# Treasury Evaluation Strategy

Embedding a culture of evaluation

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# Foreword

I am pleased to present our Treasury Evaluation Strategy – an important element of Treasury's commitment to transparency, continuous improvement, learning and adaptation.

As stewards of economic and fiscal policy advice, Treasury's responsibility is to ensure that the policies and programs we support are effective and beneficial. The evidence Treasury generates and uses to support decisions has real and lasting impacts on the lives of Australians. It is our duty to provide government with the best possible advice to achieve strong, sustainable economic and fiscal outcomes for the community.

Evaluation plays a crucial part in this endeavour. Alongside our data analysis and modelling capabilities, evaluation helps equip us with the necessary insights to build trust in our actions and decisions, reinforcing our responsibility and accountability to the Australian public.

Evaluation is not merely a nice to have, one-off process at the end of a program; it is the mechanism by which we learn, adapt, and continuously improve across the policy cycle. By embedding evaluation into the way we design, implement and review our initiatives, we can ensure that our policies are achieving their intended outcomes.

We are committed to being transparent and accountable, and this Evaluation Strategy serves as a testament to that commitment. It is designed to ensure that all of our policies and programs are 'evaluation ready', ensuring they have clear objectives, deliver measurable benefits, and contribute to our purpose.

The Strategy complements and adds value to our existing evidence and assurance ecosystem. It provides structure for what, when and how we evaluate, and prioritises efforts to translate findings into actionable recommendations. It outlines a set of strategic priorities and actions to support evaluation planning, delivery and capability in Treasury.

I commend this Strategy to all Treasury staff as a key instrument in our pursuit of excellence as trusted advisors to government, to learn from experience and always strive to do things better.


Jenny Wilkinson PSM

Secretary


August 2025

# Executive Summary

*Treasury's Vision for Evaluation: We evaluate to ensure our advice, policies and programs achieve strong and sustainable economic and fiscal outcomes for Australians.*

This Strategy aims to:

Embed **one vision** for evaluation across Treasury

Clarify **roles and responsibilities for evaluation**

Establish **support to implement, monitor and learn** from evaluation findings

## Why we need an Evaluation Strategy

- Evaluation is relevant to all of Treasury's responsibilities. In mid-2025, these responsibilities include the design and implementation of policies and regulations, regulatory responsibilities, economic and fiscal forecasts and modelling, budget preparation and central agency oversight of budget proposals, Commonwealth-State relations, and international engagement.

- Developing a proportionate and centralised governance approach to prioritising formal evaluation in the department will ensure we measure the right things, in the right way, at the right time.

- With consistent, practical and efficient processes in place, we can improve the quality of evaluation evidence available for use in Treasury and share lessons to support continuous learning.

## Our current state

- Treasury is a leader in developing evidence-informed policy through our research, data analysis, modelling capabilities, and stakeholder outreach.

- We have a robust evidence and assurance system including a performance framework, program management framework, risk management framework, data governance framework, integrity strategy and strategic internal audit program.

- Treasury regularly conducts evaluation or evaluation-like activities (such as statutory reviews). However, there is no central system for tracking evaluation activity, prioritising evaluation effort, or monitoring the use of evaluation evidence. There is also scope to improve evaluation capability amongst staff, and to deepen a culture of evaluation across the Department.

- The Australian Centre for Evaluation (ACE) has a whole of government mandate to help embed a culture of evaluation across the Australian Government. We can leverage the expertise in the ACE to drive evaluation excellence in Treasury

## Priorities and actions

### 1 Evaluation leadership and promotion

1.1 Define and promote clear roles and responsibilities for evaluation in Treasury

1.2 Further embed evaluation into planning, policy and decision-making processes

1.3 Report to the Performance and Risk Committee on evaluation activities, findings, and responses to and implementation of findings

### 2 Fit-for-purpose evaluation delivery

2.1 Establish and promote the Evaluation Prioritisation Model

2.2 Establish an Evaluation Register and forward work program for Treasury

2.3 Assess the feasibility of high-quality impact evaluations

2.4 Build better evaluation planning into New Policy Proposals.

### 3 Evaluation use and continuous learning

3.1 Publish evaluation reports, summaries and management responses by default

3.2 Promote findings from published evaluation reports and management responses

### 4 Evaluation capability and culture

4.1 Promote existing evaluation resources on the Evaluation Toolkit, including resources to make policies, programs and regulations 'evaluation ready'

4.2 Provide evaluation training and advisory support

# Treasury's approach to evaluation

Treasury recognises that effective monitoring and evaluation is important at all stages of the policy cycle. Evaluation can provide valuable insights and evidence across policy design, delivery and implementation and Treasury recognises the importance of using a range of evaluation approaches including process, impact and economic evaluation. Treasury places a particular emphasis on the *quality* of impact evaluation and promotes greater use of this method where feasible.

