

# PART 3

## MANAGEMENT AND ACCOUNTABILITY



## CORPORATE GOVERNANCE

The corporate governance practices in Treasury are designed to ensure the efficient, effective and ethical use of the Department's resources, as well as compliance with statutory and other external requirements aimed at achieving sound administrative and financial management practice.

Key aspects of the Department's corporate governance practices include:

- clearly established role accountabilities, including clear delegations of authority and responsibilities;
- the planning and monitoring of the Department's outputs;
- the monitoring of the Department's resource usage, based on budgeting, financial accounting, audit, fraud, risk management and other reporting systems.

Primary responsibility for the management and strategic leadership of the Department rests with Treasury's senior executive, which consists of the Secretary and three Executive Directors. Details of the Treasury's management structure is set out at page 14 of this report.

## The Executive Board

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

- organisational development — shaping the future of the Department;
- policy development and coordination — in relation to major and/or new economic policy issues, generally with implications that cut across groups;
- corporate governance — ensuring the efficient, effective and ethical use of resources; and
- planning and allocating resources — to meet current and future work priorities.

Meetings of the Executive Board are generally held on a fortnightly cycle, although the Board meets more frequently when circumstances require. The board is supported by two committees: the Corporate Services Committee and the Audit Committee.

## Corporate Services Committee

The Corporate Services Committee was established by the Executive Board as an advisory committee to assist the General Manager, Corporate Services in taking decisions and in developing policies for consideration by the Executive Board. The Committee provides an interface between the providers and users of corporate services. It has a minimum of seven members at senior executive service (SES) level, including the General Manager, Corporate Services (Chair) and at least two members nominated by each Executive Director. The Committee meets on a monthly cycle and on such additional occasions as are agreed.

## Audit Committee

The Audit Committee functions as a forum of review of audit issues by:

- supporting and enhancing the control framework;
- ensuring the objectivity and reliability of published financial information; and
- assisting the Secretary to comply with all legislative and other obligations.

The committee is chaired by an Executive Director and comprises at least three and at most six members. It has four ordinary meetings each year, held quarterly, with additional meetings called as required. Treasury's external and internal auditors participate as observers at Audit Committee meetings.

## EXTERNAL REPRESENTATION

In 1999-2000 Treasury officers were members of various committees, boards and other bodies.

Ted Evans, Secretary to the Treasury: member, by legislation, of the Board of the Reserve Bank of Australia; and Alternate Governor of the International Monetary Fund for Australia.

Ken Henry, Executive Director, Economic Group: member of the Australian Statistics Advisory Council.

Gary Potts, Executive Director, Markets Group: chair of the Regulatory Advisory Committee; Chair of the Royal Australian Mint Advisory Board; Secretary to the Regional Financial Centre Task Force; Member of the Financial Reporting Council; and Secretary to the Financial Sector Advisory Council.

Greg Smith, Executive Director, Budget Group: chair of the GST Administrative Subcommittee; and chair of the Chief Executive Officer's Committee for Tax Reform.

Les Hosking, Chief Executive Officer, Axiss Australia: member of Finance Sector Advisory Council, Chairman of Financial Sector Advisory Council Task Force for Australia as a Financial Centre; and member of the Regulation Advisory Committee.

Kevin Deeves, Australian Government Actuary, Australian Government Actuary: member of Private Health Insurance Advisory Board.

Steve French, General Manager, Financial Institutions Division: member of the Royal Australian Mint Advisory Board.

Jim Hagan, General Manager, GST Start-Up Assistance Office: member of the Chief Executive Officer's Communication Subcommittee; and member of the Expert's Panel on Emissions Trading, convened by the Australian Greenhouse Office.

Jan Harris, General Manager, Consumer Affairs Division: member of the Standing Committee of Officials on Consumer Affairs; and Multitechnics Standards Policy Board.

James Horne, General Manager, Macroeconomic Policy Division: member of the Australian Bureau of Statistics (ABS) Labour Statistics Advisory Group.

Veronique Ingram, General Manager, Corporate Governance and Accounting Policy Division: chair of the Organisation for Economic Co-operation and Development (OECD) Steering Group on Corporate Governance and chair of the Asia-Pacific Economic Cooperation Task Force on Company Accounting and Financial Reporting; member of the Financial Stability Forum Task Force on Standards and member of the OECD/World Bank Regional Roundtable on Corporate Governance; alternate member of the Financial Reporting Council; and observer on the Companies and Securities Advisory Committee and its legal subcommittee.

John Jepsen, General Manager, Structural Reform Division: Treasury representative on the Council of Australian Governments Committee on Regulatory Reform, which considers the reform of cross-jurisdiction matters.

Janine Murphy, General Manager, Foreign Investment Policy Division: executive member of the Foreign Investment Review Board.

Susan Antcliff, Actuary, Australian Government Actuary: member, Public Awareness Council Committee of the Institute of Actuaries of Australia.

Michael Burt, Actuary, Australian Government Actuary: member of Public Relations Committee of the Institute of Actuaries of Australia.

Terry O'Brien, Specialist Adviser (International): member of Financial Stability Forum Follow-on Group on Implementation of Standards and Codes.

Raphael Cicchini, Manager, Consumer Affairs Division: member of the Standards Accreditation Board, Standards Australia.

David Crossley, Manager, Accounting and Financial Management Unit: member of the Chief Financial Officers' Forum, Department of Finance and Administration.

Geoff De La Motte, Manager, Information Management Unit: member of the Office of Asset Sales and Information Technology Outsourcing Group 11 Steering Committee and Working Party.

Nina Davidson, Manager, Labour Market Unit, Macroeconomic Policy Division: member of the Unemployment SPIRT<sup>1</sup> Advisory Committee, Melbourne Institute of Applied Economic and Social Research, University of Melbourne.

Frank Di Giorgio, Manager, Industry and Environment Policy Unit, Business Income and Industry Policy Division: Treasury representative on the Export Market Development Grant Scheme Review Steering Committee.

Michael Kooymans, Manager, Accounting Policy and Information Economy Unit, Corporate Governance and Accounting Policy Division: secretary of the Financial Reporting Council.

Tony McDonald, Manager, Balance of Payments Unit, Domestic Economy Division: member of the Tourism Forecasting Council Technical Subcommittee.

Les Pascoe, Specialist Adviser Accounting, Accounting Policy and Information Economy Unit, Corporate Governance and Accounting Policy Division: observer on the Australian Accounting Standards Board (to 31 December 1999).

May Priddle, Manager, Information and Records Unit: member of the Federal Libraries Network; and member of the Australian Library Copyright Committee.

John Wunsch, Manager, Safety Policy Unit, Consumer Affairs Division: member of the Infant and Nursery Products Association of Australia.

Kerry Ashbolt, Analyst, Safety Policy Unit, Consumer Affairs Division: member of the Standards Australia Committee for Pedal Bicycles, Cigarette Lighters and Sunglasses; and Committee to Advise on Recalls and Safety.

Dan Devlin, Analyst, Revenue Analysis Unit, Budget Policy Division: member of the Institute of Public Affairs Committee — 1999 Annual Report Awards for Commonwealth Agencies.

Lea Grant and Simon Cobcroft, Analysts, Market Place Strategies and New Technologies Unit, Consumer Affairs Division: members of the Digital Broadcasting Australia Consumer Education Subgroup.

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1 The Strategic Partnerships with Industry Research and Training (SPIRT) scheme is administered by the Australian Research Council.

Greg McLennan, Analyst, Revenue Analysis Unit, Budget Policy Division: member of the Institute of Public Affairs Committee — 1999 Annual Report Awards for Commonwealth Agencies.

Tim Pulford, Analyst, Safety Policy Unit, Consumer Affairs Division: member of the Standards Australia Committees for Children's Furniture, Safety of Children's Toys, Prams and Strollers, Babies Dummies, Vehicle Stands and Ramps, Vehicle Jacks, Protective Helmets for Vehicle Users and Child Restraints.

Kim Salisbury, Analyst, International Tax Unit, Business Entities and International Tax Division: Treasury representative at the OECD Forum on Harmful Tax Competition and the OECD Committee of Fiscal Affairs.

Graham Smith, Manager, Contracts, Audit and Facilities Management Unit: chair of the Crime Prevention Forum.

Peter Taft, Analyst, Industry Policy Unit, Business Income and Industry Policy Division: Treasury representative on the Export Market Development Grant Scheme Steering Committee.

Rob Woolston, Analyst, Safety Policy Unit, Consumer Affairs Division: member of the Standards Australia Committee for Flammability of Apparel.



## MANAGEMENT OF HUMAN RESOURCES

The Treasury Management Model has been developed to maximise the effectiveness of Treasury's operations. The model is underpinned by a Performance Management System and a Career Development System. These systems provide the framework for a range of human resource strategies including:

- clarifying work level standards;
- appraising performance; and
- identifying and managing longer term skills development targeted to improve work performance, career planning and staff retention.

This framework is seen as critical to Treasury's ability to attract, manage and retain the skills necessary to perform our functions.

### APS values

Following the passage of the *Public Service Act 1999*, the Secretary issued a notice to all Treasury employees informing them of the principal features of the new legislation and how it would impact on their employment. This notice highlighted the new Australian Public Service (APS) values, which were reproduced as an attachment.

