

# PART THREE

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## CORPORATE GOVERNANCE

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

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

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

## STRATEGIC AND ORGANISATIONAL REVIEWS

### Strategic Review of the Treasury

The Strategic Review, announced by the Secretary in July 2011, aimed to ensure that the Treasury has the strategic capabilities to deliver on its mission over the next five years. The Strategic Review sought feedback from staff, ministers and their offices, as well as a range of public, private and community sector stakeholders on the Treasury's performance.

The Strategic Review identified four broad areas as offering opportunities for improvement. These were: building key strengths to better support our ministers; enhancing our engagement skills; greater innovation and use of information technology tools; and allocating resources and managing priorities. The department is implementing the review's recommendations.

### People Development System

In 2012-13, the Inclusive Workplace Committee (IWC) oversaw the design of a People Development System (PDS). The PDS is aimed at providing a more cohesive and holistic system to allow staff to develop their potential. The PDS brings together a number of existing processes and combines them with new elements to improve Treasury's people practices and processes. The PDS was agreed to by the IWC in June 2013 following staff consultations and will start to be implemented in 2013-14.

## SENIOR MANAGEMENT COMMITTEES AND THEIR ROLE

### Executive Board

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

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

The Executive Board members as at 30 June 2013 were:

- Dr Martin Parkinson, Secretary;
- Dr David Gruen, Executive Director, Macroeconomic Group — Domestic;
- Mr Barry Sterland, Executive Director, Macroeconomic Group — International;
- Mr Jim Murphy, Executive Director, Markets Group;
- Mr Nigel Ray, Executive Director, Fiscal Group;
- Mr Rob Heferen, Executive Director, Revenue Group;
- Ms Jan Harris, Executive Director, Policy Coordination and Governance; and
- Mr Steve French, General Manager, Corporate Strategy and Services Group.

The Executive Board is supported by the Secretary to the Board and the Strategic Projects and Governance Team within the Corporate Strategy and Services Group.

## Audit Committee

The audit committee assists the Executive Board by independently reviewing and considering the Department's operations, its risk management framework and the integrity of its financial accounts. The audit committee reviews audit issues by:

- supporting and enhancing the control framework;
- providing assurance on published financial information;
- monitoring, reviewing and reporting on compliance; and
- assisting the Secretary to comply with all legislative and other obligations.

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

The audit committee met seven times during 2012-13. As at 30 June 2013, the audit committee comprised an independent external Chair, an external member and a number of internal members. External observers at audit committee meetings included representatives from the ANAO and KPMG.

## People Committee

The People Committee is a strategic reference and decision-making group with responsibility for ensuring that the Treasury maintains its capability to provide sound and timely advice to government through a high-performing and flexible workforce.

The People Committee provides advice and feedback to the Corporate Strategy and Services Group on a range of people strategies, including workforce planning, and has a decision-making role to facilitate staff mobility within the department and to ensure that the Treasury engages and promotes employees with high level capabilities and potential.

## Remuneration committees

Remuneration committees are established within the executive and the five groups in the Treasury to recommend to the Secretary the determination of salary rates beyond that available through the Performance Management System for eligible APS6, EL1 and EL2 employees.

The Executive Board determines each remuneration committee's membership and the executive director of the relevant group chairs each remuneration committee. The committee comprises the chair, the General Manager of People and Organisational Strategy Division and all general managers within the group. One general manager from another group acts as a cross-group representative to promote consistency of outcomes.

## Inclusive Workplace Committee

The Inclusive Workplace Committee (IWC) was formed in early 2012 and has responsibility for guiding and monitoring the development and implementation of the Progressing Women program of work. The IWC comprises all members of the Executive Board, five additional internal members and two external members, and meets quarterly.

## Information Management and Technology Committee

The Information Management and Technology Committee (IMTC) meets bi-monthly and was established in late 2011 to provide a formal mechanism for business engagement and feedback into strategic direction for information management and technology. The IMTC replaced the IT Projects Committee which provided advice on and governed the delivery of ICT-enabled projects.

The IMTC is chaired by the Group General Manager, Corporate Strategy and Services Group and comprises the Chief Information Officer, the Chief Finance Officer and a general manager or SES representative from each policy group.

