



# PART THREE

## MANAGEMENT AND ACCOUNTABILITY

Corporate governance	117
Internal and external scrutiny	123
Management of human resources	133
Procurement and asset management	144
Consultancies	145
Workplace diversity	150



## CORPORATE GOVERNANCE

---

The Treasury's corporate governance practices comply with statutory and other external requirements, and aim to achieve sound administrative and financial management practice. They are designed to ensure efficient, effective and ethical use of the Treasury's resources.

As part of its ongoing focus on effective governance, the Treasury periodically reviews its:

- accountability mechanisms;
- leadership, culture and communications;
- governance and committee structures;
- work with stakeholders to assess effectiveness;
- risk management, compliance and assurance systems; and
- strategic planning, performance monitoring and evaluation.

The Executive Board is the Treasury's primary decision-making body. The Audit Committee assists the Executive Board by independently reviewing and considering the department's operations, competence and integrity of its accounts.

The Treasury's management model sets out the role accountabilities of the five levels of management structure. The levels and accountabilities are:

- the Secretary is accountable for the Treasury's management and strategic leadership;
- executive directors are accountable for a group's management and strategic leadership;
- general managers are accountable for a division's management and strategic leadership;
- managers are accountable for a unit's management and leadership; and
- advisors and analysts are accountable for providing technical expertise and team leadership, and contributing to unit outputs.

## SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

### Executive Board

The Treasury's Executive Board comprises the Secretary, the Executive Directors and the Group General Manager of Corporate Services Group. The Executive Board is responsible for high-level policy issues relating to the Treasury's strategic leadership and management, including:

- organisational development — shaping the Treasury's future;
- policy development and coordination — involving major and/or new economic policy issues, generally with implications that involve more than one group;
- corporate governance — ensuring the efficient, effective and ethical use of resources; and
- planning and allocation of resources — meeting current and future work priorities.

The Executive Board members as at 30 June 2009 were:

- Dr Ken Henry, Secretary;
- Dr David Gruen, Executive Director, Macroeconomic Group;
- Mr Mike Callaghan, Executive Director, Macroeconomic Group;
- Mr Jim Murphy, Executive Director, Markets Group;
- Mr Nigel Ray, Executive Director, Fiscal Group;
- Mr David Parker, Executive Director, Revenue Group;
- Mr Paul McCullough, Executive Director, Revenue Group (acting);
- Mr Richard Murray, Executive Director, Policy Coordination and Governance; and
- Ms Deidre Gerathy, Group General Manager, Corporate Services Group.

The Executive Board is supported by the Executive and Parliamentary Division.

Mr Frank Di Giorgio, General Manager, Executive and Parliamentary Division, is secretary to the Executive Board.

### Audit Committee

The Audit Committee reviews audit issues by:

- supporting and enhancing the control framework;
- providing assurance on published financial information;

- monitoring, reviewing and reporting on compliance; and
- assisting the Chief Executive to comply with all legislative and other obligations.

The Treasury's Audit Committee follows the recommended best practice guidelines issued by the Australian National Audit Office (ANAO) and reviews internal and external audits relating to the Treasury. The ANAO also attends the Treasury's Audit Committee meetings as an observer.

Audit committee members as at 30 June 2009 were Mr David Parker (Chair), Ms Luise McCulloch, Mr Geoff Miller, Ms Deidre Gerathy, Mr Michael Willcock, Mr Tony McDonald and Mr Bruce Jones (the external representative). The committee met seven times during 2008-09.

### Remuneration committees

Remuneration committees are established within the Executive, Corporate Services Group and the four policy groups in the Treasury to recommend to the Secretary the determination of salary rates available under individual arrangements for APS6, EL1 and EL2 employees.

The Executive Board determines each remuneration committee's membership and the Executive Director of the relevant group chairs each remuneration committee. The committee comprises the Chair, the General Manager Human Resources Division and all general managers within the group. One general manager from another group is included to promote consistency of outcomes between groups.

## SENIOR MANAGEMENT STRUCTURE

Details of the Treasury's senior management structure are set out on page 14.

## CORPORATE PLANNING AND REPORTING

The Treasury's corporate planning and reporting framework is an integrated system linked to the financial management, human resource and business management systems.

The Executive Board sets the broad strategic direction for the Treasury through its identity statement, *The Treasury — Who We are and What We Do*, and its annual corporate plan. The identity statement sets out the Treasury's mission, values, role and key policy responsibilities. The corporate plan articulates future directions, key priorities, capabilities, risks and key risk management strategies, and provides a context for group and divisional plans.

The Treasury meets its external reporting responsibilities through its portfolio budget statements and annual report.

## RISK MANAGEMENT

The Treasury pursues a comprehensive, coordinated and systematic approach to risk management. It supports managers to anticipate uncertain events, exploit opportunities and respond appropriately to potential weaknesses.

The approach has five key components.

- The Corporate Policy and Framework for Managing Risk and associated guidelines, released in April 2006, is consistent with the Australian/New Zealand Standard for Risk Management (AS/NZS 4360:2004), and aims to:
  - integrate and formalise existing risk management processes across the Treasury;
  - ensure appropriate identification, analysis and evaluation of relevant risks;
  - continue monitoring risk and considering treatment strategies; and
  - establish a risk communication strategy and training framework for stakeholders.
- The Fraud Control Plan complies with Australian Government Fraud Control Guidelines.
- The Chief Executive Instructions put into effect the *Financial Management and Accountability Act 1997* requirements, setting out responsibilities and procedures which provide an overarching framework for transparent and accountable financial management. They also contain topics relating specifically to risk management and internal accountability.
- The Internal Audit Plan identifies services and functions for auditing. The plan incorporates issues raised by the ANAO in its audit of the Treasury's financial statements, and where appropriate, recent ANAO reports on cross-agency matters, upcoming

management issues, policy evaluations, previous internal audits and strategic risk management issues.

- Risk management and insurable risks are aligned through Comcover and Comcare.

The Treasury uses a range of strategies to identify and manage risks associated with delivery of IT services. New IT-enabled business solutions are assessed against four key IT principles to ensure that IT investments are managed strategically. A range of plans deliver IT services:

- the IT Disaster Recovery Plan sets out the strategies and processes to restore services if the Treasury's central computing infrastructure is lost completely or partially;
- the Business Continuity Plan for the Treasury's IT application systems set out alternative methods and processes, so the Treasury can continue to work while the environment is restored;
- the IT Security Policy addresses the requirements to protect information holdings and secure operation of the Treasury's IT resources;
- the Internet and Email Acceptable Use Policy sets out responsibilities for appropriate use of the internet, email facilities and services;
- the IT Change Control Guidelines (an internal management tool) assists with quality assurance control over proposed changes to the technical environment and facilities; and
- Project Standards, internal standards based on the structured project management methodology, PRINCE2, ensures correct project governance is applied to IT-enabled business projects.

Training programs and Treasury staff notices raise staff awareness of risk management policies and procedures. All policies and procedures are available to staff in hard copy and on the intranet.

## ETHICAL STANDARDS AND ACCOUNTABILITY

The Treasury Management Model incorporates Treasury people values, and guides and supports Treasury staff members in their day-to-day work. These values are closely aligned with the APS values. They are embedded in the Performance Management System and are referred to in the capability framework for non-SES staff. Staff members are appraised against the values.

All Treasury Workplace Agreements contain a commitment from employees to be aware of, and to uphold, Treasury and APS values.



In January 2009, the Treasury introduced a Personal Accountability Framework which encapsulates all departmental policy and guidelines into a single framework covering all aspects of behaviour, conduct and values. The framework provides a guide as to how these responsibilities should translate into working relationships and standards of ethical and personal behaviour.