The *Treasury Certified Agreement 1999-2002* includes a segment which reinforced the APS values as they existed before 5 December 1999. While the Certified Agreement has not been renegotiated to incorporate the amended and additional values, key Treasury documents such as departmental operational plans and the Performance Management System refer prominently to the current APS values.

## Treasury Certified Agreement

The *Treasury Certified Agreement 1998* came into effect on 7 April 1998. Its nominal expiry date was one year later with the Agreement to remain in effect, under the terms of the *Workplace Relations Act 1996*, until displaced by another agreement.

In the period leading up to the nominal expiry date Treasury developed a replacement Agreement, a draft of which was released by the Secretary on 1 April 1999, as a basis for negotiation with staff. At the time of the release, the Treasury Executive conducted two information seminars to explain the details of the proposed Agreement. These sessions allowed staff the opportunity to discuss the Agreement, and in particular, its relationship to the Treasury Management Model and the Performance Management System. A series of smaller information sessions were conducted which gave staff the opportunity to familiarise themselves with the proposed Agreement and to provide feedback. At the same time, Treasury's Workplace Relations Committee (WRC) conducted an extensive consultation process with staff in preparation for negotiations with management. Seven formal negotiation meetings were held, the final two of which included the Secretary and Executive Directors.

On 20 July 1999, the Secretary issued a final offer to staff and formal notice of his intention to make a certified agreement. After the statutory waiting period, staff were able to participate in an Australian Electoral Commission ballot on the agreement. Following acceptance of the Agreement by a substantial majority of staff, the *Treasury Certified Agreement 1999-2002* was certified by the Australian Industrial Relations Commission on 3 September 1999.

The principal features of the offer, which varied the existing agreement, were:

- an agreement which will run for three years;
- broadbanding within the APS classification structure, comprising Broadband 1 for APS Levels 1 to 4 and Broadband 2 for APS Levels 5 and 6; Executive Levels 1 and 2 were not broadbanded;
- the availability of advancements within a broadband, and temporary loadings and bonuses as a result of assessments under the Performance Management System;
- an initial pay increase of three per cent for all employees covered by the agreement;

- further increases of two per cent on each of the first and second anniversaries of the certification date;
- movement to a revised salary structure, based on performance appraisal under the terms of the Performance Management System;
- the elimination of retention periods for excess staff;
- access to accrued sick leave for use as personal leave;
- greater flexibility in determining allowances;
- a specific establishment allowance for new-entrant graduates from interstate;
- provisions to determine conditions for employees transferred as a result of 'machinery of government' changes;
- exclusion of SES employees from the agreement (all SES staff are offered Australian Workplace Agreements (AWAs)); and
- an enhanced role for the WRC, particularly in relation to a review of conditions of service and drafting of the next agreement.

## Recruitment and succession planning

Treasury advertises for policy staff at all levels by way of regular bulk-round processes. Internal transfer rounds are also conducted on a regular basis. Specialist positions are advertised as required, with a temporary register catering for non-ongoing staff.

A range of measures has been employed to attract potential staff. In particular, the Department is making greater use of the Internet and has developed a contemporary recruitment website to provide user-friendly information on all current job vacancies, and easy access to all related documentation. Selection criteria for all levels have been broadened, to highlight Treasury's people values and to include a wider range of academic qualifications reflecting the demand for a broader range of skills in the Department.

The process of graduate recruitment remains an important element of the Department's overall recruitment strategy, with 30 graduates commencing in 2000. A number of senior Treasury policy and SES staff participated in the Graduate Recruitment Program, through visits to universities to meet students

and present seminars, attendance at the ACT 'Careers Fest' and participation in the Australia-wide selection process. An informative booklet, *Graduate Careers with Treasury 2001*, was developed in-house and distributed to universities, and all candidates interested in the graduate positions. A graduate website containing relevant information on the program, including input from previous graduates, is also accessible through Treasury's home page.

To ensure there are suitable staff members available to fill vacancies as they arise, a number of succession planning strategies has been put in place, the key elements of which are outlined below:

- A Career Development System that is aligned with the Treasury Performance Management System has been developed and implemented. This system involves a 'mentoring' relationship between a staff member and their Manager-one-Removed (that is, their manager's manager) and focuses on preparation for future roles. By identifying the skills required across the Department, the Career Development System is expected to lead to a more structured approach to career development and resource planning.
- SES staff have been provided with documentation and presentations on the Senior Executive Leadership Capability Framework developed by the Public Service and Merit Protection Commission (PSMPC). The PSMPC leadership capabilities already form the basis of the selection criteria for entry into, and promotion within, the senior executive service and are currently being integrated into the SES Performance Management System. In addition, SES staff are encouraged, through both the Performance Management System and the Career Development System, to participate in relevant external SES development programs, including courses offered by the PSMPC.
- Treasury has selected eight EL2 staff members to attend the PSMPC Career Development Assessment Centre to assist their development and help benchmark our own assessment activities. With the same objectives, Treasury has nominated SES Band 3 staff members to act as observers at the centres.

## Training and development

The development needs identified from data gathered through the performance appraisal process and the Career Development System have been used to inform Treasury's training program and to align development opportunities with the identified development needs. Priority training areas for 1999-2000 included leadership, communication, performance management and coaching skills.

A comprehensive EL2 Leadership Development Program has recently commenced. The program will run over the next twelve months and incorporates feedback from supervisors peers and subordinates. The program aims to enhance individual development as well as to strengthen management and leadership skills.

Writing skills workshops have been offered throughout the year, targeting Treasury requirements. In addition, oral communication workshops have been tailored to meet the requirements of SES and some EL2 staff members. These workshops have covered briefing ministers, participation in interdepartmental committees and appearances before parliamentary committees. Presentation skills workshops have also been delivered to graduates in their second year.

Prior to each performance appraisal round, briefings are offered to new starters, providing a context for the system and clarifying the processes. Workshops are also offered to managers and staff on giving and receiving feedback, performance appraisal skills and interpersonal communication.

The demand for on-the-job training has led to an increased emphasis on developing coaching skills for managers. Individual coaching is available from human resources staff, external consultants and through Treasury's Employee Assistance Program, which offers a 'managerAssist' service. In addition, many areas of the Department conduct planning days and team building exercises. The EL2 Leadership Development Program also provides managers with opportunities to develop their coaching and mentoring skills.

Treasury's Studies Assistance Policy provides for leave provisions, and in some cases, financial assistance, for staff to access tertiary study. External courses, conferences, workshops and seminars continue to be used for suitable development opportunities.

In addition to on-the-job training, graduates commencing in Treasury each year participate in a development program that includes effective writing, presentation skills, people skills, and an introduction to the Senate and the legislative process.

Treasury's training costs totalled \$721,278 in 1999-2000. This included information technology training, internally delivered training and externally attended development opportunities. A total of 471 staff members accessed training. (This figure excludes consultancy costs and salary costs associated with attending training.)

## Staffing information

Treasury experienced an increase in staff numbers as a result of the considerable workload associated with the introduction of the new tax system. A greater emphasis was placed on graduate-level recruitment and this is reflected in the increase of staff at the APS4-5 classifications.

The Treasury absorbed the function of the Australian Government Actuary from the Australian Prudential Regulation Authority early in 2000 and this office will work within the Budget Group. A total of eight staff members are located in the Actuary's office, including four at SES level.

Nine staff members joined the Senior Executive Band 1 group in Treasury in 1999-2000. These included five promotions and four transfers, of which three were occasioned by the transfer of the Australian Government Actuary's office.

The following tables represent the number of Treasury staff, by category and gender, as at 30 June 2000. Staff paid by other agencies are not included. All staff are employed under the *Public Service Act 1999*.

**Table 5: Operative and paid inoperative staff by classification and gender (as at 30 June 2000)<sup>(a)</sup>**

Classification	Ongoing				Non-ongoing				Total
	Full Time		Part Time		Full Time		Part time		
	Male	Female	Male	Female	Male	Female	Male	Female	
APS1		2		1			2		5
APS2	3	2		1	2	2	1	2	13
APS3	24	29	1		3	7		5	69
APS4	6	29		1	2	3			41
APS5	41	31	2	3	2	4		2	85
APS6	51	27		3	2			2	85
Cadet	1								1
EL1	74	31		2	1	2			110
EL2	71	19		2			1		93
SEB1	26	8		1					35
SEB2	6								6
SEB3	3				1				4
Secretary	1								1
<b>Total</b>	<b>307</b>	<b>178</b>	<b>3</b>	<b>14</b>	<b>13</b>	<b>18</b>	<b>4</b>	<b>11</b>	<b>548</b>

(a) Includes staff located outside Canberra.

A description of the acronyms used in the above table can be found on page 221. Details for permanent staff refer to substantive classifications and do not recognise those staff acting at a higher classification. Paid inoperative staff are those who are absent on approved leave for more than twelve weeks.

**Table 6: Staff located at overseas posts**

Overseas Post	SES Band 1	EL2	Total
Beijing	1		1
Jakarta		1	1
London		1	1
Paris	1		1
Tokyo	1		1
Washington	1	1	2
Singapore		1	1
<b>Total</b>	<b>4</b>	<b>4</b>	<b>8</b>

Note: Locally engaged staff have not been included in tables.