## Security Committee of Treasury

The Security Committee of Treasury provides independent assurance and assistance to the Secretary and the Executive Board in relation to the department's security risk, control and compliance framework and its external accountability responsibilities.

The committee comprises the chair, the Group General Manager, Corporate Strategy and Services, the General Managers, Financial and Facilities Management Division and Information

Management and Technology Services Division and SES representatives from the intelligence, defence and budget related policy areas. The Committee convenes on a bi-annual basis.

## Health and Safety Committee

The Health and Safety Committee — established in accordance with the *Work Health and Safety Act 2011* — facilitates cooperation between Treasury management and its workers. The committee meets every three months and comprises of worker and management representatives. The committee provides a mechanism to develop and monitor health, safety and wellbeing programs and resolve any emerging issues.

## CORPORATE PLANNING AND REPORTING

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

The Executive Board sets the broad strategic direction for the Treasury through its strategic framework. The strategic framework sets out the Treasury's mission, role, policy responsibilities, key priorities, risks, values and capabilities.

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

## RISK MANAGEMENT

The Treasury pursues a comprehensive, coordinated and systematic approach to risk management.

- The Treasury's risk management framework aims to:
  - establish robust, pragmatic risk management practices that support business needs and provide the methodology and tools to enable effective management of risk across the Treasury;
  - develop a consistent Treasury-wide understanding of risk management;
  - foster an environment where all staff assume responsibility for managing risk and where managers formally consider risks as part of the decision making process;
  - ensure that significant risks facing the Treasury have been identified, understood, documented and are being actively managed;
  - ensure that risks are assessed in a balanced way, with upside risks (opportunities) considered alongside downside risks; and
  - ensure that risk registers remain useful and practical tools for analysing risk.
- The Treasury's risk management framework is reviewed annually. The key changes made in the 2012-13 review were the addition of six work health and safety risks, greater emphasis on accountability for implementing risk treatment plans and a statement about the underlying philosophy of risk management for the Treasury (the 'three lines of defence').
- The Fraud Control Plan complies with Australian Government Fraud Control Guidelines.

- The Chief Executive Instructions put into effect the *Financial Management and Accountability Act 1997* requirements, setting out responsibilities and procedures which provide an overarching framework for transparent and accountable financial management. They also contain topics relating specifically to risk management and internal accountability.
- The Internal Audit Plan identifies services and functions for auditing, and is approved by the Audit Committee and the Executive Board.
- Risk management and insurable risks are aligned through Comcover and Comcare.

The Treasury uses a range of strategies to identify and manage risks associated with the delivery of Information Technology services. New IT-enabled business solutions are assessed against key IT principles to manage IT investments strategically. The framework for delivering IT services includes:

- an IT Disaster Recovery Plan which sets out the strategies and processes to restore services if the Treasury's central computing infrastructure is lost completely or partially;
- a Business Continuity Plan for the Treasury's business which provides a process for identifying priority IT systems to restore, as well as alternative methods and processes so the Treasury can continue to work while the environment is restored;
- an IT Security Policy which addresses the requirements to protect information holdings and secure operation of the Treasury's IT resources;
- an Internet and Email Acceptable Use Policy which sets out responsibilities for appropriate use of the internet, email facilities and services;
- a Social Media Policy that helps enable external and internal engagement while ensuring protocols are in place for appropriate use of social media and to protect Treasury's reputation;
- IT Change Control Guidelines (an internal management tool) which assists with quality assurance control over proposed changes to the technical environment and facilities; and
- Project Standards, internal standards based on the structured project management methodology, PRINCE2, which ensure correct project governance is applied to IT-enabled business projects.

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

## FRAUD PREVENTION AND CONTROL

The Treasury Fraud Control Plan accords with the Commonwealth Fraud Control Guidelines and the Australian National Audit Office Better Practice Guide on Fraud Control in Australian Government Entities.

The Treasury Fraud Risk Assessment forms the basis of the Fraud Control Plan, which has been developed with appropriate controls, prevention, detection and investigation, and reporting standards.

The Treasury has undertaken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud against the department. The Treasury reports fraud information data annually to the Australian Institute of Criminology.

The Fraud Control Plan is to be reviewed again in 2014.

## ETHICAL STANDARDS AND ACCOUNTABILITY

The Treasury aims to promote a workplace which is accountable and utilises Commonwealth resources in an ethical and efficient way.