The Strategy complements Treasury's current evidence and assurance ecosystem and operates in partnership to deliver end to end evidence and assurance support. These activities include:

- policy impact analysis, consistent with the Australian Government Guide to Policy Impact Analysis
- policy research, including modelling, forecasting, costings, and microdata analysis
- performance measurement and monitoring
- internal audit.

**Figure 1: Evaluation and the policy cycle***
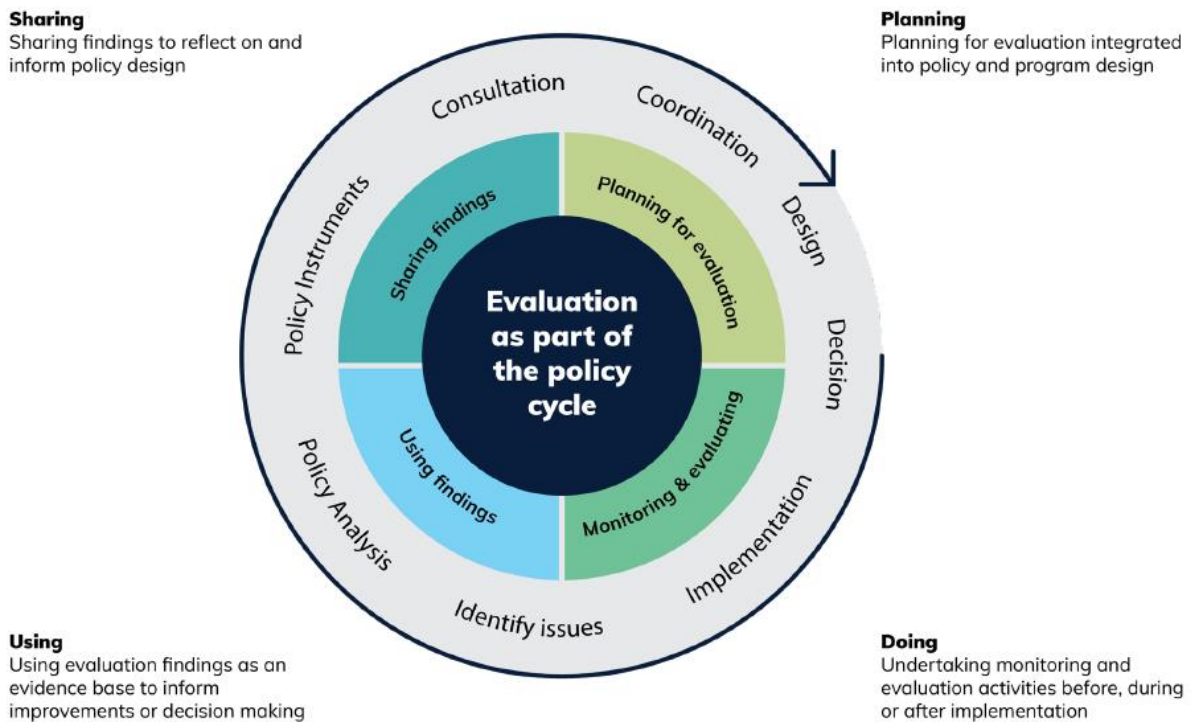


*Source: Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2023), *Evaluation Strategy 2024-27*

Treasury also hosts the Australian Centre for Evaluation (ACE) which seeks to increase the volume, quality and use of evaluation across the Australian Public Service. The Treasury Evaluation Strategy aligns closely with the 4 streams of the ACE Strategy and seeks to embed the principles of the Commonwealth Evaluation Policy.

# Priorities and actions

The Strategy focuses on 4 interconnected streams of work—leadership, delivery, use, and capability. In addition, it outlines the authorising environment required to mature Treasury's expertise in, and use of, high-quality evaluation evidence for continuous learning. The themes align with the ACE Strategy, which aims to achieve improved evaluation outcomes across the APS.

## 1. Evaluation leadership and promotion

Evaluation leadership and promotion is the central tenet to achieving a culture of evaluation. Treasury's evaluation approach aims to meet the high standards outlined in the Commonwealth Resource Management Framework. Specifically, Treasury's evaluation approach seeks to embed evaluation into Treasury's governance processes, provide meaningful performance information, and ensure collaboration to achieve objectives and deliver outcomes.