## Senior Executive Service — remuneration and performance appraisal

All SES employees have their remuneration and conditions determined by AWAs. The AWAs are supplemented by a remuneration model which allows for progression through a number of salary points and the payment of performance bonuses.

For the appraisal cycles held in August 1999, February 2000 and August 2000, the SES were appraised against the Work Value Matrix contained in the Performance Management System. From September 2000, SES will be appraised using the PSMPC Senior Executive Leadership Capability Framework.

The appraisal process has two steps. Initially, SES are assessed as performing satisfactorily or unsatisfactorily against each appraisal criterion and on an overall basis. SES are then given an individual quintile ranking for each criterion, and an overall quintile ranking, reflecting their performance relative to their peers.

As a result of appraisal, salary movements and payments of loadings and bonuses were made in accordance with the SES pay model and, as appropriate, the terms of individual AWAs.

The total amount of performance pay made to SES was as follows:

August 1999 cycle — \$343,634 (covering 12 months)

February 2000 cycle — \$156,764 (covering six months)

Further details on Executive Remuneration are on page 208.

## Remuneration — employees other than SES

The Treasury Certified Agreement 1999-2002 introduced a revised pay structure which provides salary outcomes as a result of performance appraisal under the Performance Management System. All employees are appraised at six-monthly intervals, in February and August.

It was agreed that the appraisal conducted in August 1999 would be used as a trial, with no pay outcomes for employees covered by the Certified Agreement. The first use of the revised pay model was made following the appraisals conducted in February 2000.

A small number of non-SES employees are covered by AWAs for the purposes of remuneration and conditions of service. In the main, this reflects the need to 'match the market' to attract and retain employees with particular skills or qualifications. While conditions of service are usually identical to those contained in the certified agreement, the AWAs allow remuneration outside the pay model which applies to all other staff.

Some AWA holders may also earn performance pay, on the basis of assessments made under the Performance Management System. Payments of performance pay made in 1999-2000 to non-SES employees were:

August 1999 cycle — \$43,318

February 2000 cycle — \$21,523

## Senior management changes

Information on the above changes and some other movements within Treasury are outlined below.

Details of the senior staff departures from Treasury were:



- Alan Preston was promoted to the Australian Taxation Office on 1 September 1999;
- David Edwards accepted voluntary retirement on 17 September 1999;
- Karen Chester resigned on 1 November 1999;
- John Evers was promoted to the Office of National Assessments on 8 December 1999;
- Barry Gray transferred to the Australian Taxation Office on 10 December 1999;
- Anthony Preston-Stanley resigned on 2 May 2000; and
- James Livermore resigned on 28 June 2000.

Temporary departures were:

- Phillip Gaetjens took long-term leave of absence as from 8 July 1999.
- Neil Hyden took long term-leave of absence as from 1 August 1999; and
- Richard Murray transferred to the Department of Prime Minister and Cabinet on 29 May 2000;

The following internal promotions were made during 1999-2000:

- Nigel Bailey, Blair Comley, Jan Harris and Maryanne Mrakovic were promoted to the Senior Executive Band 1 level, on 8 July 1999;
- Nigel Morris was promoted to Senior Executive Band 1 level, on 18 April 2000; and
- George Durbridge was promoted to Senior Executive Band 2 level, on 18 April 2000.

The following transfers into Treasury were made during 1999-2000, reflecting the transfer of the Australian Government Actuary office:

- Susan Antcliff, Michael Burt and Peter Martin at Senior Executive Band 1 level, on 1 April 2000; and
- Kevin Deeves at Senior Executive Band 2 level, from 1 April 2000.

**Table 7: SES commencements**

Reason for Commencement	SES Band 3	SES Band 2	SES Band 1	Total
Appointment				
Promotion		1	5	6
Transfer		1	3	4
Return from temporary transfer				
Return from leave				
<b>Total</b>	<b>0</b>	<b>2</b>	<b>8</b>	<b>10</b>

**Table 8: SES cessations**

Reason for Movement	SES Band 3	SES Band 2	SES Band 1	Total
Resignation			3	3
Retirement				
Retrenchment		1		1
Long term leave		1	1	2
Transfer to other departments	1	1	1	3
Temporary transfer		1		1
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>10</b>

## INDUSTRIAL DEMOCRACY

The repeal of the *Public Service Act 1922* on 5 December 1999 removed the statutory obligation for agencies to develop and maintain industrial democracy plans. However, Treasury has continued to undertake extensive consultation with employees on matters which affect them in the workplace.

The *Treasury Certified Agreement 1999-2002* provides for the continued existence of the WRC, which was established under the 1998 Certified Agreement. The WRC comprises one senior executive, two executive level employees and three APS level employees. In addition, staff invited two representatives of the Community and Public Sector Union to participate on the WRC.

The main activities of the WRC involved deliberations in relation to the second Certified Agreement, most of which were completed before 1 July 1999. The WRC took the role of principal negotiator on behalf of staff. Throughout that process, the WRC undertook extensive consultation with staff in preparation for the negotiation meetings with management.

The 1999-2002 Certified Agreement includes an enhanced consultative role for the WRC. In particular, it was agreed that the WRC and management would jointly review a wide range of employment conditions and other provisions relating to staffing matters. The purpose of this review is to identify areas for potential productivity improvements.

The first trial of the Performance Management System was held in the period August to September 1999, following training for staff and managers. At the conclusion of the trial, Treasury announced outcomes and drew on the experience of participants to conduct a review of the system. All staff were invited to submit their comments and to participate in focus groups as part of the review.

Throughout 1999-2000 Treasury continued to make full use of other established consultative mechanisms including electronic mail, the Treasury Staff Bulletin and other electronic information sources on the Treasury information technology system.

## OCCUPATIONAL HEALTH AND SAFETY

The *Occupational Health and Safety (Commonwealth Employment) Act 1991*, the *Safety, Rehabilitation and Compensation Act 1988* and the Fitness for Continued Duty Guidelines form the legislative basis of Occupational Health and Safety (OH&S) and Rehabilitation in the Treasury.

The Treasury OH&S Policy and Agreement were implemented in 1994 and will be reviewed in the coming financial year. A departmental OH&S Committee continues to meet quarterly in line with the Agreement and Act. The committee comprises representatives from groups, units and the Community and Public Sector Union.

Matters dealt with by the committee include OH&S issues and policies, accommodation issues and accident/incident reports. The committee also considers OH&S implications of the Treasury refurbishment and reports from the Employee Assistance Program provider, Davidson Trahaire.

The Employee Assistance Program provides confidential counselling on work-related and personal matters to all Treasury staff members and their families. During 1999-2000, Treasury undertook a marketing strategy to ensure that all staff members were informed about the services provided, including the 'managerAssist'<sup>2</sup> advisory service for managers. Briefings were conducted in all areas of the Department and have resulted in increased usage of the service. Monthly and quarterly reports provided by Davidson Trahaire allow Treasury to monitor the usage of the Employee Assistance Program and identify workplace issues that need to be addressed.

In accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991* and the Treasury OH&S Policy and Agreement, Treasury undertook to ensure that all the Designated Work Groups were represented by Health and Safety Representatives. The Department sought nominations to fill all vacant positions and commenced training for all elected Health and Safety Representatives.

During 1999-2000 Treasury received 41 accident/incident reports (the same number of accidents/incidents reported in 1998-99), none of which were

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2 Managers can utilise 'managerAssist' to assist with individual counselling and for people management.

notifiable under section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Fifteen of these accident/incidents resulted in compensation claims, one of which is yet to be determined. No directions were given under section 45 of the Act and no notices were given under sections 29, 46 and 47 this financial year.

There is a strong emphasis on the prevention of injury and accidents in the workplace. All accidents and incidents that are reported in the workplace are investigated and action taken as necessary. As in previous years, the most common type of accident/incidents are sporting injuries; car accidents and occupational overuse syndrome. Workplace assessments are also conducted regularly to ensure staff members work in a safe manner to prevent injuries.

The refurbishment of the Treasury building has added a further dimension to OH&S activity within the Department and a consultant has been engaged to provide independent expert OH&S advice for this purpose.

During the past financial year, monitoring to assess airborne fibre levels in occupied areas of the Department has been undertaken. Results from all tests have been satisfactory. The Boulderstone Hornibrook (Head Works Contractor for the refurbishment) Site Safety Plan was provided to Treasury and comments provided by the OH&S Consultant are to be incorporated in the Plan. In addition, there is OH&S representation on focus groups dealing with workplace design and chair selection.

Staff members are regularly advised of OH&S issues by means of the Staff Bulletin and Staff Notices. Advice has been provided in relation to accident/incident reporting requirements, the names and locations of first aid officers and the availability of eye testing for people performing screen based work.

The major OH&S program run annually is Health Week, which provides health monitoring and lifestyle counselling and aims to assist staff members to increase their wellbeing. In 1999-2000, 121 staff members participated in Health Week compared with 116 staff members in 1998-99 and 105 in 1997-98.

## WORKPLACE DIVERSITY

Treasury's Workplace Diversity Program has been in place for 18 months and the initiatives and strategies implemented to date have proven to be successful.