- The Treasury Management Model underpins the accountability and governance frameworks and incorporates the department's mission and values.
- The Treasury Performance Management System, along with the APS Code of Conduct, provides mechanisms for ensuring individual values and behaviours align with these shared corporate values and behaviours.
- The Treasury Workplace Agreement contains a commitment from employees to be aware of, and observe, the Treasury's and APS values.

During the induction process, new staff receive information on the Australian Public Service Commission's (APSC) Ethics Advisory Service. New starters are also encouraged to undertake an APS and Treasury accountabilities workshop, which provides participants with an understanding of the APS values and code of conduct, Treasury accountabilities and values, and corporate governance frameworks.

Under the Commonwealth Fraud Control Guidelines, the Treasury must conduct ethics and fraud awareness training. This is offered regularly to all staff, and reflects the department's commitment to maintaining an ethical culture, and promoting fraud awareness. The ethics and fraud awareness training provides attendees with an understanding of ethics, ethical challenges, resolution of ethical problems and prevention of fraud in the Commonwealth.

The Chief Executive Instructions establish the Treasury's internal policies and rules which apply the principles and requirements of the Financial Management and Accountability (FMA) Act, FMA Regulations and FMA Orders. They provide the basis for the management and effective, efficient, and ethical use of Commonwealth money, property and other resources. The Treasury reviews and updates the instructions regularly.

The Chief Executive Instructions also provide a user-friendly approach to financial management processes and guide staff so they can comply with legislation and ethical standards. Information on financial management delegations is communicated to new staff during their induction, and additional training and regular financial management forums are conducted for divisional support officers. Financial management workshops are offered to staff to assist them in understanding the APS Financial Management Framework.

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



## SENIOR EXECUTIVE SERVICE REMUNERATION

Terms and conditions for all of the Treasury's Senior Executive Service staff are contained in either Australian Workplace Agreements (AWAs) or individual section 24(1) determinations made by the Secretary.

Senior Executive Service staff are appraised using the APSC Senior Executive Leadership Capability Framework. This involves making individual rankings against the framework's five criteria, then arriving at an overall relative ranking for the person.

An increase in ranking based on longer-term performance can lead to an increase in base salary (see Table 5 on page 109). Additional information on remuneration is set out in Note 12: Senior Executive Remuneration in the financial statements on pages 179-183.

## EXTERNAL SCRUTINY

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### AUDIT

The Audit Committee met seven times during 2012-13. Its work included reviewing the Treasury's financial statements and a range of internal and external audit reports.

The Audit Committee's Financial Statements Subcommittee met five times during 2012-13, with three of the meetings being related to the 2011-12 financial statements and two meetings related to the 2012-13 financial statements. The subcommittee comprises members from the Treasury, the Australian National Audit Office (ANAO), the Treasury's internal audit service provider and an external representative of the Treasury Audit Committee. The subcommittee monitors production of the financial statements and helps resolve issues.

The Treasury currently engages KPMG to provide internal audit services. This involves development of internal audit programs, conducting various internal audit reviews, and working with the audit committee to ensure internal audit recommendations are being implemented effectively.

### INTERNAL AUDITS

The Treasury completed seven internal audits/reviews during 2012-13.

#### Review of the Management of Sensitive Information

Using a cross-section of various Treasury divisions, this review assessed the processes and practices applied by the Treasury in managing access to commercially sensitive information, and whether the controls in place to prevent and detect any intentional or inadvertent release of information were suitably designed. The report made three recommendations around investigating the root-causes of security breaches, reviewing accesses to network drives and ensuring that all staff are well-informed of security procedures for classified and sensitive material.

#### Implementation of the Clean Energy Finance Corporation

This review assisted the Treasury to manage the establishment of the Clean Energy Finance Corporation. The review was conducted in three phases; the first ensured that the Treasury had the appropriate processes, reporting and procedures in place in relation to interim support to the CEFC; the second identified the broad organisational and governance frameworks, processes and protocols that the CEFC needed to have in place to effectively manage its operational and investment funds; and the third assessed the operational readiness of the CEFC before the actual transfer of the funds.