Monitoring and evaluation activities are already built into Treasury's processes, including through its Program Management Framework, Strategic Audit Program, Risk Management Framework, Performance Framework, and research efforts.

In addition, Treasury's monitoring and evaluation activities are supported by the Enterprise Data Strategy and Governance Framework, the Digital and Cyber Security Strategy, and the Integrity Strategy.

By establishing a centralised approach to evaluation in Treasury, this Strategy complements these existing mechanisms and helps minimise duplication of effort.

### Actions to support evaluation leadership in Treasury

**1.1 Define and promote clear roles and responsibilities for evaluation in Treasury**, including the role of SES evaluation champions, line managers, relevant governance bodies, all staff, and Macroeconomic Analysis and Policy Division (MAPD) and the ACE's oversight role in relation to the Strategy's adoption.

**1.2 Further embed evaluation into Treasury's planning, policy and decision-making processes**, with an initial focus on integrating ACE's work into Treasury's corporate planning process, and exploring opportunities to incorporate evaluation into divisional planning processes.

**1.3 Report to the Performance and Risk Committee on evaluation activities and findings, and responses to and implementation of findings.** Once MAPD has established a Treasury Evaluation Register and forward work plan (described under Priority 2 below), MAPD will provide central oversight of reporting from Divisions/Groups on their monitoring and evaluation activities.

## 2. Fit-for-purpose evaluation delivery

Evaluations should be fit-for-purpose and useful. That is, the choice to evaluate and the scale of effort and resources allocated to an evaluation should be proportional to the value, impact, strategic importance and risk profile of the policy or program.

Treasury will prioritise our evaluation activity based on the following Prioritisation Model. This model forms the central guidance for how Treasury evaluations will be prioritised, resourced, and supported. It will help identify *evaluation activities* that are appropriate for different policies and programs.

The first step in the Prioritisation Model is an assessment against 3 evaluation categories, reflecting the *characteristics of the policy, program or regulation*. There are multiple criteria describing each category: ultimately, each assessment will be based on a judgement about which criteria *best describe* the policy, program or regulation.

This approach seeks to ensure that all Treasury policies and programs are 'evaluation ready'. Evaluation readiness means that all policies and programs should be supported by clearly defined and measurable objectives, with robust data collection and performance monitoring that helps us understand what works, for whom, and why.

**Figure 2: Evaluation Prioritisation Model[1]**

| Evaluation category | 1 | 2 | 3 |
|---|---|---|---|
| **Indicative characteristics of policy, program or regulation** | • High government and/or departmental priority<br>• High risk and/or cost<br>• High profile<br>• Evaluation and/or review required<br>• Cross-agency delivery and/or coordination required<br>• Lack of existing evidence base | • Medium government and/or departmental priority<br>• Medium risk and/or cost<br>• Moderate profile<br>• Expectation of evaluation and/or review<br>• Cross-agency delivery and/or coordination required<br>• Limited existing evidence base | • Lower government and/or departmental priority<br>• Lower risk and/or cost<br>• Lower profile<br>• Extensive existing evidence base |
| **Evaluation activity** | • Formal evaluation/s supported by robust ongoing measurement and monitoring (or substantial evaluation input to alternate review mechanism)<br>• Comprehensive data collection<br>• Use robust and credible evaluation and/or analytic methods<br>• Likely to involve combination of process, outcome and/or impact evaluation (for example, randomised trial or quasi-experimental approach), economic modelling and/or economic evaluation | • Typically requires one formal evaluation during life of intervention<br>• Additional evidence and data collection<br>• Use robust and credible evaluation methods<br>• May involve process, outcome and/or impact evaluation (for example randomised trial or quasi-experimental approaches), mixed methods, qualitative interviews/surveys, or economic evaluation | • Periodic program health checks as part of ongoing monitoring<br>• Desktop research<br>• Analysis of available data and evidence<br>• Existing stakeholder engagement |
| **Evaluation delivery and governance** | • Typically undertaken independent from policy, program or regulatory area (for example, external or ACE)<br>• Reference group typically includes relevant experts and senior managers<br>• Reporting to Treasury's Executive Board on response to and implementation of findings | • Typically undertaken by policy, program or regulatory area (either in-house or with external support and/or delivery partner) in collaboration with program area, with advice from ACE<br>• Reference group typically includes middle or senior manager (EL2 or SESB1 level) | • Typically undertaken by responsible policy, program or regulatory area<br>• Internal reference group |

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1 This model has been adapted based on the Department of Industry, Science and Resources' Evaluation Strategy 2024–28, pp17-18: https://www.industry.gov.au/publications/evaluation-strategy-2024-2028

**treasury**.gov.au

### Actions to support fit for purpose evaluation delivery in Treasury

**2.1 Establish and promote the Evaluation Prioritisation Model.** MAPD to support Treasury Divisions to apply the model to their policies or programs.

