
Program 1.1:	Productivity Commission
Royal Australian Mint	
Chief Executive Officer: Mr Ross MacDiarmid	
Outcome 1:	The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted-like products
Program 1.1:	Royal Australian Mint