#### Post-Implementation Review of Odysseus

The Treasury has developed a custom data analytics system that provides Treasury staff with analytical and reporting tools designed to increase efficiency and timeliness of economic analysis. The review assessed whether the system, named 'Odysseus', had achieved an outcome consistent with stakeholders' expectations and business requirements. Through

understanding the services and capability of the system and undertaking consultations with a targeted sample of business areas, Internal Audit considered how Odysseus, or other tailored data analytic solutions in the market, could add value more broadly across the Treasury.

## Review of Credit and Travel Cards

This review considered how the Treasury could implement travel and related card services as part of the broader Whole of Australian Government (WoAG) Travel Services initiative to ensure better value-for-money outcomes and increased efficiency. The review included an analysis of purchasing data involving credit card and travel activity, an analysis of which types of transactions could benefit from the implementation of credit cards, and an analysis of the risks associated with the implementation of credit cards, including a review of preventative and detective controls. The Treasury agreed to five recommendations to realise the intended benefits of the WoAG initiative and to ensure that the necessary systems and processes were in place.

## Internal Reporting

This review assessed the Treasury's internal management reporting arrangements to ensure that reports are suitable for decision-making and compliance-reporting purposes. The review found that the various stakeholders involved were generally comfortable with the level of detail being provided in the management reports, and made five recommendations for improvement, including around the inclusion of forecast information, and steps to improve the timeliness of monthly reporting.

## Review of Shared Services Cost-Recovery Arrangements

The Treasury provides shared services to six agencies within the Treasury portfolio. These services include financial management, information management, people and organisational management and marketing and communication services. This review examined the approaches that determine the price of shared services and investigated potential improvements to these approaches. The review provided recommendations around changes to the pricing methodology, particularly changes to primary cost allocation statistics and potential longer-term pricing improvements.

## Post-Implementation Review of the Federal Payments Management System

The Federal Payments Management System (FPMS) was introduced to streamline the certification and collation of information for payments to the States. FPMS is used by agencies to submit and certify payment information, and is used within Treasury to review and approve the submitted information and to export the information for payment. The engagement assessed whether the end-user system controls are operating as intended and that the level of evidence maintained is appropriate and sufficient. The Treasury agreed to the four recommendations made in the audit report, including ongoing training for external agency users, and the investigation of further possible system enhancements.

## AUSTRALIAN NATIONAL AUDIT OFFICE REPORTS

In 2012-13, the ANAO completed the following audit related to the Treasury's operations.

### Audit Report Number 34: Preparation of the Tax Expenditures Statement

This audit assessed the extent to which the Treasury and the ATO had improved the management of tax expenditure estimates by implementing the six recommendations in a 2008 ANAO audit report in this area and the three recommendations made by the Joint Committee of Public Accounts and Audit (JCPAA) following its inquiry.

The ANAO tabled the report (Audit Report No. 34 2012-13) in Parliament on 9 May 2013. The ANAO found that two of the previous ANAO recommendations had been fully implemented, with the remaining recommendations having been partially addressed. The Treasury will continue to pursue improvements in the TES through progressing recommendations made by the ANAO and JCPAA, with regard to departmental and Government priorities. The 2012-13 report made one recommendation on the review and standardisation of internal methodologies for allocating reliability ratings to tax expenditure items, in order to improve the consistency of the reliability ratings disclosed in the Tax Expenditures Statement. The Treasury and the ATO have each agreed to the recommendation.

### Other audit reports

Other ANAO reports relevant to the Treasury in 2012-13 were:

Report No. 4	Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2011 Compliance) (tabled 20 September 2012)
Report No. 16	Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2012 (tabled 20 December 2012)
Report No. 28	The Australian Government Performance Measurement and Reporting Framework — Pilot Project to Audit Key Performance Indicators (tabled 23 April 2013)
Report No. 33	The Regulation of Tax Practitioners by the Tax Practitioners Board (tabled 8 May 2013)
Report No. 35	Control of Credit Card Use (tabled 16 May 2013)
Report No. 44	Management and Reporting of Goods and Services Tax and Fringe Benefits Tax Information (tabled 13 June 2013)
Report No. 49	Interim Phase of the Audits of the Financial Statements of Major General Government Sector Agencies for the Year Ending 30 June 2013 (tabled 20 June 2013)
Report No. 51	Management of the Australian Taxation Office's Property Portfolio (tabled 24 June 2013)
Report No. 52	Management of Debt Relief Arrangements (tabled 25 June 2013)
Report No. 53	Agencies' Implementation of Performance Audit Recommendations (tabled 25 June 2013)
Report No. 54	Administration of Government Advertising Arrangements: August 2011 to March 2013 (tabled 26 June 2013)

Details of audit reports are available at [www.anao.gov.au](http://www.anao.gov.au).