The Treasury learning and development activities reinforce staff's ethical responsibilities. The APS and Treasury Accountabilities Workshop, aimed at new starters, provides participants with an understanding of the APS, Treasury accountabilities and corporate governance frameworks. The Executive Level Leadership Program, the Treasury Certificate in Business Services for APS1 to 5 officers, the Graduate Development Program and performance appraisal training reinforce the values and behaviours expected of staff within both the department and the broader public sector.

The Chief Executive Instructions establish the Treasury's financial administrative framework under the Financial Management and Accountability Act. They provide the basis for effective, efficient, ethical and accountable use and management of Commonwealth money and property. The Treasury reviews and updates the instructions regularly.

The Chief Executive Instructions provide a user-friendly approach to financial management processes and guide staff so they can comply with legislation and ethical standards.

All corporate governance policies and procedures are available on the intranet.

## SENIOR EXECUTIVE SERVICE REMUNERATION

Terms and conditions for all Treasury senior executive service employees are contained in either Australian Workplace Agreements (AWA) or individual section 24(1) determinations made by the Secretary.

Senior executive service staff are appraised using the Australian Public Service Commission's Senior Executive Leadership Capability Framework. That involves making individual rankings against the framework's five criteria, then arriving at an overall relative ranking for the person, which reflects performance.

An increase in ranking based on longer-term performance can lead to an increase in base salary (refer to Table 4 on page 142). Additional information on remuneration is set out in Note 12: Executive remuneration in the Financial Statements on page 204.



## INTERNAL AND EXTERNAL SCRUTINY

---

### AUDIT

The Audit Committee met seven times in 2008-09. Its work included reviewing the Treasury's financial statements and a range of internal and external audit reports.

The Audit Committee's Financial Statements sub-committee met three times and comprised members from the Treasury, the ANAO, the Treasury's internal audit service provider and an external representative of the Treasury Audit Committee. The sub-committee monitors production of the financial statements and helps resolve issues.

The Treasury engaged KPMG to develop the 2008-09 internal audit program. KPMG helps the Audit Committee to continuously improve audit services by regularly reviewing the audit program and scrutinising internal audit recommendations, as well as relevant ANAO reviews.

### INTERNAL AUDITS

The Treasury completed nine internal audits/reviews during 2008-09.

#### *Financial Management and Accountability Act 1997 (FMA Act) compliance*

This review assessed the status of the recommendations made in a 2006-07 audit on the design of processes, controls and delegations in place to support key FMA Act compliance and reporting requirements.

The Treasury has agreed to implement two recommendations from this review and implement an action plan to complete two recommendations from the 2006-07 review.

#### *Parliamentary reporting processes*

This review examined the Treasury's internal processes and reporting systems used to provide responses to Parliament, the Australian Government and the Treasury Executive Board. The review identified some business improvement opportunities and the Treasury agreed to implement the recommendations as part of an overarching parliamentary workflow project.

## Procurement processes

This review examined the Treasury's framework for procurement processes to determine whether it is designed efficiently and is effective in meeting legislative requirements. The framework contains key requirements of the Commonwealth Procurement Guidelines and the FMA Act legislation.

The Treasury has agreed to implement three business improvement recommendations to improve the efficiency of the procurement process.

## Network user access management

This review provided assurance that the Treasury's current network user access management processes are in line with organisational requirements and are appropriate to prevent unauthorised actions.

The Treasury has implemented five business improvement recommendations to support the documentation process.

## IT disaster recovery planning

This review examined the Treasury's IT Disaster Recovery Plan and associated documents to ensure key administrative IT systems can be recovered to support business in the event of a disaster.

The Treasury has implemented eight business improvement recommendations to strengthen the link between the Treasury's key disaster recovery documents.

## Compliance with the Privacy Act

This review provided assurance that the Treasury's business processes met Privacy Act requirements.

The Treasury has agreed to implement four business improvement recommendations to improve the privacy awareness program within the Treasury.

## IT governance benchmarking

This review built on a 2005-06 review that assessed the Treasury's IT practices against best practice and provided a benchmark level of maturity for IT services. The review will also inform the future scope areas for review in future audit periods.

The Treasury has agreed to implement eight low-level recommendations.

## Payments processes

The Treasury makes a significant number of departmental payments over the course of a financial year, covering asset acquisition, travel, corporate supplies and general goods and services. A range of financial delegates across the Treasury are responsible for approving payments.

This review assessed the departmental payment processes and tested the controls in place for a sample of payments for each discrete process.

The Treasury has agreed to implement four recommendations to streamline some business processes.

## Internal financial reporting

The Treasury prepares formal financial reports for decision-making and reporting purposes on a monthly basis. This process involves the review and reconciliation of a large number of accounts and preparation of monthly reports to the Executive Board and the Department of Finance and Deregulation.

This review assessed the current financial reporting process against ANAO best practice and sought to identify improvements, including monthly reporting to the Executive.

The Treasury has agreed to implement four low-level recommendations to improve financial forecasting and reporting.

# AUSTRALIAN NATIONAL AUDIT OFFICE REPORTS

In 2008-09, the ANAO conducted two performance audits that related to the Treasury's operations.

## *Audit Report No. 37: Online Availability of Government Entities' Documents Tabled in the Australian Parliament*

This audit reviewed five Australian Government organisations, including the Treasury, to evaluate their compliance, policies and practices for online publishing of documents presented to Parliament.

The audit concluded that the Treasury had sound online publishing practices, including controls to manage the validity of online content. The Treasury agrees with, and already implements the intent of the reports recommendations.

## Audit Report No. 44: *Security Risk Management*

This audit reviewed three Australian Government organisations, including the Treasury, to determine the effectiveness of security risk management programs, including protective security risk treatment controls. In particular, the audit assessed whether each organisation had:

- established and implemented effective arrangements for managing security risks;
- established sufficient and appropriate monitoring arrangements for security risks; and
- implemented effective security risk mitigation measures or treatment controls.

The audit concluded that the Treasury has established and implemented effective arrangements for managing security risks. The Treasury has sound processes in place to enable ongoing monitoring of its security environment and controls designed to reduce security risks. The Treasury has agreed to implement the report's three recommendations relevant to its operations.

The ANAO also commenced a performance audit in 2008-09 on Representations to the Department of the Treasury in Relation to Motor Dealing Financing Assistance.

Other ANAO reports relevant to the Treasury in 2008-09 were.

Report No. 3: *Establishment and Management of the Communications Fund*

Report No. 5: *The Senate Order for Departmental and Agency Contracts  
(Calendar Year 2007 Compliance)*

Report No. 13: *Government Agencies' Management of their Websites*

Report No. 14: *Audits of the Financial Statements of Australian Government  
Entities for the Period Ended 30 June 2008*

Report No. 16: *The Australian Taxation Office's Administration of Business  
Continuity Management*

Report No. 20: *Approval of Funding for Public Works*

Report No. 21: *The Approval of Small and Medium Sized Business System Projects*

Report No. 24: *The Administration of Contracting Arrangements in relation to  
Government Advertising to November 2007*

Report No. 25: *Green Office Procurement and Sustainable Office Management*

Report No. 34: *The Australian Taxation Office's Management of Serious Non-Compliance*

Report No. 42: *Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year ending 30 June 2009*

The Treasury's Audit Committee follows ANAO better practice guidelines by actively reviewing relevant matters raised in audit reports, and overseeing follow-up action. Details of audit reports are available at [www.anao.gov.au](http://www.anao.gov.au).

## PARLIAMENTARY COMMITTEES

In 2008-09 Treasury officials appeared before the following Parliamentary Committees.