The Program promotes a work environment that values, encourages and utilises the contributions of people of different backgrounds, experiences and perspectives. In particular, the focus of the 1999 program sought to develop strategies that promote the Treasury values, developed as part of Treasury's Management Model, and promote an environment that encourages a balance of work and private commitments.

The Part-Time Work and Job Sharing Policy was reviewed and updated early in 2000 in consultation with the WRC. In 1999-2000, 14 staff worked in a permanent part-time capacity, compared with 22 in 1998-99. Staff members continue to apply for home-based work both on a formal and informal basis. The Carers' Room, which was established in 1998, continues to be used regularly.

Treasury has a number of workplace harassment contact officers who are fully trained to provide advice and assist staff members. Ongoing training is offered to all contact officers on a regular basis and a list of workplace harassment contact officers is provided to all Treasury staff members through the Treasury Staff Bulletin and electronic mail.

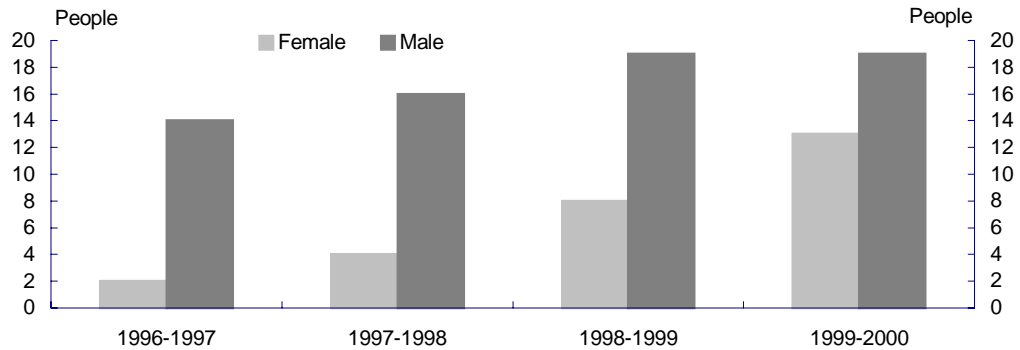
Treasury has participated in the Indigenous Cadetship Program since 1993. Currently Treasury employs six people who have self-identified as being from an Indigenous background.

Until 1999 a major in economics has been a pre-requisite for selection into both Treasury's Graduate Program and the Indigenous Cadetship Program. With the implementation of the Treasury Management Model, the Department's selection processes have been broadened to reflect Treasury's Work Value Matrix, increasing the potential pool of Treasury applicants.

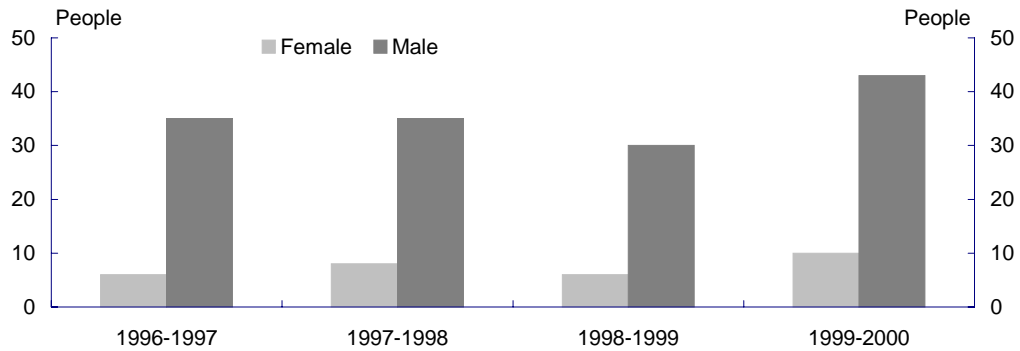
Women's representation in senior levels in the Department is supported through overall people management strategies, including the Performance Management System and Career Development System. Particular strategies include coaching and on-the-job training, internal and external development programs and mobility within the Department.

The following charts shows the gender trends within Treasury over the past three financial years.

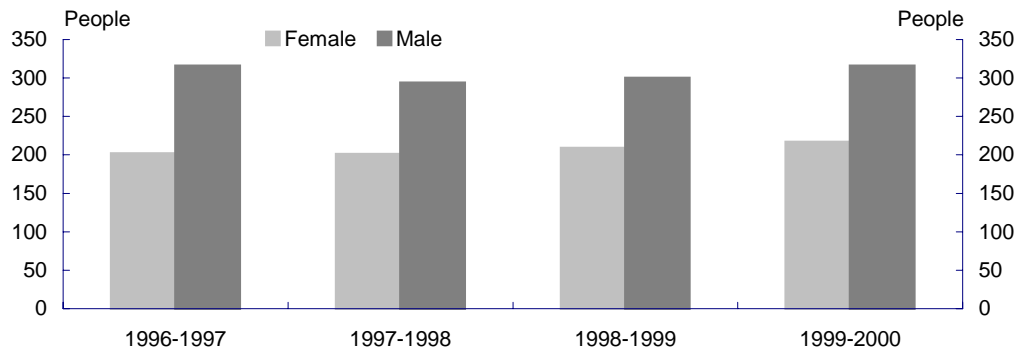
**Chart 9: Number of new entrant graduates — by gender**



**Chart 10: Number of SES staff members — by gender**



**Chart 11: Treasury staff levels — by gender**



Note: These figures are at 30 June for the financial years.

**Table 9: Operative and paid inoperative staff by EEO target group**

Classification	Female	NESB-1	NESB-2	AATSI	Disability
Cadets	0	1	0	1	0
APS1	3	0	0	0	0
APS2	7	2	0	1	0
APS3	41	7	9	0	1
APS4	33	1	3	1	1
APS5	40	6	9	2	2
APS6	32	5	5	0	0
EL1	34	9	5	0	2
EL2	21	2	6	1	0
SESB1	9	0	0	0	0
SESB2	0	0	0	0	0
SESB3	0	0	0	0	0
<b>Total</b>	<b>220</b>	<b>33</b>	<b>37</b>	<b>6</b>	<b>6</b>

Note: For equal employment opportunities (EEO) categories other than gender, staff identification is made on a voluntary basis and staff may be included in more than one category. The above table is not directly comparable with Table 5 (page 102) because it is compiled on a basis recognising acting (as at 30 June 2000) rather than substantive classifications.



**Table 10: EEO in appointments to boards (or equivalent) of statutory and non-statutory bodies (as at 30 June 2000)<sup>(a)</sup>**

	Total Positions filled as at 30 June	Number from EEO Target Groups	Number of appointments made during the year	Number of appointments from EEO target groups
Australian Accounting Standards Board	1	0	1	0
Australian Competition and Consumer Commission	19	2	3	0
Australian Competition Tribunal	11	1	2	0
Australian Prudential Regulation Authority	8	1	1	1
Australian Securities and Investments Commission	3	1	1	0
Australian Statistics Advisory Council	16	3	2	1
Business Regulation Advisory Group	9	1	0	0
Commonwealth Consumer Affairs Advisory Council	10	6	0	0
Companies and Securities Advisory Committee	13	4	10	3
Companies Auditors & Liquidators Disciplinary Board	6	0	1	0
Corporations and Securities Panel	27	13	18	8
Financial Reporting Council	15	4	15	4
Financial Sector Advisory Council	9	1	9	1
Foreign Investment Review Board	4	2	1	1
Legal Committee of the Companies and Securities Advisory Committee	11	1	1	0
Life Insurance & Actuarial Standards Board	5	0	0	0
National Competition Council	5	1	0	0
Payments System Board	7	1	1	0
Productivity Commission	7	2	0	0
Reserve Bank of Australia Board	9	1	0	0
Superannuation Complaints Tribunal	12	5	6	2
Tax Agents' Boards	18	0	0	0
The New Tax System Advisory Board	8	1	8	1
<b>TOTALS</b>	<b>263</b>	<b>51</b>	<b>80</b>	<b>22</b>

(a) In this table, the only EEO target group notified was women.

## EXTERNAL SCRUTINY

### Fraud against the Treasury

During 1999-2000, Treasury was involved with two investigations by the Australian Federal Police. These investigations, which were still underway as at 30 June 2000, relate to the leak of a Cabinet document on the internal political stability of Papua New Guinea and the potential loss of Foreign Investment Review Board case files.

In accordance with Part 7 of the *Financial Management and Accountability Act 1997*, Treasury developed a Fraud Control Plan that was subsequently endorsed by the Commonwealth Law Enforcement Board. The Fraud Control Plan is made available to all Treasury staff electronically.

### Audit

The Treasury has an Audit Committee that follows the recommended best practice guidelines issued by the Australian National Audit Office (ANAO). The ANAO also attends Treasury Audit committee meetings as an observer. The Committee reviews internal and external audits relating to the Department and oversees any follow-up in response to these audits.

The Committee is chaired by an executive director and meets at least six times a year. Additionally, a sub committee oversees the presentation of the Department's financial statements. The Financial Statements Sub Committee meets on an 'as needs' basis and has representation from the ANAO, Treasury's Chief Financial Officer and other relevant Treasury managers.

Treasury engaged the services of Ernst & Young to develop the Department's Internal Audit Plan for 2000-2001. The Audit Committee, with input from Ernst & Young has a continuous improvement approach to audit services within Treasury.

## Internal audits

Five internal audits were conducted in 1999-2000.