## PARLIAMENTARY COMMITTEES

Treasury's annual report will be scrutinised by the Senate Economics Committee.

In 2012-13, officials from the Treasury appeared before the following parliamentary committees:

- 26 July 2012 — House of Representatives Standing Committee on Economics, Review of the Tax Laws Amendment (2012 Measures No. 4) Bill 2012.
- 26 July 2012 — Senate Economics Legislation Committee, Inquiry into the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012.
- 26 and 27 July 2012 — House of Representatives Standing Committee on Economics, Inquiry into the Australian Charities and Not-for-profits Commission Exposure Draft Bills.
- 8 August 2012 — Senate Economics References Committee, Inquiry into the post-GFC banking sector.
- 16 August 2012 — Senate Standing Committees on Rural and Regional Affairs and Transport, Inquiry into the Foreign Investment Review Board National Interest Test.
- 22 August 2012 — House of Representatives Standing Committee on Regional Australia Inquiry into the use of 'fly-in, fly-out' (FIFO) workforce practices in regional Australia.
- 3 September 2012 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Australian Charities and Not for Profits Commission Bill 2012, the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill & the Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012.
- 27 September 2012 — House of Representatives Standing Committee on Economics, Clean Energy Amendment Bills 2012.
- 5 October 2012 — Parliamentary Joint Committee on Corporations and Financial Services Inquiry into the Corporations Legislation Amendment (Derivative Transactions) Bill 2012.
- 5 October 2012 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Superannuation Amendment (Further MySuper and Transparency Measures) Bill 2012.
- 11 October 2012 — Senate Standing Committees on Rural and Regional Affairs and Transport, Inquiry into the Foreign Investment Review Board National Interest Test.
- 18 October 2012 — Senate Economics Legislation Committee, Budget Supplementary Estimates.
- 19 October 2012 — Senate Economics Legislation Committee, Inquiry into the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills.
- 22 October 2012 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into Personal Liability for Corporate Fault Reform Bill 2012.
- 12 November 2012 — Senate Economics Legislation Committee, Treasury Legislation Amendment (Unclaimed Money and Other Measures) Bill 2012.
- 13 November 2012 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into Family Business in Australia.

- 26 November 2012 — Joint Standing Committee on Treaties, Report 132: Review into Treaties tabled on 18 September and 30 October 2012.
- 22 January 2013 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Superannuation Legislation Amendment (Service Providers and Other Governance Measures) Bill 2012.
- 30 January 2013 — House of Representatives Standing Committee on Economics, Tax Laws Amendment (2012 Measures No. 6) Bill 2012.
- 7 February 2013 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into Family Business in Australia.
- 14 February 2013 — Senate Economics Legislation Committee, Additional Estimates.
- 21 March 2013 — Senate Standing Committees on Rural and Regional Affairs and Transport, Inquiry into the Foreign Investment Review Board National Interest Test.
- 3 April 2013 — Senate Economics References Committee, Development and Operation of the Minerals Resource Rent Tax.
- 18 April 2013 — House of Representatives Standing Committee on Economics, Inquiry into the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013.
- 22 April 2013 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013.
- 22 April 2013 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Corporations and Financial Sector Legislation Amendment Bill 2013.
- 30 April 2013 — Senate Economics Legislation Committee, Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013.
- 9 May 2013 — Senate Standing Committees on Rural and Regional Affairs and Transport, Inquiry into the Foreign Investment Review Board National Interest Test.
- 12 June 2013 — Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into a regulatory framework for tax (financial) advice services (previously Tax Laws Amendment [2013 Measures No. 2] Bill 2013, Schedules 3 and 4).
- 5 and 6 June 2013 — Senate Economics Legislation Committee, Budget Estimates.

## OMBUDSMAN COMMENTS, COURT DECISIONS AND ADMINISTRATIVE TRIBUNAL DECISIONS

### Judicial and Administrative Appeals Tribunal Decisions

There were no judicial or Administrative Appeals Tribunal decisions that had, or may have, a significant impact on the operations of the Treasury in 2012-13.