**2.2 Establish a Treasury Evaluation Register and forward work program**. MAPD to develop a Treasury Evaluation Register. Use this Register and the actions under 1.1 to develop a forward work program of planned evaluations.

**2.3 Assess the feasibility of high-quality impact evaluations**. Using the forward work program, MAPD will work with responsible Divisions or Branches to identify the feasibility of high-quality impact evaluations, particularly for 'Category 1' policies, programs or regulations.

**2.4 Build better evaluation planning into New Policy Proposals**. MAPD to provide support for line areas in developing evaluation-related content for New Policy Proposals from the 2026-27 Budget onwards to ensure evaluation readiness.

# 3. Evaluation use and continuous learning

Good evaluation practice contributes to continuous learning and adaptive improvement in policy and program design. It uses robust analytical methods to provide evidence to decision-makers about performance and good practices across the policy cycle.

Such a culture of evaluation drives continuous improvement, learning from experience, and accountability to inform decision-making. This helps Treasury staff do their jobs well by:

- encouraging self-reflection

- looking for better ways of doing things, valuing results and innovation

- sharing knowledge and learning from good practice and mistakes.

### Actions to support evaluation use and continuous learning in Treasury

**3.1 Publish evaluation reports, summaries and management responses by default** unless there are appropriate reasons for not releasing information publicly. This supports external accountability, transparency and knowledge-sharing, building trust in what we do. Published reports will be available on the Treasury website and the ACE Evaluation Library.

**3.2 Promote findings from published evaluation reports and management responses.** Findings will be promoted through the Treasury Evaluation Register and program manager reports to relevant governance committees. Management responses will be prepared for all formal evaluations (categories 1 and 2 in the Prioritisation Model).

# 4. Evaluation capability building and culture

A culture of evaluation drives continuous improvement, learning from experience, and accountability to inform decision-making. In practice this means all Treasury staff need access to evaluation capability building opportunities and supporting resources and professional networks that help to build their skills and expertise. Evaluation capability is not limited to technical skills and knowledge. It needs to be integrated into the way people across Treasury work and think.

Developing an evaluation culture also requires enabling organisational supports, systems, and processes that make it easy to integrate evaluation into existing performance management approaches. This capability needs to be underpinned by leadership that values evaluative thinking at all levels.

This Strategy supports this evaluative culture by:

- providing leadership and a clear vision for achieving continuous improvement
- assigning clear responsibilities and expectations to empower staff, along with appropriate support to build evaluation capability and practices
- encouraging knowledge-sharing and tolerance for mistakes to encourage learning
- learning from successes as well as failures to improve performance.

## Actions to support capability building and a culture of evaluation in Treasury

4.1 Promote existing evaluation resources, tools and templates available on the Evaluation Toolkit, including resources to make policies, programs and regulation 'evaluation ready'. ACE is responsible for maintaining and continually improving the Evaluation Toolkit, which is targeted at all Australian public servants. The aim of this action is to promote these resources more widely within Treasury.

4.2 Provide evaluation training and advisory support. MAPD will provide targeted evaluation training, advice and quality assurance to Divisions, guided by the Evaluation Register and forward work plan. MAPD will also promote use of the Evaluation Prioritisation Model. Treasury Divisions will remain responsible for planning and resourcing evaluations of policies for which they are responsible.

# Measuring our success

Developing and embedding a culture of evaluation takes time and commitment. Treasury will track our progress and measure evaluation maturity using a combination of methods.