### Implementation of devolved banking

The objective of the audit was to examine the devolved banking and cash management arrangements in the Treasury. The audit focused on Treasury's existing cash management arrangements, existing devolved banking arrangements and a proposed plan to market test transactional banking arrangements.

The ANAO fieldwork was completed within six months of devolved banking implementation. The ANAO suggested that the findings and recommendations they put forward should be viewed as providing a framework for continuous improvement. The majority of recommendations were accepted by Treasury and are being implemented.

### SAP R/3 access controls review

The focus of the audit was to review security administration policy and procedures as well as systems configuration settings. The draft audit found that Treasury had an acceptable level of security and control environment. The main areas for improvement noted were: enhancing the control of administration functionality; and the formal documentation of many of the security policies and procedures.

### Review of corporate service charges

The objective of the audit was to ascertain the accuracy of existing methods for measuring costs incurred for the provision of services to new user departments. The audit also sought to identify improvements which would simplify the system and ensure uniform treatment of costs in the work units of the Corporate Services Division. The draft recommendations were favourable and pointed to issues that could be addressed to enhance the accuracy of the existing costing methodology.

### GST transition advice

The objective of the review was to provide timely, specialist advice on specific GST issues as they arose. Specialist advice was provided on a number of issues relating to the implementation of GST within the Corporate Services Division.

## Review of software licensing management

The review specifically examined Treasury's system in the areas of policies and procedures, operations and licence registers and renewals. The review identified a number of problems but noted that Treasury has introduced measures which once fully implemented would address these problems.

## Reports by the ANAO

The following reports of relevance to Treasury were released by the ANAO in 1999-2000.

### Audit Report No 14: Commonwealth debt management (performance audit)

The ANAO considered that a performance audit of Commonwealth debt management operations would provide enhanced assurance to parliament about the management of the debt portfolio and could identify opportunities for improvement.

The ANAO made six recommendations relating to risk management, enhanced accountability and enhanced swap tender processes. The recommendations were agreed to by the Australian Office of Financial Management. Treasury endorsed Australian Office of Financial Management's comments on the report and recommendations.

### Audit Report No 21: Audits of the financial statements of Commonwealth government agencies for the period ended 30 June 1999 (financial statements audit)

The report advised that the ANAO had issued a set of unqualified financial statements to the Treasury for 1998-99.

### Audit Report No 45: Commonwealth foreign exchange risk management practices (performance audit)

The ANAO objectives of the audit were to identify the Commonwealth's foreign exchange risks in selected agencies. In particular, the objectives were to: assess the efficiency and cost-effectiveness of the management of foreign exchange risk; and to identify opportunities to improve the management of foreign exchange risk, including any associated potential financial savings that could accrue to the Commonwealth.

There were sixteen recommendations. Treasury agreed with fifteen of these recommendations and offered a qualified agreement on the sixteenth.

**Audit Report No 47:**  
**Survey of fraud control arrangements in APS agencies (performance audit)**

The overall objective of the audit was to assess key aspects of the fraud control arrangements in place across the APS against Commonwealth Law Enforcement Board guidelines. The audit was undertaken using a survey approach.

While the report makes no recommendations, Treasury supports the intent of the report and the ANAO's intention to produce a better practice guide to assist agencies further improve fraud control arrangements.

## Comments by the Ombudsman, decisions by the courts and administrative tribunals

### Ombudsman

There were no comments by the Ombudsman on matters within the Department in 1999-2000.

### Courts

Proceedings in the Federal Court's Victorian District Registry between *Felkro Nominees Pty Limited (in Liquidation) & Anor v Commonwealth of Australia & Anor* continued during 1999-2000. The proceedings relate to the Commonwealth's Transitional Assistance Payments Scheme. The matter is continuing.

Proceedings commenced in the Federal Court's New South Wales District Registry during 1998-99 between *William Michael Owen and Rolla Dean Phillips v Assistant Treasurer of the Commonwealth of Australia*. The proceedings related to orders made by the Assistant Treasurer pursuant to subsection 21A(4) of the *Foreign Acquisitions and Takeovers Act 1975*. The proceedings were dismissed by order of the court on 21 October 1999.

The case of *Theo Holdings Pty Ltd v Hockey* in the Federal Court involved a challenge to the validity of a compulsory recall notice for 'Pyrokor' fire doors issued by the Minister for Financial Services and Regulation under the *Trade Practices Act 1974* in April 1999. On 22 May 2000 the Federal Court held that the

notice was invalid as the fire doors were not 'goods' for the purposes of the *Trade Practices Act 1974*; at the time the notice was issued the doors had ceased to be goods and had become incorporated in the building as fixtures. An amendment to the *Trade Practices Act 1974* to include goods that have become fixtures is now before the Commonwealth Parliament.

### **Administrative Appeals Tribunal**

There were three matters relating to Administrative Appeals Tribunal (AAT) review of Treasury decisions concerning access to documents under the *Freedom of Information Act 1982* (FOI Act) during 1999-2000.

An application made to the AAT in 1998-99 for review of a decision of the Department under the FOI Act, namely *Australian Conservation Foundation (Applicant) and Department of the Treasury (Respondent)* continued before the AAT in 1999-2000. The applicant sought a review of the Department's decision to refuse access to certain documents relating to the Multilateral Agreement on Investment. The applicant withdrew its application in May 2000.

An application was made to the AAT in 1999-2000 for a review of the decision of the Department under the FOI Act in the matter of *PriceWaterhouseCoopers (Applicant) and Department of the Treasury (Respondent)*. The applicant is seeking a review of the decision to refuse access to documents relating to the tax treatment of lease arrangements. The application was withdrawn on 6 September 2000.

Another application was made to the AAT in 1999-2000 for a review of the decision of the Department under the FOI Act in the matter of *Cyclist Rights Action Group (Applicant) and Department of the Treasury (Respondent)*. The applicant is seeking a review of the decision by the Department to refuse to waive or remit charges relating to its FOI application. The matter is still continuing.

## CONSULTANTS AND COMPETITIVE TENDERING AND CONTRACTING

### Consultants

Treasury's policy and procedures on contracting services are contained in the Department's Chief Executive Instructions and are based on the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration.

The most frequent reasons for Treasury to use consultants were:

- access to specialist skills or knowledge not available in-house;
- need for rapid access to latest technology and expertise in its application; and/or
- access to specialist in-house resources unavailable in time allowed.

Thirty-nine consultancies valued at \$10,000 or more were contracted by Treasury during 1999-2000 at a cost of \$8,512,993. A further 36 consultancies valued at less than \$10,000 were contracted by Treasury during 1999-2000 at a cost of \$164,880.

**Table II: Consultancies over \$10,000 in 1999-2000  
by output group**

	Output Group	Consultancies Number	Cost \$
1.1	Economic	1	38,597
2.1	Budget	13	6,980,780
3.1	Markets	14	950,611
	Corporate Services	11	543,005
	<b>Total</b>	<b>39</b>	<b>8,512,993</b>

Notes: Any costs not paid in 1999-2000 will be paid in 2000-01.

**Table 12: List of consultancies over \$10,000 in 1999-2000 by output group**

Consultant	Project	Cost <sup>(i)</sup> \$	Reason	Procurement Method <sup>(ii)</sup>
<b>Output Group 1.1 (Economic)</b>				
Access Economics Pty Ltd	The coordination of technical assistance by Australian government agencies to Papua New Guinea Central Agencies	38,597	e	Direct engagement
<b>Output Group 2.1 (Budget)</b>				
Customised Software Solutions	To develop an Internet linked database system within the Direct Assistance GST Start-Up Assistance Programme	104,125	a, e	Direct engagement
Deloitte Consulting (ICS)	Inclusion of Australian Government Actuary on Treasury financial management information system (SAP/R3)	30,876	e	Direct engagement
Econtech	Undertake a study on the expected impact of the New Tax System on the Arts.	45,000	e	Direct engagement
Gavin Jones Communications Pty Ltd	Develop a communications strategy for indigenous communities, in connection with the conduct of the advertising campaign in relation to the provision of GST Start-Up Assistance	95,781	e	Direct engagement
Hill and Knowlton Australia Pty Ltd	Assistance and advice in relation to the assessment of the GST Start-Up Assistance Office's existing communications strategy and suggestions for improvements	22,605	e	Direct engagement
Interim HR Solutions Pty Ltd	Contract to provide specialist staff within the GST Start-Up Assistance Office	998,293	e	Direct engagement
Jackson Wells Communications Pty Ltd	Assistance and advice in relation to media relations for Mr Chris Jordan, Chairman of The New Tax System Advisory Board	203,168	e	Direct engagement
KLA Australia Pty Ltd	Accounting advice for GST Start-Up Assistance Office	22,938	e	Direct engagement
KPMG Consulting	The design, development and delivery of a generic information kit (in hard copy and electronic format), to form part of the GST Start-Up Assistance Offices Business Skills Education and Information Programme	475,590	e	Open