### Commonwealth Ombudsman

The Commonwealth Ombudsman did not issue any reports on the operations of the Treasury in 2012-13.

## MANAGEMENT OF HUMAN RESOURCES

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The People and Organisational Strategy Division, within the Corporate Strategy and Services Group, has primary responsibility for the Treasury's people management. The Division assists the department to set and deliver on its strategic direction and to provide a work environment that enables our people to be productive. It provides advice and delivers on organisational strategies, change management, workforce planning, organisational development and wellbeing, performance management, recruitment, people strategies, governance and audit, learning and development and employee services and policies.

In 2012-13, the key outcomes were:

- facilitating behavioural, organisational and cultural change by progressing the implementation of the recommendations from the 2011 Strategic Review and the Progressing Women initiative;
- continuing the implementation of the Graduate Development Program review to enhance workforce capability and to strengthen talent management within the department;
- ongoing development of the workforce planning framework to drive the development of strategies to attract, retain and develop a targeted, skilled and diverse workforce within a context of reducing overall resources;
- undertaking a consultative process with internal business groups to determine a comprehensive risk profile for Work Health and Safety hazards following the implementation of the *Work Health and Safety Act 2011*;
- refreshing the department's Performance Management System to ensure it continues to support and drive individual and organisational performance including mandatory performance management training for all staff; and
- producing regular workforce reports identifying trends and emerging issues along with improved data capture and workforce metrics analysis to assist with staff resource management across the Treasury.

### THE TREASURY MANAGEMENT MODEL

The Treasury Management Model seeks to maximise the Treasury's effectiveness by ensuring that the department has the right people in the right jobs doing the right work. The Treasury Management Model underpins accountability and governance frameworks and incorporates the Treasury's mission and values, the approach to organising the department to achieve desired objectives, the key people systems and the development of management capability.

The Treasury Management Model includes people management principles that encourage open, two-way communication at all levels, clearly defined accountabilities, fair and transparent processes and the facilitation of work and private life balance.

### PEOPLE MANAGEMENT SYSTEMS

All recruitment, promotion, mobility, resource planning and development processes within the Treasury are aligned with the Treasury Management Model, and the Performance Management

and Career Development Systems. The Treasury regularly monitors and reviews these systems to ensure they are meeting the desired outcomes.

## PERFORMANCE MANAGEMENT SYSTEM

The Treasury's Performance Management System underpins the department's capacity to achieve its mission by strengthening individual capabilities and aligning individual values and behaviours with shared corporate values and behaviours. Performance management in the Treasury provides a means for improving individual and organisational performance, as well as supporting individual skills development and career planning.

Performance is measured through a defined capability framework called the Work Value Matrix which outlines a set of behavioural standards expected across specified criteria at each classification level. Performance for non-SES staff is assessed against seven criteria outlined in the Work Value Matrix. Performance for SES officers is assessed against the five criteria outlined in the Senior Executive Leadership Capability Framework. These frameworks provide the basis for appraisals, and also underpin recruitment processes, the Professional Development Framework and the Career Development System.

All appraisals are subject to oversight by review panels. Review panels are held at the divisional level to examine the outcomes of appraisals to ensure consistency in the application of the framework across each division. Cross-group representatives ensure objectivity and consistency in the application of the Work Value Matrix and ratings across the department.

Feedback is sought on managers by the manager-one-removed to inform their appraisals.

During 2012-13, mandatory performance management training was rolled out to all staff.

## CAREER DEVELOPMENT SYSTEM

The Career Development System is a part of the Treasury's people management system and seeks to foster a shared individual and organisational responsibility for career development. The system provides staff with the opportunity to consider and clarify career aspirations and receive career development guidance from their manager-one-removed. The Career Development System will be refined as part of the roll out of the People Development System in 2013-14 to enhance the effectiveness of the process including clarifying purpose, process and role/responsibility.

## WORKPLACE RELATIONS

The *Treasury Workplace Agreement 2011-14* came into operation from 1 July 2011 and nominally expires on 30 June 2014.

The Workplace Agreement operates in conjunction with Commonwealth legislation and Treasury policies, manuals and guidelines to define the terms and conditions of employment for staff.