22 June 2009 — Senate Standing Committee on Economics, Foreign investment by state-owned entities

19 June 2009 — Senate Standing Committee on Economics, Car Dealership Financing Guarantee Appropriation Bill 2009

10 June 2009 — Senate Standing Committee on Economics, Guarantee of State and Territory Borrowing Appropriation Bill 2009

10 June 2009 — Senate Standing Committee on Economics Inquiry into the Tax Laws Amendment (2009 Budget Measures No. 1) Bill 2009

2, 3 and 4 June 2009 — Senate Economics Legislation Committee, Estimates (Budget Estimates)

28 May 2009 — Legislative Committee Inquiry into the Carbon Pollution Reduction Scheme Bill and related Bills

22 May 2009 — Senate Standing Committee on Economics, Carbon Pollution Reduction Scheme Bill 2009

11 May 2009 — Joint Standing Committee on Treaties to review two taxation agreements (treaties) between Australia and the Isle of Man

30 April, 1 and 20 May 2009 — Senate Select Committee on Climate Policy

14 April 2009 — Senate Standing Committee on Economics, Australian Business Investment Partnership Bill 2009 and a Related Bill

2 April 2009 — Senate Select Committee on Issues relating to the Fuel and Energy Industry

25 March 2009 — Senate Standing Committee on Economics, Exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme

12 March 2009 — Senate Standing Committee on Economics, Aspects of Bank Mergers

11 March 2009 — Senate Standing Committee on Community Affairs, Customs Tariff Amendment (2009 Measures No. 1) Bill 2009; Excise Tariff Amendment (2009 Measures No. 1) Bill 2009

25 and 26 February 2009 — Senate Economics Legislation Committee, Estimates (Additional estimates)

23 February 2009 — Joint Standing Committee on Treaties to Review two taxation agreements (treaties) between Australia and the British Virgin Islands

16 February 2009 — Senate Standing Committee on Economics, Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2009

16 February 2009 — Senate Standing Committee on Economics, Trade Practices Amendment (Cartel Conduct and Other Measures) Bill

6 February 2009 — Senate Standing Committee on Economics, Tax Agent Services Bill 2009

5 and 9 February 2009 — Senate Standing Committee on Finance and Administration, Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009; Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009; Commonwealth Inscribed Stock Amendment Bill 2009; Household Stimulus Package Bill 2009; Tax Bonus for Working Australians (Consequential Amendments) Bill 2009; Tax Bonus for Working Australians Bill 2009

25 November 2008 — Senate Standing Committee on Economics, COAG Reform Fund Bill 2008

24 November 2008 — Corporations Amendment (Short Selling) Bill 2008

20 November 2008 — Foreign Affairs, Defence and Trade References Committee, Economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific

6 November 2008 — Senate Standing Committee on Community Affairs, National Rental Affordability Scheme (Consequential Amendments) Bill 2008; National Rental Affordability Scheme Bill 2008

3 November 2008 — Senate Standing Committee on Economics, Superannuation (Departing Australia Superannuation Payments Tax) Amendment Bill 2008; Temporary Residents' Superannuation Legislation Amendment Bill 2008

29 October 2008 — Senate Standing Committee on Economics, Disclosure regimes for charities and not-for-profit organisations

28 October 2008 — Senate Standing Committee on Economics, Inquiry into Tax Laws Amendment (2008 Measures No. 5) Bill 2008

28 October 2008 — Senate Standing Committee on Economics, Tax Laws Amendment (2008 Measures No. 5) Bill 2008

22 October 2008 and Thursday 23 October 2008 — Senate Economics Legislation Committee, Estimates (Supplementary Budget Estimates)

24 September 2008 — Senate Standing Committee on Economics, Australia's mandatory last resort home warranty insurance scheme

17 September 2008 — Joint Committee of Public Accounts and Audit to review ANAO Audit Report No. 32 of 2007-08 *Preparation of the Tax Expenditures Statement*

14 August 2008 — Senate Select Committee on Issues Relating to the Fuel and Energy Industry

12 August 2008 — Senate Standing Committee on Economics, Tax Laws Amendment (2008 Measures No. 4) Bill 2008

11 August 2008 — Senate standing committee on Economics, Excise Legislation Amendment (Condensate) Bill 2008; Excise Tariff Amendment (Condensate) Bill 2008

11 August 2008 — Senate Standing Committee on Economics, Reference: National Fuelwatch (Empowering Consumers) (Consequential Amendments) Bill 2008; National Fuelwatch (Empowering Consumers) Bill 2008

31 July 2008 — Senate Standing Committee on Economics, Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008

25 July 2008 — Senate Select Committee, Inquiry into State Government Financial Management



## FRAUD PREVENTION AND CONTROL

In 2008-09 one case of fraud was referred to the Australian Federal Police for investigation. This investigation is continuing.

The Treasury's Fraud Control Plan complies with the Commonwealth Fraud Control Guidelines issued under regulation 19 of the *Financial Management and Accountability Regulations 1997*.

It is certified that the Treasury has appropriate fraud control, prevention, detection, investigation and reporting standards in place; and collects and reports annual fraud control data.

## OMBUDSMAN COMMENTS, COURT DECISIONS AND ADMINISTRATIVE TRIBUNAL DECISIONS

### Ombudsman comments

No comments were received from the Ombudsman in 2008-09.

### Courts and proceedings

#### Trade Practices Act — Access to Services — Fortescue Metals Group Ltd

On 13 June 2006, Fortescue Metals Group applied to the Australian Competition Tribunal for a review of the former Treasurer's deemed decision under Part IIIA of the *Trade Practices Act 1974* not to declare BHP Billiton as the operator of the Mt Newman rail line. The review is ongoing.

On 18 December 2006, in proceedings initially instigated separately by BHP Billiton and Fortescue Metals Group, the Federal Court ruled that BHP Billiton's Mt Newman and Goldsworthy rail lines may be subject to declaration applications under Part IIIA, as they do not represent 'use of a production process'. On 12 January 2007, BHP Billiton lodged an appeal against the Federal Court decision to the full court of the Federal Court. The appeal was heard in late April 2007 and the full Federal Court dismissed the appeal on 5 October 2007. On 7 March 2008, the High Court heard and allowed an application by BHP Billiton for special leave to appeal the full Federal Court's decision. On 24 September 2008, the High Court upheld the full Federal Court decision that the Mt Newman and Goldsworthy railway lines were not the 'use of a production process' and therefore not exempt from declaration under Part IIIA.

In November 2007 and January 2008, a subsidiary of Fortescue Metals Group, the Pilbara Infrastructure Pty Ltd, lodged three further applications for railway services in the

Pilbara region of Western Australia. These railway services included the Hamersley and Robe River lines operated by Rio Tinto, and the Goldsworthy line operated by BHP Billiton. In October 2008, the Treasurer declared each of the Hamersley, Goldsworthy and Robe River railway services for 20 years. BHP Billiton and Rio Tinto subsequently applied to the Australian Competition Tribunal for a review of those declaration decisions. A review of the Hamersley, Goldsworthy and Robe River railway services declaration decisions is being conducted in conjunction with the review of the Mt Newman decision. A decision is currently expected in early 2010.

### **Trade Practices Act — Ministerial Consent under section 5 of the Trade Practices Act — Cathay Pacific Airways Limited (Cathay) and the Minister for Competition Policy and Consumer Affairs**

On 2 December 2008, the Minister for Competition Policy and Consumer Affairs provided consent under section 5 of the Trade Practices Act to Auskay International Manufacturing and Trade Pty Ltd (Auskay). This enabled Auskay to bring a civil action under the anticompetitive conduct provisions of the Trade Practices Act against a number of airlines (including Cathay), in respect of conduct that occurred overseas.

On 24 December 2008, Cathay applied to the Federal Court for a judicial review of the decision pursuant to section 5 of the *Administrative Decisions (Judicial Review) Act 1977*. On 1 April 2009, the Minister appealed to the full Federal Court on the Federal Court's interlocutory judgment relating to legal professional privilege. The proceedings in the Federal Court are on hold, pending judgment by the full Federal Court.