| Priority Area | Source | Current baseline | Target |
|---|---|---|---|
| **Evaluation Leadership and Promotion** | | | |
| Number and role of SES evaluation champions | Tracking by ACE | There are no identified SES evaluation champions. | An SES evaluation champion identified for each Group by end-2025. From 2026, champions engage regularly with their Group to promote evaluation. |
| **Fit-for-purpose evaluation delivery** | | | |
| Percentage of 'Category 1' Treasury programs that have a Monitoring, Evaluation and Learning (MEL) Plan in place | Program Register Evaluation Register | Some programs may have MEL Plans but there are not yet captured centrally. (Evaluation Register is under construction and opt-in Program Register exists does not yet capture MEL Plans.) | 80% of Category 1 programs have a MEL Plan by 2028. |
| Percentage of programs that have been classified using the Evaluation Prioritisation Model | Evaluation Register | Evaluation Prioritisation Model not yet in place. Programs undertake evaluation activities based on external requirements. | Evaluation Prioritisation Model implemented over a 3-year period starting from 2025-26. All new or significantly amended programs and policies classified according to the Evaluation Prioritisation Model by 2028. |
| **Evaluation use and continuous learning** | | | |
| Number of evaluations on the Treasury Evaluation Register | Evaluation Register | Construction of a Treasury Evaluation Register has commenced. | Evaluation Register and forward work program operational from 2026 Program Register and Evaluation Register closely aligned. |
| Treasury policies, programs and regulations are undertaking fit-for-purpose monitoring and evaluation | Evaluation Register | 10 evaluations or reviews were published in the past 2 years (2023-24 and 2024-25), excluding evaluations undertaken by the ACE for other agencies. Several more are in various stages of planning or delivery. | All programs and policies classified according to the Evaluation Prioritisation Model by 2029 have fit-for-purpose monitoring and evaluation plans or frameworks. |
| **Evaluation capability building and culture** | | | |
| Percentage of staff who know where to go to get assistance within Treasury for evaluation -related issues | State of Evaluation Survey | 2024 State of Evaluation survey indicated that there is a general lack of awareness of where to find resources. | Commonwealth Evaluation Maturity Model will be used to establish baseline maturity in 2025-26 and promote evaluation resources, with targets set thereafter. |

# Actions and responsibilities

| Action | Responsibility |
|---|---|
| 1.1 **Define and promote clear roles and responsibilities for evaluation in Treasury**, including the role of SES evaluation champions, line managers, relevant governance bodies, all staff, and Macroeconomic Analysis and Policy Division (MAPD) and the ACE's oversight role in relation to the Strategy's adoption | MAPD will promote roles and responsibilities, with Treasury Divisions and Groups responsible for activities within their line areas |
| 1.2 **Further embed evaluation into planning, policy and decision-making processes**, with an initial focus on integrating the ACE's work into Treasury's corporate planning process, and exploring opportunities to incorporate evaluation into divisional planning processes. | MAPD, Corporate Division and relevant line areas |
| 1.3 **Report to the Performance and Risk Committee on evaluation activities and findings, and responses to and implementation of findings.** Once MAPD has established an Evaluation Register and forward work plan, MAPD will provide central oversight of reporting from Divisions/Groups on their monitoring and evaluation activities. | Treasury Divisions and Groups responsible for reporting and MAPD responsible for oversight and aggregating results for PRC |
| 2.1 **Establish and promote the Evaluation Prioritisation Model.** Support Treasury Divisions to apply the model to their policies or programs. | MAPD |
| 2.2 **Establish a Treasury Evaluation Register and forward work program.** Develop a Treasury Evaluation Register. Use this Register and the actions under 1.1 to develop a forward work program of planned evaluations. | MAPD |
| 2.3 **Assess the feasibility of high-quality impact evaluations.** Using the forward work program, MAPD will work with responsible Divisions or Branches to identify the feasibility of high-quality impact evaluations, particularly for 'Category 1' policies, programs or regulations. | MAPD |
| 2.4 **Build better evaluation planning into New Policy Proposals**. MAPD to provide support for line areas in developing evaluation-related content for New Policy Proposals from the 2026-27 Budget onwards to ensure evaluation readiness. | MAPD with support from Corporate Division and line areas |
| 3.1 **Publish evaluation reports, summaries and management responses by default** unless there are appropriate reasons for not releasing information publicly. This supports external accountability, transparency and knowledge-sharing, building trust in what we do. Published reports will be available on the Treasury website and the Commonwealth Evaluation Repository. | Divisions and Branches supported by MAPD. |
| 3.2 **Promote findings from published evaluation reports and management responses**. Findings will be promoted through the Treasury Evaluation Register and program manager reports to relevant governance committees. Management responses will be prepared for all formal evaluations (categories 1 and 2 in the Prioritisation Model). | Divisions and Branches supported by MAPD. |
| 4.1 **Promote existing evaluation resources, tools and templates available on the Evaluation Toolkit**, including resources to make policies, programs and regulation 'evaluation ready'. ACE is responsible for maintaining and continually improving the Evaluation Toolkit, which is targeted at all Australian public servants. The aim is to promote these resources more widely within Treasury. | MAPD |
| 4.2 **Provide evaluation training and advisory support**. MAPD will provide targeted evaluation training, advice and quality assurance to Divisions, guided by the Evaluation Register and forward work plan. MAPD will also promote use of the Evaluation Prioritisation Model. Divisions will remain responsible for planning and resourcing evaluations of policies for which they are responsible. | MAPD |