The Treasury consults with staff on workplace matters, and the Workplace Agreement reinforces staff involvement in decision making. Consultation mechanisms include the Workplace Relations



Committee, elected by Treasury staff and comprising eight members. Terms of reference for the Workplace Relations Committee reflect a principles-based approach to workplace relations.

The Treasury Workplace Agreement and individual arrangements provide access to procedures to resolve disputes and directly consult with staff as appropriate.

## RECRUITMENT AND SUCCESSION PLANNING

The Treasury's recruitment activity in 2012-13 included two major recruitment campaigns, selection processes for senior executives at the Band 1, Band 2 and Band 3 levels, a graduate campaign, and participation in the indigenous cadetship and indigenous graduate programs. A total of 43 recruitment processes were advertised in 2012-13 and a total of 104 employment opportunities were filled from advertised vacancies. The Treasury recruited 37 policy and corporate graduates in 2012-13. Two formal departmental transfer rounds were run in 2012-13 and 51 internal expressions of interest were managed centrally in 2012-13.

Job seekers can access selection documentation and lodge applications via the Treasury's internet careers portal. The portal also allows candidates to register for non-ongoing employment, and former staff to register as alumni for short-term employment and project work.

The Treasury continues to utilise the recruitment service provider's panel for scribing services, placement of non-ongoing staff and executive search functions.

The number of secondments both to and from the Treasury increased during 2012-13. Staff were seconded to the Treasury for various policy initiatives, such as the G20 taskforce and in specialist taxation and superannuation areas. Secondees from the Treasury continue to work on a variety of initiatives across a number of agencies both within the APS and private sectors.

## LEARNING AND DEVELOPMENT

The Treasury develops staff and organisational capability by offering a variety of internal and external learning and development opportunities to employees. The total investment in learning and development activities in 2012-13 was over \$2 million. This figure represents costs associated with the design, development and delivery of internal training courses; payment for executive coaching services; registration fees associated with external programs; and financial assistance for employee study. (This figure does not include overheads, such as venue hire, catering and travel.)

The learning and development opportunities which the Treasury makes available to staff form part of the overarching People Development System (PDS). This was approved by the Inclusive Workplace Committee during 2012-13. The PDS recognises the importance of the 70:20:10 principle, which emphasises the role of on-the-job learning, coaching and feedback.

During 2012-13, Treasury implemented a Learning Management System (Treasury Learning). Treasury Learning hosts a range of eLearning courses, which include Induction modules, Microsoft products, organisational wellbeing modules, Treasury-specific training, workplace skills, and specialist and technical training. This system will also be used to manage face-to-face training.

The Graduate Development Program continued to combine on-the-job training with formal in-house courses. Some of these were delivered centrally; others were delivered on a group-by-group basis. The program also included external courses, such as Introduction to the Senate, and participation in key events such as the budget lockup and post budget question time.

Broadly speaking, learning and development opportunities made available to Treasury staff fall under four headings:

- core skills;
- technical training;
- leadership and coaching; and
- assistance for post-graduate study.

## Core skills

Capability development in core skills is primarily targeted via one or two-day workshops which are delivered in-house, mainly by external providers. During 2012-13 the Treasury's learning and development calendar included workshops on APS and Treasury accountabilities, writing and grammar, presentation and representation, financial management, negotiation skills, and providing oral advice. Two-day policy advising workshops delivered by senior internal and external presenters used case studies and hypotheticals to develop policy advising capabilities of analysts and executive level staff. All workshops were tailored to the Treasury's current operating environment.

The ability of all staff to engage with the Treasury's Performance Management System (PMS) was enhanced through talking performance workshops. These half-day sessions were initially developed as part of the PMS Refresh project, and are designed to equip all staff, whether in managerial or non-managerial roles, with specific skills and knowledge which will enable them to make the most of the PMS. Attendance at these workshops was mandatory for all staff at the time of the PMS refresh; further sessions are held in January and July each year to cater for staff who have joined the Treasury since the PMS refresh.

In addition, as part of the broader Progressing Women initiative, unrecognised bias awareness training was available to all SES and EL2 employees. These workshops, and the follow-up coaching, were designed to assist staff to identify and understand common and unrecognised biases on the part of men and women that may impact on judgements of management, leadership styles and the allocation of work. These workshops will be rolled out to EL1 staff during 2013-14.