### ***Pape vs Commissioner of Taxation and the Commonwealth of Australia***

The High Court, in a 4:3 decision, upheld the validity of the *Tax Bonus for Working Australians Act (No. 2) 2009* (the Tax Bonus Act). Two of the judges in the minority would have partially upheld the validity of the Tax Bonus Act.

### ***Fisse vs the Department of the Treasury***

A notice of appeal was filed with the Federal Court of Australia after the decision by the Administrative Appeals Tribunal affirmed Treasury's decision on 10 April 2008 to not release a report, under freedom of information, from an interdepartmental working group to government on introducing criminal sanctions for serious cartel conduct. The Federal Court dismissed the application on 11 December 2008.

## Administrative Appeals Tribunal

### **Freedom of Information — Michael McKinnon on behalf of Seven Network (Operations) Limited and the Department of the Treasury**

An application was made to the Administrative Appeals Tribunal for a review of a decision by the Treasury not to release information in response to a request under the Freedom of Information Act for documents relating to aged pensions. The Administrative Appeals Tribunal advised the Treasury that the appeal application was withdrawn by the applicant without proceeding to a review.

### **Freedom of Information — Seven Network (Operations) Limited and the Department of the Treasury**

An application was made to the Administrative Appeals Tribunal for a review of a decision by the Treasury not to release information in response to a request under the Freedom of Information Act for the red book briefing document. The Administrative Appeals Tribunal advised the Treasury that the appeal application was withdrawn by the applicant without proceeding to a review.

## MANAGEMENT OF HUMAN RESOURCES

---

The Human Resources Division delivers strategic human resource management advice and services to enable the Treasury to recruit, develop and manage its staff to deliver high performance and provide a supportive work environment.

Key 2008-09 workforce initiatives were to:

- progress implementation of a new Workplace Relations Framework;
- ensure people management strategies met organisational needs;
- progress the delivery of a suite of tailored learning and development initiatives; and
- implement and monitor workforce planning to facilitate the recruitment and retention of departmental capabilities.

## PEOPLE MANAGEMENT SYSTEMS

The Treasury's people management systems are underpinned by the Treasury's people management principles and values, and the Treasury Management Model. These define the way staff work and provide the basis for people management systems and processes.

## PERFORMANCE MANAGEMENT SYSTEM

The Treasury's Performance Management System underpins the Treasury's capacity to achieve its mission by strengthening individual capabilities and aligning individual values and behaviors with shared corporate values and behaviors. The Treasury Performance Management System is based on clearly articulated capability frameworks. The Work Value Matrix defines the capabilities required by all employees at the APS and EL classifications, and the Senior Executive Service (SES) Capability Framework defines the capabilities for SES staff.

The capability frameworks not only provide the basis for appraisals, but underpin recruitment processes, the Professional Development Framework and the Career Development System.

Ratings against each capability contributes to the overall outcome, which determines the base pay for staff employed under the Treasury Workplace Agreement. The Performance Management System outcomes also inform the remuneration committees which advise the Secretary on salary levels for APS6, EL1 and EL2 staff employed under individual arrangements.

A number of processes support the underlying principles of fairness, transparency and consistency in the Performance Management System.

- In setting the context for appraisals, initially SES staff meet before each appraisal round to discuss issues relevant to the upcoming round, then group and divisional context setting meetings follow.
- Workshops and information sessions before each appraisal round provide information on the process for new staff; refresh staff knowledge; and develop skills in giving and receiving feedback for appraisees and managers.
- Review panels, usually at the divisional level, examine the outcomes of appraisals to ensure consistency across the division.
- Cross-group representatives on review panels provide an additional focus on consistency across the Treasury.
- Upward feedback is an integral part of the appraisal process and provides input to the appraisals of managers.

Regular informal feedback is encouraged to minimise surprises at appraisal time and facilitate productive staff management. Managers are encouraged to seek feedback from a range of sources before the appraisal meetings.

## CAREER DEVELOPMENT SYSTEM

The Career Development System is part of the Treasury's people systems and the Treasury Management Model. It applies to all staff, including temporary employees and secondees with at least six months continuous service, and provides staff with the opportunity to receive career development guidance from their manager-one-removed.

Quick reference guides for both staff and managers-one-removed were developed to assist in preparing for these discussions.

In 2008-09, staff were offered two training sessions in 'Preparing For Your Next Position' and graduates and APS6 to EL1 employees were offered career planning workshops.

The curriculum vitae tool in Aurion, the Human Resource Management System, was enhanced to encourage staff to update their work experience, educational history, skills and training.

## TREASURY WORKPLACE AGREEMENT

The Treasury Workplace Agreement 2006-09 came into operation on 7 September 2006 and nominally expires on 6 September 2009.

It provides for increased pay rates (refer to Table 5 on page 142), minor variations to conditions of service, including monthly accrual of annual leave; removal of limits on payment in lieu of accrued annual leave on leaving the APS; increased paid leave to assist employees during maternity, and to their partners to provide support around the time of birth; one day's paid leave to participate in community or charity work. The agreement also encourages managers and staff to proactively manage excess leave to facilitate staff taking regular breaks from work.

As part of the remuneration and conditions framework, the Treasury continued offering high performing APS6, EL1 and EL2 staff pay progressions above those available under the Workplace Agreement, but identical conditions of service.

The Treasury has progressed consultation with the Workplace Relations Committee, the Community and Public Sector Union and staff to identify those areas that should be a focus leading up to formal bargaining for a new agreement. These include improving work-life balance and streamlining administrative processes to reduce workloads.

## WORKPLACE RELATIONS

The format and content of the Treasury's workplace and individual arrangements reflect government policy on agreement making at the time of implementation.

The Treasury consults extensively with staff on workplace matters, and the current Workplace Agreement reinforces staff involvement in decision making. Consultation primarily occurs through the Workplace Relations Committee, elected by Treasury staff and comprising eight members. The committee meets regularly with Human Resources Division staff to discuss employment terms and conditions, and regular meetings with the Secretary encourage dialogue on issues of importance to staff. Terms of Reference for the Workplace Relations Committee reflect a principles based approach to workplace relations.

The Treasury Workplace Agreement 2006-09 and individual arrangements provide access to procedures to resolve disputes and directly consult with staff as appropriate. Many aspects of legislation introduced by the Government take effect from 1 July 2009, fundamentally changing workplace relation arrangements within the Treasury. New agreements will reflect these changes.

## RECRUITMENT AND SUCCESSION PLANNING

The Treasury's recruitment activity in 2008-09 included three major bulk recruitment campaigns; an SES band 1 recruitment campaign; two specialist skills campaigns seeking financial market, quantitative, modelling and forecasting expertise; a graduate campaign; an internship program; and 86 individual recruitment processes. A total of 188 employment opportunities were filled from advertised vacancies. The graduate intake was 56 in 2009.

Graduate recruitment forms a major part of the Treasury's recruitment and succession planning strategy. In 2008-09, Treasury staff attended university career fairs and presented workshops on public policy to commerce and economic students. Brochures entitled '*Do you want to make a difference?*' were distributed to university careers centres and faculties. In addition, advertisements were placed in university career guides, within online graduate publications, on university career web pages and in the national press.

In 2008-09 the Treasury introduced an internship program. This scheme targets economics, commerce, law and public policy students and involves a 4 to 12 week paid work placement which exposes students to public policy.

The Treasury's online recruitment system was enhanced by simplifying the information required by applicants when responding to selection criteria.

Job seekers can lodge applications via the Treasury's internet careers portal. The portal also allows candidates to register for general and non-ongoing employment and former staff to register as alumni to provide short-term employment assistance.

The Treasury developed an intranet solution for advertising and managing internal vacancies. This new jobs portal will go live later in 2009.