**Table 12: List of consultancies over \$10,000 in 1999-2000 by output group (continued)**

Consultant	Project	Cost <sup>(i)</sup> \$	Reason	Procurement Method <sup>(ii)</sup>
<b>Output Group 2.1 (Budget) (continued)</b>				
Mallesons Stephen Jacques	Assist in the analysis of submissions to the consultation document, <i>The Application of Goods and Services Tax to Financial Services</i> and advise government on responses	62,970	e	Direct engagement
Quantum Market Research	Quantitative research for the advertising campaign in relation to the provision of GST Start-Up Assistance	120,020	e	Direct engagement
Rayndawn Pty Ltd	Advice on taxation matters	43,215	e	Direct engagement
TEO Training Pty Ltd	Develop curriculum for and delivery of the GST Start-Up Assistance — Adviser Education course	4,756,199	e	Open
<b>Output Group 3.1 (Markets)</b>				
Approved Systems Pty Ltd	Development of a consumer agent software plug-in for internet browsers	51,600	a, b, e	Select
Basic Point Consulting Pty Ltd	Public relations for Axiss Australia(iii)	21,958	e	Select
Daly Research Systems	Preparation of research papers for Axiss Australia	25,806	b	Direct engagement
Electronic Dimensions Pty Ltd (EDIME)	Website design and development to promote Axiss Australia	29,670	a, e	Select
Electronic Dimensions Pty Ltd (EDIME)	Development of Consumer's Online website	23,000	e	Select
Fitzpatrick, Jim	Advice on Housing Loan Insurance Corporation liability management	14,186	e	Select
Gillooly Warner and Associates Pty Ltd	Implementation of an education, research and training strategy for Axiss Australia	165,000	e	Direct engagement
Hosking, Leslie	CEO of Axiss Australia	129,863	e	Select
INSTO Pty Ltd	Preparation of marketing material for Axiss Australia	207,540	e	Select

**Table 12: List of consultancies over \$10,000 in 1999-2000 by output group (continued)**

Consultant	Project	Cost <sup>(i)</sup> \$	Reason	Procurement Method <sup>(ii)</sup>
<b>Output Group 3.1 (Markets) (continued)</b>				
Gillooly Warner and Associates Pty Ltd	Development of an integrated research and training strategy for Axiss Australia	94,500	e	Select
Korn/Ferry International Pty Limited	Staff selection services	53,878	e	Select
New Creation Strategic Design	Design consultancy for Axiss Australia	20,680	b	Direct engagement
PricewaterhouseCoopers	Study on Australia as a Centre for Global Finance	72,930	c	Select
Tasman Asia Pacific Pty Ltd	Analysis of market circumstances on industry self-regulation	40,000	e	Direct engagement
<b>Corporate Services</b>				
ACUMEN Alliance	Advice on the Department's financial reporting procedures	15,960	e	Select
Boalch, Karen	Speech writing for Treasury and Treasury ministers	24,000	e	Select
Fairview Services Pty Ltd (iv)	Review of Commonwealth Budget Estimates production arrangements	56,973	b, c	Direct engagement
HR Alliance Pty Ltd	Staff selection services	14,000	b	Direct engagement
Interaction Consulting Group	Provision of people skills training for graduates	10,312	e	Select
Management Solutions Pty Ltd	FINEST data enquiry, reporting and storage solutions	21,397	e	Direct engagement
OTT Group Pty Ltd	Training and documentation relating to GST for the SAP R/3 system	42,500	e	Select
OTT Group Pty Ltd	Training on information technology software packages	12,113	e	Direct engagement
PricewaterhouseCoopers	Assistance in the preparation of the Department's 1998-99 Financial Statements	95,000	e	Direct engagement

**Table 12: List of consultancies over \$10,000 in 1999-2000 by output group (continued)**

Consultant	Project	Cost <sup>(i)</sup> \$	Reason	Procurement Method <sup>(ii)</sup>
<b>Corporate Services (continued)</b>				
PricewaterhouseCoopers	Advice on Treasury's Departmental Budgeted Financial Statements	19,750	b	Direct engagement
Vantage Point Consulting Pty Ltd	Development and provision of leadership development programs	231,000	d, e	Select

(a) Need for rapid access to latest technology and expertise in its application.

(b) Specialist in-house resources unavailable in time allowed.

(c) Need for an independent study or review.

(d) Need for a change agent or facilitator.

(e) Specialist skills or knowledge not available in-house.

**Notes**

i. Any costs not paid in 1999-2000 will be paid in 2000-01.

ii. Direct engagement includes the engagement of: a consultant selected from a pre-qualified panel arrangement; a recognised and pre-eminent expert; a consultant who had previously undertaken closely related work for the Department; or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

iii. Axiss Australia was formerly known as the Australian Centre for Global Finance.

iv. This consultancy was raised in 1998-99.

## Competitive tendering and contracting

While no specific Competitive Tendering and Contracting work was undertaken during the course of the year exceeding \$100,000, the Treasury continued to consider opportunities to reorganise and reengineer corporate services to increase efficiency. Treasury has met with members of the Department of Finance and Administration, Competitive Tendering and Contracting Branch during the year to discuss opportunities and industry trends.

## PURCHASING

Treasury's policy and procedures on purchasing goods and services are contained in the Department's Chief Executive Instructions and are based on the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration.

## ASSETS MANAGEMENT

Assets management is not a significant aspect of the strategic business of Treasury. Treasury's assets predominantly consist of computers, plant and equipment. Treasury has established appropriate procedures for the management of these assets.

## DISCRETIONARY GRANTS

In 1999-2000 Treasury administered the following grants:

- **Axiss Australia scholarship:** Eight scholarships valued at \$15,000 each (in total \$120,000). The Axiss Australia scholarships are named in honour of Sir Otto Niemeyer. The key objective of the scholarships is to encourage promising students with an interest in finance and the markets to attain academic excellence in disciplines that are relevant to the finance sector and to provide practical work experience in a selection of relevant policy and regulatory agencies.
- **Securities Institute National prize:** Value \$250. The Securities Institute's National prize, for the Mergers and Acquisitions subject, is sponsored by the Corporations and Securities Panel.
- **Information technology student prize:** Value \$100 (book voucher). The prize was awarded for consistent involvement and achievement in the Diploma of Information Technology (User Support), Faculty of Management and Business, Canberra Institute of Technology.
- **PhD Conference of Economics and Business:** Contribution \$1000 (made jointly with the University of Western Australia). The purpose of the grant is to increase Treasury's profile and assist in the development of networks with post graduate students and faculties.

## ADVERTISING AND MARKET RESEARCH

The following table lists 1999-2000 Departmental expenditure on advertising:

**Table 13: 1999-2000 Departmental expenditure for advertising**

Vendor	Purpose	Cost (\$)
McCann-Erikson Advertising	An information and education program to inform the public of the nature of the Australian taxation system and the changes proposed to reform it. This expenditure was funded through the Community Education and Information Program on the tax system.	21,929.21
Ausinfo	Publishing various statutory notices relating to foreign investment proposals notified under the <i>Foreign Acquisitions and Takeovers Act 1975</i>	35,141.00
J Walter Thompson Australia Pty Ltd	Creative agency for GST Start-Up Assistance Office's communications campaign	726,427.11
Gavin Jones Communications	Consultants on indigenous component of GST Start-Up Assistance Office's communications campaign	95,781.00
Ethnic Communications	Consultants on ethnic component of GST Start-Up Assistance Office's communications campaign	1,146,671.17
Quantum Market Research	Quantitative research for the advertising campaign for GST Start-Up Assistance	120,020.00
Worthington Di Marzio	Qualitative research for the advertising campaign for GST Start-Up Assistance	48,650.00
Biddle Ogle Anderson & Co (part of Mitchell Media)	Payment on behalf of Mitchell Media, contractor for planning and placement of the advertising campaign for the GST Start-Up Assistance	7,058,219.02
AIS Media	Development and placement of non-campaign advertising for GST Start-Up Assistance programmes (Advisor Education and Direct Assistance)	232,998.72
AsiaMoney	A series of advertisements to announce the establishment of Axis Australia (formerly known as the Australian Centre for Global Finance)	37,442.10
Stroud Gate	Advertising in <i>Trade Gate Australia</i> , the official VIP publication distributed at Expo 2000 in Hanover	13,500.00
<b>Total</b>		<b>9,536,779.33</b>

Note: McCann-Erikson Advertising — While expenditure for this item occurred during 1999-2000, it actually relates to a commitment from 1998-99.

## FREEDOM OF INFORMATION

As well as Freedom of Information requests relating to the Department's own activities, Treasury is responsible for handling Freedom of Information matters in respect of the Royal Australian Mint, the Foreign Investment Review Board and the Australian Office of Financial Management.

Treasury's statement under section 8 of the *Freedom of Information Act 1982* follows.

A statement under section 8 of the *Freedom of Information Act 1982* by the Australian Competition Tribunal (the Tribunal) follows the Department's statement at page 137 of this report. The Tribunal is a separate agency within the Treasury portfolio for the purposes of the *Freedom of Information Act 1982* and its section 8 statement is published in this report as the Tribunal does not publish an Annual Report.

### Treasury — Statement under Section 8 of the *Freedom of Information Act 1982*

Section 8 of the *Freedom of Information Act 1982* requires that the Department publish detailed information about:

- the way it is organised and its decision making powers;
- arrangements for public involvement in the work of the agency;
- types of documents held by the agency; and
- how the public can obtain access to these documents.

The following information addresses the formal requirements of section 8 of the *Freedom of Information Act 1982* in relation to the Department.