During the latter part of 2008-09 a tender process for scribe services was initiated.

In 2009, the Treasury worked with the APS Career Transition Support Centre by providing details of employment opportunities to help redeploy potentially surplus APS employees.

Administrative arrangements and employment conditions applying to secondees involved in the Treasury/ATO secondment program were reviewed in light of changes to workplace agreements.



## LEARNING AND DEVELOPMENT

The Treasury's Professional Development Framework provides timely opportunities for staff to develop their skills and knowledge for current and future roles and responsibilities.

The Treasury's capability frameworks form the basis for identifying organisation-wide learning and development requirements. The frameworks enable the Performance Management and Career Development Systems to match staff needs and expectations with departmental learning and development priorities.

### Learning and development strategies

The Treasury provides staff with an extensive array of learning and development opportunities to develop capabilities, network and retain corporate knowledge. These opportunities are available through one or two day workshops, leadership programs and semester long courses in economics and law.

As part of the Treasury's ongoing commitment to developing organisational and staff capabilities, the department contracted Monash University to deliver a Graduate Diploma in Economic Studies which commenced in February 2009.

The course is tailored to public sector agencies with a focus on public policy and is delivered one day a week in the Treasury building. It is designed for staff qualified in disciplines other than economics and facilitates their understanding about economic frameworks and public policy issues. Five other departments are participating in the course.

In July 2008, 29 Treasury staff attended a semester long Introduction to Law course delivered by the Australian National University College of Law. The course provided accreditation towards a postgraduate law qualification.

In August 2008, 34 Treasury staff, six Department of Climate Change staff, one Australian Reinsurance Pool Corporation staff member and one Office of the Minister for Superannuation and Law staff member attended a semester long Introduction to Economics course delivered by the Australian National University.

Senior executives continued to participate in the APS Commission leadership courses and seminars, as well as executive coaching.

Other learning and development opportunities include short courses on APS and Treasury accountabilities, advanced writing skills, managing workloads, financial management, policy advising, interviewer skills, providing oral advice, career planning and effective teamwork. All workshops are tailored to the Treasury's needs and are evaluated to assist in refining subsequent programs.

The Treasury's Executive Leadership Program aims to enhance the leadership and strategic thinking skills of executive level staff to equip them to fulfil the roles expected of them under the Treasury Management Model. In 2008, 21 executive level staff participated in the program.

The Treasury continued to mentor new recruits in their transition to the Treasury. Seventy-five new recruits have participated since the program commenced in May 2005. The program is evaluated every six months.

The Treasury's four policy groups continued to offer seminars and discussions on policy issues. A tax policy framework course was presented to new starters in Revenue Group and a short course in economy wide modelling was offered to Treasury staff.

The 12-month Graduate Development Program combines on-the-job training with formal in-house courses, such as advanced writing, governance and APS decision making, effective teamwork, presentation skills and economics for graduates. The program also includes external courses, such as Introduction to the Senate as well as familiarisation tours and participation in key events, such as the budget lock-up where budget material is provided under embargo to registered media officers. The program is refined through feedback from graduates and graduate managers.

The Treasury Seminar Series continued with prominent guest speakers presenting current economic issues and research. An average of 67 staff attended each of the 10 seminars presented in 2008-09.

The Secretariat to Australia's Future Tax System held 23 seminars, with invited external experts in tax and transfer policy, open for attendance across the Treasury, over the last 12 months.

## IT initiatives and training

In 2008-09, internal IT training attracted 2,027 participants. It covered the Microsoft Office suite of programs as well as in-house systems, recordkeeping, security, electronic filing using TRIM, publication projects, the financial management information system SAP, and the budgeting and reporting tool TM1. Administrative officers were offered training in the new Staff Administration Management program. Training also was provided in the use of Blackberrys and remote access tokens.

Customised training in Access, Excel and Project catered to special needs and projects. A new course for departmental divisional support officers focused on Microsoft tools to assist staff in their administrative roles.

## External learning and development opportunities

In addition to providing internal learning and development opportunities, the Treasury encourages staff to participate in external learning activities. These include studies assistance, exchanges, research projects, postgraduate study awards, as well as attendance at Career Development Assessment Centres, the Australian and New Zealand School of Government and numerous conferences, seminars and workshops.

Over 90 employees accessed studies assistance each semester in 2008-09. Students can receive up to \$2,500 per semester to a maximum of \$5,000 in financial assistance, as well as study leave.

The Treasury has a Memorandum of Understanding with the Australian National University to facilitate on campus short-term economic research projects. Two staff commenced research projects in February 2009.

The Treasury's staff development costs totalled over \$3.5 million in 2008-09, representing an average of over four days of training per staff member. This figure represents 2.2 per cent of departmental operating costs and includes participant salary and on-costs, registration fees for internal and external training courses and external providers' development and delivery costs.

## WELLBEING

The Treasury continues to measure and monitor staff wellbeing indicators through staff opinion surveys, exit survey reports and human resource data. Performance is assessed against the Staff Wellbeing Framework, which is used to monitor agency health and identify potential risks to organisational capability, and benchmarked against the broader APS. The Human Resources Division provides regular reports to the Executive Board, the Workplace Relations Committee and staff on the results and strategies developed to improve performance.

In August 2008, the Treasury conducted a staff survey on the issue of work-life balance. The survey allowed staff to provide feedback on their working environment and assisted the department in assessing the impact of periods of increased work pressure on staff wellbeing and work-life balance. A number of subsequent measures were implemented.

The 2007-08 State of the Service Employee Survey provided additional insights into staff satisfaction with work-life balance. The Treasury achieved strong results with satisfaction levels above the APS average in achieving merit in engagement and promotion decisions; agency management and culture; innovation; low levels of harassment and bullying; communication with senior leaders; access to learning and development; and effective individual performance. Treasury staff recorded very similar levels of satisfaction and dissatisfaction with their work-life balance as their APS colleagues.

The Treasury's employee assistance program also collects generic data that provides guidance for appropriate wellbeing strategies. An external provider manages the program and continues to assist employees who may be experiencing personal or work-related problems. It provides a free, confidential counselling service to Treasury employees and their families. To complement this service, the eapdirect™ website offers easy access to information on stress, depression, anxiety, work-life balance, career development and management techniques. The employee assistance provider also offers managerAssist®, an advisory service that helps managers deal with work issues and personal difficulties.

During 2008-09, the Human Resources Division continued to provide managers and staff with support and information on strategies to assist with staff wellbeing. Work groups facing increased pressure were targeted. Every fortnight the division analyses data on unscheduled absences to enable early identification of possible issues and develop strategies for employees requiring assistance.

The Treasury continues to monitor staff departures and gather feedback from staff on issues influencing their decision to leave the department. The department's exit survey tool was enhanced during 2009 to assist the Treasury to respond effectively to factors that result in staff turnover and better target workforce and staff wellbeing strategies. The Treasury's aggregate turnover rate has remained stable, with a slight decrease from 12.9 per cent in 2007-08 to 12.7 per cent in 2008-09.

The fifth Treasury Staff Opinion Survey was held from 20 May to 10 June 2009 to assist in developing targeted wellbeing and workforce strategies and programs. Survey results are provided to the Executive Board and staff.

Work-life balance remains an important focus and the Human Resources Division continues to examine strategies to support organisational effectiveness during periods of sustained work pressure. Strategies around work-life balance including improved time off in lieu arrangements are being considered in negotiations for the new Workplace Agreement.

## STAFFING INFORMATION

Ongoing and non-ongoing employee numbers in the Treasury increased from 941 in 2007-08 to 1,026 in 2008-09 (refer to Table 2 on the following page). The number of APS6 and EL2 employees increased by 29 and 27 respectively during the year, while APS5 employee numbers increased by 20 in that period. Between 2007-08 and 2008-09 the number of EL1 employees decreased by 11 and the number of part-time ongoing women increased from 69 to 85.

**Table 2: Operative and paid inoperative staff by classification and gender (as at 30 June 2009)**

Classification	Ongoing				Non-Ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
Cadet	-	1	-	-	-	-	-	-	1
APS1	-	2	-	-	1	-	-	-	3
APS2	2	-	-	2	2	-	-	-	6
APS3	52	36	2	4	1	4	-	1	100
APS4	16	36	-	11	2	1	-	-	66
APS5	68	63	-	8	2	3	-	-	144
APS6	89	90	3	16	4	6	-	2	210
EL1	106	73	5	21	2	1	-	-	208
EL2	122	48	8	19	2	-	1	-	200
SES Band 1	42	13	1	3	2	-	1	-	62
SES Band 2	12	3	1	1	-	-	1	-	18
SES Band 3	7	-	-	-	-	-	-	-	7
Secretary	1	-	-	-	-	-	-	-	1
<b>Total</b>	<b>517</b>	<b>365</b>	<b>20</b>	<b>85</b>	<b>18</b>	<b>15</b>	<b>3</b>	<b>3</b>	<b>1,026</b>

Note: Staff paid by other agencies are not included.

**Table 3: Staff located at overseas posts**

Overseas post	SES Band 2	SES Band 1	EL2	Total
Beijing	-	1	-	1
Jakarta	-	1	-	1
Paris	-	2	-	2
Tokyo	-	2	-	2
Washington	-	1	-	1
<b>Total</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>

Note: Locally engaged staff are not included.

## Senior executive service — remuneration and performance appraisal

Remuneration and conditions for Treasury senior executives are determined under AWAs and section 24(1) determinations, supported by a remuneration model that determines pay levels within each SES level, based on performance (refer to Table 4 below).

**Table 4: Salary scales — SES**

Classification	September 2007		September 2008	
	Minimum	Maximum	Minimum	Maximum
	\$	\$	\$	\$
SES Band 1	157,402	182,935	163,698	190,252
SES Band 2	192,916	225,801	200,633	234,833
SES Band 3	250,008	292,798	260,008	304,510

Senior executives are appraised using the APS SES Capability Framework to assess performance and rank each employee relative to their peers. An increase in relative ranking can lead to an increase in base salary. Senior executives also may have access to airline lounge membership.

## Remuneration — non-SES employees

The Treasury Workplace Agreement 2006-09 determines salary rates for all non-SES staff (refer to Table 5 below).

**Table 5: Workplace Agreement salary scales — non-SES**

Classification	September 2007		September 2008	
	Minimum	Maximum	Minimum	Maximum
	\$	\$	\$	\$
APS1	36,212	39,324	37,660	40,897
APS2	41,740	44,502	43,410	46,283
APS3	47,266	50,028	49,157	52,029
APS4	52,792	55,554	54,903	57,776
APS5	59,355	63,155	61,729	65,681
APS6	66,954	70,753	69,632	73,583
EL1	78,802	87,334	81,954	90,827
EL2	97,003	106,676	100,883	110,943

Note: Salary levels under AWAs are determined on the basis of performance under the Treasury's Performance Management System.

The Treasury's remuneration policy provides for access to pay rates higher than those in the Workplace Agreement for all APS6, EL1 and EL2 staff, through AWAs and section 24(1) determinations (refer to Table 6 below).

**Table 6: APS6, EL1 and EL2 additional pay points**

Classification	Staff eligible 2008-09	Staff receiving additional pay point 2008-09	Minimum additional pay point 2008-09 \$	Maximum additional pay point 2008-09 \$
APS6	116	98	79,332	84,361
EL1	177	135	97,954	104,190
EL2	179	148	116,404	127,325
Total	472	381		

Salary levels under AWAs and section 24(1) determinations are determined by the Secretary, based on remuneration committee recommendations aligned with performance appraisal assessments and assessment of long term sustainable performance, as well as relevant skills and responsibilities.

### Senior management changes

Several senior management movements occurred in 2008-09 (refer to Table 7 below).

**Table 7: SES commencements and cessations**

Reason	SES Band 3	SES Band 2	SES Band 1	Total
Engagement	1	1	3	5
External promotion	–	–	–	–
Internal promotion	–	6	6	12
Resignation	–	–	1	1
Retirement	–	–	–	–
Transfer to another department	1	1	2	4
Promoted to another department	–	–	–	–
Total	2	8	12	22



# PROCUREMENT AND ASSET MANAGEMENT

---

## PROCUREMENT

The Treasury's procurement framework reflects the core principle governing Australian Government procurement — value for money. Procurement of all goods and services, including consultancies, is consistent with the requirements of the Commonwealth Procurement Guidelines. The Treasury applies the guidelines to all its activities through the Chief Executive Instructions and supporting operational guidelines.

The Treasury's procurement policies and processes help ensure the Treasury undertakes competitive, non-discriminatory procurement processes; uses resources efficiently, effectively and ethically; and makes decisions in an accountable and transparent manner. Responsibility for procurement is devolved to individual business groups. The Treasury supports the decentralised approach to procurement by providing information and training about procurement policies and procedures to all staff, and maintaining a single point of contact for staff to seek advice on the guidelines, Chief Executive Instructions and tendering processes.

The Treasury has also developed standard tendering and contracting documentation to ensure procurement practices are consistent across the department.

The Treasury's procurement framework places responsibility for procurement with the appropriate financial delegates. Currently, all proposed procurements valued at \$10,000 or more are reviewed by the Treasury's Procurement and Contracts Team to ensure due process is followed.

Details of certain agency agreements and Commonwealth contracts are published on AusTender. However, if the Secretary decides details of an agency agreement or Commonwealth contract (including standing offers) are exempt under the Freedom of Information Act, he may then direct that details are not to be published. No such directions were issued during 2008–09.

## ASSET MANAGEMENT

The Treasury manages both current and non-current assets in accordance with guidelines set out in the Chief Executive Instructions and relevant accounting standards.

The Treasury's non-current assets are subject to an annual stocktake to ensure records are accurate. All assets were tested for impairment, and no adjustments to the carrying value were required. Also refer to notes 1.14 to 1.18 of the financial statements on pages 182 to 185.

## CONSULTANCIES

Consultants are engaged to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; provide independent advice; and provide information or creative solutions to assist the Treasury in its decision-making. The most common reasons to engage consultants are:

- unavailability of specialist in-house resources in the timeframe allowed;
- the need for an independent study or review; and
- specialist skills and knowledge not available in-house.

Providers of consultancy services are selected through open tender, select tender, direct sourcing or panels. These processes are detailed in the note to Table 8 on page 149.

During 2008-09, 84 new consultancy contracts were entered into involving total expenditure of \$4,820,146. In addition, 22 on-going consultancy contracts were active during the year, involving total actual expenditure of \$2,070,745. These amounts include GST.

Information on expenditure on contracts and consultancies is also available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).

Table 8, below, summarises consultancy contracts let in 2008-09 valued at \$10,000 or more.