## Organisation of Treasury

Details of Treasury's organisational and top management structure are set out on page 14 of this report. Treasury's functions, and the decision making powers exercised in carrying out those functions, are described under the output entries.

Details of the organisation and structure of the Royal Australian Mint, the Foreign Investment Review Board and the Australian Office of Financial Management are published separately in the Annual Reports of each of those bodies. In summary, the Royal Australian Mint has responsibility for producing, circulating and numismatic coin for Australia, while the Foreign Investment Review Board advises the Government on foreign investment policy and its administration.

The Australian Office of Financial Management is responsible for the Commonwealth's debt management operations which include debt issuance, portfolio management and debt administration.

## Treasury delegations

The Treasurer has delegated certain powers to officials under a number of Acts of Parliament and Agreements. These delegations stand in force until renewed at an appropriate time. Delegated responsibilities to Treasury officials are listed below.

- The governing legislation of some Commonwealth statutory authorities provides the Treasurer with the discretionary power to guarantee their borrowings, and in some cases, to delegate his guarantee powers to officers of the Treasury. The Treasurer has previously delegated his powers to guarantee the borrowings of two Commonwealth statutory authorities (Air Services Australia and Australian National Railways) to the persons who from time to time hold, occupy or perform the duties of the offices of General Manager, Commonwealth-State Relations Division; Manager, Financial Relations Unit; Manager, Federal Analysis and Reporting Unit; and Manager, Commonwealth-State Taxation Unit.
- Under section 20 of the *States Grants (General Purposes) Act 1994*, the Treasurer has delegated the power to make payments of general revenue assistance and revenue replacement payments to the States to the persons who from time to time hold, occupy or perform the duties of the offices of General Manager, Commonwealth-State Relations Division; Manager,



Financial Relations Unit; Manager, Federal Analysis and Reporting Unit; and Manager, Commonwealth-State Taxation Unit.

- The Treasurer has delegated certain powers, under the *Disposal of Forfeited Articles Direction 1999*, to the Controller, Royal Australian Mint; and the Senior Manager, Currency Operations, Reserve Bank of Australia, pursuant to the definition of 'an authorised person' in subsection 3(1) of the *Crimes (Currency) Act 1981*.
- The Treasurer has delegated certain powers under the *Crimes (Currency) Authorisation 1999* to the General Manager, Financial Institutions Division; the Controller, Royal Australian Mint; and the Senior Manager, Currency Operations, Reserve Bank of Australia, pursuant to the definition of 'an authorized person' in subsection 3(1) of the *Crimes (Currency) Act 1981*.
- The Treasurer has delegated the power under the *Currency Delegation 1999* to determine the issue price of coins of certain denominations under subsection 14A(2) of the *Currency Act 1965* to the Executive Director, Markets Group, and the General Manager, Financial Institutions Division.
- The authority to approve a range of essentially administrative matters provided for under the Gold Corporation Agreement between the Commonwealth and Goldcorp Australia relating to gold, platinum and silver coins has been delegated to the Executive Director, Markets Group and the General Manager, Financial Institutions Division.
- The Treasurer has authorised the General Manager and the Managers, Foreign Investment Policy Division, to act on his behalf to approve and conditionally approve various proposals and in specific circumstances, to make an order under subsections 22(1) or 21A(2) of the *Foreign Acquisitions and Takeovers Act 1975*.
- The Treasurer has delegated to Treasury the authority to vote on routine matters arising from the Treasurer's Governorship of the International Monetary Fund, the World Bank Group, the Asian Development Bank, and the European Bank for Reconstruction and Development.
- The Treasurer holds certain delegated powers under the Constitution and the *Financial Management and Accountability Act 1997* in relation to departmental financial management. These powers are delegated to nominated departmental officers.

- The Minister for Financial Services & Regulation has delegated to the General Manager, Corporate Governance and Accounting Policy Division and the Specialist Adviser, Corporate Governance Unit, Corporate Governance and Accounting Policy Division the Minister's power under subsections 147(2) and 601DC(2) of the Corporations Law to consent to a name being available to a body corporate.
- The Assistant Treasurer, on behalf of the Treasurer, has delegated to a departmental officer the authorisation under section 35(1) of the *Archives Act 1983* relating to arrangements for exemption of records from open access period.
- The Minister for Finance and Administration has delegated to the Treasurer, the Secretary of the Treasury and other departmental officers the authorisation under section 56(2) of the *Archives Act 1983* for approval of access to records not in open access period.

## Arrangements for outside participation

Persons or organisations outside the Commonwealth administration may participate in the formulation of policy or in the administration of enactments and schemes for which the department is responsible by making representations in writing to the Treasury portfolio ministers, to the Secretary to the Treasury, or directly to agencies in the Treasury portfolio.

Additionally, the following arrangements also exist for participation by bodies outside the Commonwealth administration in the formulation of policy and the administration of enactments or schemes by the Department.

### **Business Regulation Advisory Group**

The Business Regulation Advisory Group was established by the Treasurer in May 1997 and is a non-statutory consultative body of nine part-time members who have been appointed from the Australian business community and the legal and accounting professions. These members provide advice in relation to initiatives under the Government's Corporate Law Economic Reform Program and related financial services reform legislation.

The Corporate Law Economic Reform Program was announced by the Treasurer in March 1997. The Program is designed to refocus and improve laws governing Australian corporations and the financial markets to promote business and

economic development. The Business Regulation Advisory Group provides an ongoing means of direct consultation with the business community on program position papers and draft legislation, providing input and opinions of their constituencies on any proposed changes.

### **Commonwealth Consumer Affairs Advisory Council**

The Commonwealth Consumer Affairs Advisory Council is a non-statutory body that was established in May 1999 by the Minister for Financial Services & Regulation to provide him with independent advice on current and emerging consumer issues.

The Commonwealth Consumer Affairs Advisory Council comprises nine members, including a Chair. Members are selected on the basis of their appreciation of the range of consumer perspectives. All members serve as individuals in their own right, rather than as representatives of organisations or interest groups. Members are selected and appointed by the Minister for one or two year terms.

The Commonwealth Consumer Affairs Advisory Council investigates, advises and reports to the Minister on consumer issues referred to them by the Minister. The Commonwealth Consumer Affairs Advisory Council can identify emerging issues impacting on consumers and draw those to the attention of the Minister and can make submissions which are open to public scrutiny.

### **Companies and Securities Advisory Committee**

The Companies and Securities Advisory Committee (CASAC) was established under Part 9 of the *Australian Securities and Investments Commission Act 1989* (the ASIC Act) in September 1989.

CASAC is a body corporate, comprising part-time members appointed by the Treasurer. Members are selected from throughout Australia on the basis of their knowledge of, or experience in, business, the administration of companies, the financial markets, law, economics or accounting. The Chairman of the Australian Securities and Investments Commission is an ex-officio member of the Advisory Committee by the operation of section 147 of the ASIC Act.

The functions of CASAC, set out in subsection 148(1) of the ASIC Act, are, on its own initiative or when requested by the Minister, to advise and make such recommendations as it thinks fit, about any matter connected with:

- a proposal to make a national scheme law, or to make amendments of a national scheme law;
- the operation or administration of a national scheme law;
- law reform in relation to a national scheme law;
- companies, securities or the futures industry; or
- a proposal for improving the efficiency of the securities markets or futures markets.

In fulfilling these functions, CASAC seeks to stimulate and lead public debate on the enhancement of standards for corporations and participants in financial markets, and propose suitable regulatory reform when necessary.

To achieve its statutory objectives, CASAC is assisted by its legal sub-committee and considers public submissions on its discussion papers. It seeks to ensure that all interested persons in the commercial community have an adequate opportunity to make submissions on particular matters and otherwise express their views to CASAC.

### **Financial Sector Advisory Council and Task Force**

The Financial Sector Advisory Council (FSAC) is a non-statutory body established in April 1998 by the Treasurer as part of the Government's response to the Financial System Inquiry. FSAC brings together a broad range of expert views from the financial sector to provide advice to the Government on policies to facilitate the growth of a strong and competitive financial system. In addition, FSAC will conduct a detailed evaluation of the financial sector reforms five years after they commenced in July 1998.

FSAC's Regional Financial Centre Task Force was also established in April 1998. The task force is a specialist body that advises on developments in international financial markets and policies to build on Australia's existing advantages to ensure our full participation in the increasing global trade in financial services.

The Treasurer appoints members to FSAC and the task force in their personal capacity for two years, subject to their continued involvement in the relevant area of the financial sector.

Both FSAC and the task force can act on their own motion or upon a reference from the Government. Submissions made to FSAC and the task force, together with their recommendations to Treasury ministers, are confidential.

The Treasury provides Secretariat support to both FSAC and the task force.

### **Consultation arrangements regarding economic conditions**

Treasury officers conduct regular private discussions with companies and organisations in order to monitor, analyse and report on economic conditions and prospects. Regular briefing and analysis of liaison findings are provided to the Treasurer.

## **Categories of documents held by the Treasury**

The following categories of documents are held by the Treasury.