**Table 8: List of new consultancies over \$10,000 in 2008-09**

Consultant name	Description	Contract price \$	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
ABARE	Research taxes on natural resources	60,000	Direct sourcing	A
Access Economics Pty Ltd	Analyse financial product disclosure documents	77,360	Select tender	A
Amity Management Consulting Group	Provide advice, direction and input as an independent member of a client experience reference group	15,000	Direct sourcing	A
Australian Government Solicitor	Provide legal advice on matters relating to implementing the Government's decision to guarantee bank deposits and authorised deposit-taking institutions' wholesale borrowings	122,593	Panel	A
Australian Government Solicitor	Provide legal advice on preparing disclosure documentation for foreign markets in relation to the Australian Government wholesale funding guarantee	4,220,366	Panel	A

**Table 8: List of new consultancies over \$10,000 in 2008-09 (continued)**

Consultant name	Description	Contract price \$	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
Australian Government Solicitor	Provide legal advice on the National Consumer Protection Legislation Project	30,000	Panel	A
Australian Government Solicitor	Provide legal advice on West State Fund status	15,389	Panel	A
Australian Government Solicitor	Provide legal advice on consumer credit reform	12,839	Panel	A
Australian Government Solicitor	Provide legal advice on Acts of General Application	11,000	Panel	A
Australian Government Solicitor	Provide legal advice on car dealer financing arrangements	85,000	Panel	A
Australian Government Solicitor	Provide legal advice on constitutional law — varying the operation of tax laws	10,406	Panel	A
Australian Government Solicitor	Provide legal advice on the Australian Business Investment Partnership	250,000	Panel	A
Australian Government Solicitor	Provide legal advice on the <i>Foreign Acquisitions and Takeovers Act 1975</i>	120,000	Panel	A
Australian Government Solicitor	Provide legal advice on issues relating to licensing finance brokers under National Consumer Credit Protection Bill 2009	15,029	Panel	A
Australian Government Solicitor	Provide constitutional legal advice on proposed amendments to the operation of tax laws	15,356	Panel	A
Australian Government Solicitor	Provide legal advice on Trustee Corporations	23,500	Panel	A
Australian Government Solicitor	Provide legal advice on the guarantee of state borrowing	115,500	Panel	A
Australian Government Solicitor	Provide legal advice on possible acquisition of property issues under National Consumer Credit Code Bill 2009	25,000	Panel	A
Australian Government Solicitor	Provide legal advice on Cartel Conduct and Other Measures Bill	13,805	Panel	A
Australian Government Solicitor	Provide legal advice on issues relating to excise and customs excise bills	24,793	Panel	A
Australian Government Solicitor	Provide legal advice on contract for Grocery Choice website	44,718	Panel	A
Barmco Mana Partnership	Develop a comprehensive maintenance schedule for the Treasury Building Data Centre	12,413	Direct sourcing	A

**Table 8: List of new consultancies over \$10,000 in 2008-09 (continued)**

Consultant name	Description	Contract price \$	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
Blake Dawson	Assist the Board of Taxation in reviewing tax arrangements applying to managed investment trusts	20,000	Direct sourcing	A
Blake Dawson	Provide legal advice on SBR core services transformation and related matters	108,552	Panel	A
Blake Dawson	Provide legal advice on same day payment of guaranteed short term liabilities	275,000	Panel	A
Broadleaf Capital International	Provide risk and liability services to SBR	15,378	Panel	A
Business Driven Systems (Australia)	Provide technical review and feedback services for SBR	31,400	Direct sourcing	A
Centre for International Economics	Assess financial sector capacity building	111,741	Select tender	A
Credit Suisse (Australia) Limited	Provide commercial banking and finance advice	250,000	Direct sourcing	A
CSIRO Mathematical and Information Science	Prepare a report on human behavioural responses to complexity for Australia's Future Tax System	13,000	Direct sourcing	A
Cybertrust Pty Ltd	Provide an I-RAP IT security consultancy	35,200	Direct sourcing	A
DBM Consultants Pty Ltd	Provide industry cost research regarding financial product disclosure documents	79,860	Select Tender	A
Dr Andrew Leigh	Provide a research paper on the impact of the Tax-Transfer System on Education	50,000	Select tender	A
Financial Sector Services Pty Ltd	Provide specialist advisory support to the Australian Financial Centre Forum	335,800	Direct sourcing	A
Gartner Australasia Pty Ltd	Provide IT advisory relationship and assistance	140,580	Direct sourcing	B
Getronics Australia Pty Ltd	Provide grocery price monitoring website system design, implementation and services	455,706	Panel	A
Greenfields Financial Services	Provide research for the improved disclosure of fees for superannuation and managed investment products	71,500	Select tender	A
Greenwoods and Freehills Pty Ltd	Provide consultancy services for the design of the Foreign Source Income Attribution Rules	10,914	Direct sourcing	A

**Table 8: List of new consultancies over \$10,000 in 2008-09 (continued)**

Consultant name	Description	Contract price \$	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
Greenwoods and Freehills Pty Ltd	Provide consultancy services for the redesign of the Foreign Source Income Attribution Rules	10,606	Direct sourcing	A
Jayant Sathaye	Provide consultancy services for Australia's Low Pollution Future	24,194	Direct sourcing	A
KPMG	Provide tax economics expertise	300,000	Open tender	A
KPMG	Provide internal audit services for the HIH Claims Support Scheme	128,933	Direct sourcing	A
KPMG	Provide internal audit services for the HIH Claims Support Scheme	71,723	Direct sourcing	A
La Trobe University	Research a conceptual framework for the reform of taxes related to roads and transport	71,400	Select tender	A
Les Bell and Associates	Provide consumer research on financial product disclosure documents	81,346	Select tender	A
Lyndcote Pty Ltd	Provide advice on issues relating to the global financial crisis and its impact on the Australian financial services sector	150,000	Direct sourcing	A
Magellan Asset Management Ltd	Provide expert commercial advice to assist the Treasury in developing a detailed understanding of resource based foreign investment proposals	49,500	Direct sourcing	A
Minjela Pty Ltd	Facilitate preparations to establish the Australian Business Investment Partnership	60,000	Direct sourcing	A
Mynahs Pty Ltd	Provide input to a Financial Reporting Council project on issues arising from the global financial crisis	40,000	Direct sourcing	A
Oakton AA Services Pty Ltd	Provide financial analysis and technical solution services for SBR	243,032	Panel	A
Oakton AA Services Pty Ltd	Provide threat and risk assessment services for SBR	96,272	Panel	A
Property Mentor Pty Ltd	Provide advice on building and facilities management, leasing and property management issues	15,000	Direct sourcing	A

**Table 8: List of new consultancies over \$10,000 in 2008-09 (continued)**

Consultant name	Description	Contract price \$	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
Royal Melbourne Institute of Technology	Research the impact of the tax transfer system on housing in Australia and possible reforms	79,200	Direct sourcing	C
Salinger Privacy	Provide privacy services for SBR	61,000	Panel	A
Salinger Privacy	Provide privacy services for SBR	15,100	Panel	A
SBN Lawyers Pty Ltd	Provide advice to the Board of Taxation on the review of tax arrangements applying to managed investment trusts	20,000	Direct sourcing	A
Sparke Helmore	Provide a report on laws of implied conditions and warranties in the <i>Trade Practices Act 1974</i> and state and territory Fair Trading Acts, and sale of goods legislation	47,000	Panel	A
The Pain Hamilton Family Trust	Provide communications consultancy for Australia's Future Tax System	49,962	Direct sourcing	A
Workplace Research Associates Pty Ltd	Provide advice in relation to the 2009 Treasury staff survey	15,000	Direct sourcing	A
<b>Total consultancies over \$10,000</b>		<b>8,953,966</b>		

Note: All amounts include GST.

(1) Explanation of selection process terms:

Open tender — public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian AusTender internet site.

Select tender — tenders are invited from a short list of competent suppliers.

Direct sourcing — one supplier (or a limited number of suppliers) is approached directly in certain defined circumstances.

Panel — standing offers and supplier panels provide for a consultant to offer to supply goods and services for a pre-determined length of time and usually at a pre-arranged price.

(2) Justification for decision to use consultancy:

A Skills currently unavailable within agency.

B Need for specialised or professional skills.

C Need for independent research or assessment.

## WORKPLACE DIVERSITY

The Workplace Diversity Program fosters an environment which attracts, develops and supports people from diverse backgrounds, experiences and perspectives. Workplace diversity is central to the values and behaviours that shape the Treasury culture, and the workforce is guided by People Values which require respect, fairness and the valuing of diversity.

The Treasury's diversity profile is relatively stable (refer to Table 9 below). At 30 June 2009, it included:

- 46 per cent women;
- 25 per cent born overseas;
- 11 per cent with English as a second language; and
- 1.8 per cent who identify as having a disability.

**Table 9: Operative and paid inoperative staff by EEO target group (as at 30 June 2009)**

Classification	Female	Born overseas	English as a second language	Aboriginal and Torres Strait Islander	Disability
Cadet	1	–	–	1	–
APS1	2	2	–	–	1
APS2	2	–	–	–	1
APS3	45	22	13	–	1
APS4	48	15	9	–	1
APS5	74	27	14	–	2
APS6	114	58	31	–	4
EL1	96	58	23	–	2
EL2	67	53	17	–	4
SES Band 1	16	17	3	–	2
SES Band 2	4	2	–	–	–
SES Band 3	–	3	–	–	–
<b>Total</b>	<b>469</b>	<b>257</b>	<b>110</b>	<b>1</b>	<b>18</b>

The Treasury's diversity initiatives in 2008-09 included developing an Indigenous Employment Strategy to help attract and retain Aboriginal and Torres Strait Islander employees. The strategy is part of the Treasury's updated Reconciliation Action Plan, and will include recruitment activities, such as raising awareness of the Treasury's role in Indigenous policy issues. The department continues to participate in Indigenous graduate



and cadet selection processes, coordinated by the Australian Public Service Commission, and has one Indigenous cadet.

During the year, the Treasury promoted important Indigenous cultural events such as Reconciliation Week and the National Aborigines and Islanders Day Observance Committee (NAIDOC) Week. The Reconciliation Action Plan was launched in NAIDOC Week and included a presentation by the Hon Fred Chaney AO. During the year, staff were also invited to participate in a celebratory event in recognition of International Women's Day.

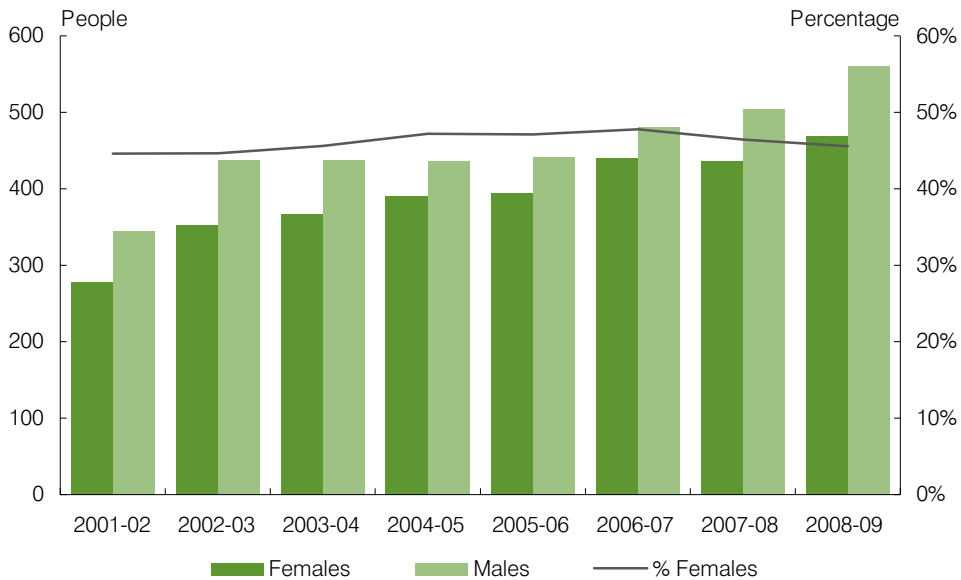
To support workforce diversity, the Treasury offers flexible working arrangements and a family-friendly work environment. The Treasury is accredited as a breastfeeding friendly workplace and a carer's room is provided to assist staff with parental or other caring responsibilities. To support women returning to work from maternity leave, the Treasury introduced nursing breaks for breastfeeding mothers in 2008-09. For the first time, those on maternity leave were provided with access to the Treasury intranet from home, or other remote locations, to keep in touch and assist in the transition back to the workforce. The department continues to provide staff with access to an external service provider to assist with information on care requirements including childcare.

At 30 June 2009, 10.8 per cent of Treasury staff worked part-time. More than half of these are executive level or higher. In addition to part-time work, Treasury staff can access job-share arrangements and, in particular circumstances, may apply for home-based work.

The Treasury's Mature Age Workers' Strategy is under review to ensure it meets the needs of a diverse workforce. The strategy is designed to support mature age workers to continue in the workforce and make the transition to retirement.

A number of Treasury staff are trained to act as workplace harassment contact officers to assist employees who may require support. State of the Service Employee Survey results continued to confirm that the Treasury records low levels of bullying and harassment compared with the APS average.

Chart 1: Treasury staff levels



Women remain marginally under-represented in the overall Treasury workforce. The percentage of women in the Treasury increased from 44.6 per cent at 30 June 2002 to 47.8 per cent at 30 June 2007. By 30 June 2009, this percentage had declined to 45.6 per cent, the same percentage as at 30 June 2004.

### Disability Action Plan

As required under the Commonwealth's Disability Strategy, and in accordance with the Treasury's Disability Action Plan, the department ensures people with a disability are able to fully participate and maximise their potential in the workplace. The Treasury's recruitment and selection processes support the diverse needs of applicants, including those with a disability. Applications can be accepted in different formats and appropriate adjustments can be made for interviews, including provision of translators for hearing impaired staff.

A range of assistance is provided to staff with a disability in the Treasury, including work station set-up and the purchase of special equipment, such as voice recognition software. The department endeavours to identify, wherever possible, the needs of staff with a disability before they commence work in the department and provide staff and their managers with ongoing support and assistance. Staff with special needs are able to access tutoring in written communication and translators for the hearing impaired.

**Table 10: Appointments of women to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2009)**

	Total positions filled as at 30 June	Number of women	Number of appointments made during the year	Number of appointments of women
Auditing and Assurance Standards Board	1	1	–	–
Australian Accounting Standards Board	1	–	1	–
Australian Competition and Consumer Commission	6	1	3	–
Australian Competition Tribunal	15	2	12	1
Australian Energy Regulator	3	–	2	–
Australian Prudential Regulation Authority	3	–	2	–
Australian Reinsurance Pool Corporation	8	2	2	–
Australian Securities and Investments Commission	6	1	3	–
Companies Auditors and Liquidators Disciplinary Board	14	–	4	–
Corporations and Market Advisory Committee	11	4	6	2
Financial Reporting Council	19	4	15	3
Financial Reporting Panel	9	1	9	1
National Competition Council	4	1	–	–
Payments System Board	7	1	1	–
Productivity Commission	11	5	6	3
Superannuation Complaints Tribunal	20	10	20	10
Takeovers Panel	53	17	14	5
Australian Statistics Advisory Council	16	4	10	3
Reserve Bank of Australia	9	1	–	–
Inspector-General of Taxation	1	–	1	–
Commonwealth Grants Commission	5	1	1	–
Commonwealth Consumer Affairs Advisory Council	9	3	8	3
Australian Government Financial Literacy Board	11	4	4	1
Financial Sector Advisory Council	11	2	1	1
Foreign Investment Review Board	3	1	–	–
HIH Claims Support Limited	4	–	–	–
Legal Subcommittee of Corporations and Market Advisory Committee	10	6	3	1
Board of Taxation	10	–	–	–
<b>Total</b>	<b>280</b>	<b>72</b>	<b>128</b>	<b>34</b>