### **Representations to Treasury portfolio ministers**

Treasury holds representations made to Treasury ministers on matters falling within their portfolio responsibilities, including:

- Economic, fiscal and monetary policy
- Taxation
- Borrowing money on the public credit of the Commonwealth
- International finance
- Foreign exchange
- Financial sector policy
- Currency and legal tender
- Foreign investment in Australia
- National and occupational superannuation
- Business law and practice
- Corporate and securities law
- Corporate insolvency
- Competition policy
- Prices surveillance
- Excise
- Census and statistics
- Valuation services
- Consumer affairs

## **Working files**

Treasury holds files dealing with policy and administration in each of the areas falling within the responsibilities of the Treasury portfolio detailed in the preceding paragraph. The documents on these files include correspondence, analysis and policy advice by Treasury officers, comments on cabinet submissions and drafts of these and other documents.

An indexed list of the titles of the policy files created in the Treasury is placed on the Treasury website ([www.treasury.gov.au](http://www.treasury.gov.au)) every six months.

## **Documents on internal departmental administration**

Treasury holds a broad range of documents relating to the personal affairs of staff and to the organisation and operation of the Department. These documents include personal records, organisation and staffing records, financial and expenditure records, and internal operating documentation such as office procedures and instructions.

## **Program documents**

Treasury holds documents relating to grants that it provides to other levels of government and to certain organisations under the programs it administers.

## **Documents open to public access subject to a fee or a charge or available free of charge upon request**

A detailed listing of Treasury documents published during the year and available on request — publications, papers, plans and annual reports — are available on the Treasury website ([www.treasury.gov.au](http://www.treasury.gov.au)), or from the Government Info Shops in each capital city.

## **Facilities for access to documents**

If a member of the public requests a document and access is approved, Treasury will provide copies of documents after receiving the payment of any charges that apply.

Alternatively, applicants may make arrangements to inspect documents at the Treasury, Parkes Place, Parkes ACT between 9.00 am and 5.00 pm, Monday to Friday (except public and public service holidays).

## Freedom of information applications and initial contact points

Structural Reform Division coordinates requests under the *Freedom of Information Act 1982*. Applicants seeking access under the Act to documents in the possession of Treasury should apply in writing to:

The Secretary  
Department of the Treasury  
Parkes Place  
PARKES ACT 2600  
Attention: Freedom of Information Coordinator

Requests should be accompanied by an application fee of \$30 or a written request, pursuant to subsection 30A(1) of the Act, that the application fee be waived. Telephone inquiries should be directed to the Freedom of Information Coordinator, telephone (02) 6263 3972, between 9.00 am and 5.00 pm Monday to Friday (except public or public service holidays).

Officers of the senior executive service in Treasury have been authorised under section 23 of the *Freedom of Information Act 1982* to make decisions granting or refusing requests for access to documents. In accordance with section 54 of the Act, an applicant may, within 30 days of receiving notification of a decision under the Act, apply to the Secretary to the Treasury, seeking an internal review of a decision to refuse a request. The application should be accompanied by the prescribed fee of \$40. A Treasury officer who has been authorised under section 23 to make decisions on internal review (usually an Executive Director) will conduct an independent review.

## Freedom of Information activity in 1999-2000

In 1999-2000 Treasury received thirty-six requests for access to documents under the *Freedom of Information Act 1982*, compared with thirty-six requests in 1998-99. Further details are set out in Table 14.

**Table 14: Freedom of Information statistics 1999-2000**

<b>Description</b>	<b>Number</b>
<b>Requests received<sup>(a)</sup></b>	
On hand at 1/7/99	7
Received	36
<b>Breakdown across Treasury</b>	
Treasurer	0
Executive	0
Budget Group	5
Economic Group	0
Markets Group	29
Corporate Services Division	2
<b>Action on requests</b>	
Access in full	8
Access in part	5
Access refused or no documents located	8
Transferred in whole <sup>(b)</sup>	1
Withdrawn/Lapsed	8
Current as at 30/6/00	9
<b>Internal review</b>	
Applications	4
<b>Review by Administrative Appeals Tribunal<sup>(c)</sup></b>	
Outstanding at 1/7/99	1
New applications	2
Withdrawn	1
<b>Fees and Charges</b>	
Total application fees collected	\$710
Total charges collected	\$1,412
Total application fees and charges collected	\$2,122

(a) A request does not include an internal review or an appeal to the Administrative Appeals Tribunal.

(b) Section 16 of the Freedom of Information Act provides that, as far as possible, the most appropriate agency will deal with an Freedom of Information request, regardless of which agency receives it.

(c) Details are provided on page 118.



## Australian Competition Tribunal — Statement under section 8 of the *Freedom of Information Act 1982*

The Tribunal is an agency within the Treasury portfolio and its section 8 statement is published in this report as the Tribunal does not publish an annual report.

### Establishment

The Tribunal was established under *the Trade Practices Act 1965* and continues under the *Trade Practices Act 1974* (the Act). Prior to 6 November 1995, the Tribunal was known as the Trade Practices Tribunal.

### Organisation

The Tribunal consists of a president and such number of deputy presidents and other members as are appointed by the Governor-General. A presidential member must be a Judge of a Federal Court. Other members must have knowledge of or experience in industry, commerce, economics, law or public administration. For the purposes of hearing and determining proceedings, the Tribunal is constituted by a presidential member and two non-presidential members. Currently, all presidential members are Judges of the Federal Court of Australia.

The Tribunal has no staff or physical resources of its own. The funds appropriated by the parliament for the purposes of the Tribunal are managed by the Federal Court of Australia. Registry services and administrative support for the Tribunal are provided by staff of the Federal Court of Australia. The basic role of the Registry is to receive documents, arrange Tribunal sittings and general administration.

### Functions and powers

The Tribunal is a review body. A review by the Tribunal is a rehearing or a reconsideration of a matter and it may perform all the functions and exercise all the powers of the original decision-maker for the purposes of review. It can affirm, set aside or vary the decision.

The Tribunal hears applications for review of determinations of the Australian Competition and Consumer Commission (ACCC) granting or revoking authorisations. Authorisations are granted by the ACCC permitting conduct and arrangements (including company mergers and acquisitions) to be carried on that would otherwise be prohibited under the Act because of their anti-competitive effect.

The Tribunal hears applications for review of certain decisions of the Minister or the ACCC in access matters. The Act establishes a legislative regime to facilitate third party access to the services of certain essential facilities of national significance, such as electricity grids or natural gas pipelines.

The Tribunal also hears applications for review of determinations of the ACCC in relation to notices given by the ACCC under section 93 of the Act regarding exclusive dealing.

The Tribunal also has power to inquire into and report to the Minister on whether a non-conference ocean carrier has a substantial degree of market power on a trade route.

## **Arrangements for outside participation**

Tribunal review proceedings, except under special circumstances, take place in public.

When a new review application is made to the Tribunal, the Tribunal ascertains from the ACCC or the National Competition Council the persons or bodies who made submissions to, or registered their interest with, the ACCC or the National Competition Council in relation to the decision sought to be reviewed. The Tribunal directs the applicant to serve the application on each of these persons and bodies. At the same time, these persons and bodies are informed of the date on which the application will first come before the Tribunal, and of their entitlement to seek leave of the Tribunal to intervene in the proceedings.

The Tribunal may, upon conditions, permit a person to intervene in the proceedings before the Tribunal.

Those participating in proceedings may appear on their own behalf, or represent the firm which employs them or association to which they belong, subject to approval by the Tribunal, or, if they wish, may be represented by a barrister or solicitor.

## Categories of documents held by the Tribunal

The Tribunal maintains the following categories of documents:

- documents lodged with the Registrar in respect of particular proceedings, including applications, notices of appearance, statements of facts and contentions and witness statements;
- correspondence concerning particular proceedings before the Tribunal;
- the Tribunal's decisions and reasons for decisions;
- reports on Tribunal inquiries into shipping matters;
- register of applications made to the Tribunal;
- documents concerning administrative and financial aspects of the Tribunal's operations; and
- general correspondence.

The following categories of documents may be inspected by the public, in accordance with the Act, free of charge upon request:

- documents lodged with the Registrar in respect of particular proceedings (except where the Act or the Tribunal restricts public access on the ground of confidentiality);
- the Tribunal's decisions and reasons for decisions;
- reports on the Tribunal's inquiries into shipping matters; and
- the register of applications made to the Tribunal.

Copies of the above four categories of document may be obtained by the public upon payment of the fees set out in the Trade Practices Regulations.

## Facilities for access to documents

Facilities are provided for access to documents at the Tribunal address below. This office is open from 9.00 am to 4.00 pm, Monday to Friday (except public and public service holidays).

If an applicant for access does not reside in Sydney, consideration will be given to alternative arrangements with a view to reducing inconvenience to the applicant.

## Freedom of information applications and initial contact points

General inquiries relating to freedom of information should be directed to the Registrar at the following address:

Registrar  
Australian Competition Tribunal  
Level 16  
Law Courts Building  
Queens Square  
SYDNEY NSW 2000

Telephone: (02) 9230 8567  
Facsimile: (02) 9230 8535  
DX: 613 — Sydney

The Secretary of the Tribunal, as principal officer, has power under the *Freedom of Information Act 1982* to deny access to a document.

## Freedom of Information activity in 1999-2000

One request was transferred to the Tribunal for access to documents under the *Freedom of Information Act 1982* in 1999-2000.