## Technical training

During 2012-13 semester-long introduction to law and introduction to economics courses were delivered inhouse by the Australian National University. The aim of these programs was to provide an understanding of the fundamental principles of law and economics to staff without tertiary qualifications in these fields. Evaluations for both programs reflected high levels of satisfaction with the quality of teaching and impact on staff knowledge and understanding.

The Treasury Certificate in Business Services Program was again offered to Treasury staff at the APS 3-6 level. The aim of this program is to provide participants with an understanding of the Treasury environment and how they contribute to its business. Participants also develop skills that are directly related to the Work Value Matrix. In 2012-13, participants also had the opportunity to complete the Certificate IV in Government as a result of their participation in the program; in total, 10 employees applied for recognition of specific competencies towards this qualification.

Twelve Treasury staff participated in the courses offered by the National Security College in 2012-13. The National Security College is a joint venture between the Commonwealth Government and the Australian National University. The college aims to enhance the functioning of the national security community and strengthen networks and policy capability within the APS by building partnerships with academia, research institutions, and the community and private sectors.

The Treasury Seminar Series continued with a variety of prominent external guest speakers presenting perspectives on current economic and public policy issues. The Treasury's policy groups also continued to offer seminars on specific policy issues.

In addition to these programs, Treasury staff attended a wide variety of external workshops, conferences and seminars targeting capability development in a variety of domains, including (but not limited to), economics, modelling, law, project management, IT, human resources, taxation, languages other than English, first aid, workplace health and safety, and superannuation.

## Leadership

The Treasury offers a number of programs to support leadership and management development. The Management Development Program is designed to provide new and emerging managers with the practical tools and skills to equip them to fulfil their roles under the Treasury Management Model and assist in building their capability for future advancement. Twenty-five staff participated in the program during 2012. Feedback on the program was extremely positive; all participants indicated that the program met or exceeded their expectations.

Treasury staff also participated in a variety of Australian Public Service Commission leadership programs, including the Career Development Assessment Centre (two EL2s), SES Orientation (six SES1s), SES Talent Development (one SES2 and one SES3), and SES Leadership (one SES1).

One Treasury SES1 employee attended the Cranlana Public Service Colloquium during 2012-13. The colloquium is designed to enable participants to define and understand the principles that lie at the heart of leadership and decision-making.

As part of the broader Progressing Women agenda, a formal mentoring program was introduced in 2012-13. The objective of the program is to offer mentoring to high performing, high potential women and men at the EL and SES levels to assist them to develop to their full potential, both personally and professionally. Capability development workshops were initially delivered to SES officers who had expressed interest in acting as mentors; this training was subsequently made available to all SES officers.

SES officers are also able to access executive coaching services, delivered in-house by a variety of providers.

Seminars delivered as part of the Treasury Leadership Series continued throughout 2012-13. The seminars, which are held quarterly, are designed to provide staff with valuable perspectives and insights on leadership from high profile leaders in the public and private sectors.

## Assistance for post-graduate study

The Treasury assists employees who wish to undertake formal post-graduate study in a number of ways. Studies Assistance provides financial assistance and study leave for staff undertaking approved study relevant to the Treasury. A total of 141 staff were approved for Studies Assistance in 2012-13, mainly for study undertaken in economics, law, commerce and public policy.

The Treasury also provides a limited number of Post Graduate Study Awards (PGSAs) for high-performing staff who wish to take leave without pay to pursue post-graduate study. Six PGSAs were awarded for study commencing in 2013, including two awards for employees wishing to study overseas.

The Sir Roland Wilson Foundation PhD scholarships are designed to nurture future senior leaders in the APS and strengthen ties between academia and the Australian Public Service. One Treasury employee was awarded a scholarship in the 2012 round for a course of study commencing at the ANU in February 2013.

The two-year Graduate Diploma in Economic Studies, which commenced in March 2011, continued with 25 participants, including 14 participants from other agencies. The course is delivered by Monash University and is tailored to public sector agencies, with a focus on public policy. The course is designed for staff qualified in disciplines other than economics and facilitates an understanding of economic frameworks and public policy issues.

## WELLBEING

The Treasury measures and monitors staff wellbeing through the State of the Service results, exit survey reports and human resource data. Performance is also benchmarked against the broader APS and similar private sector organisations. The People and Organisational Strategy Division provides regular reports to the Executive Board, the People Committee, the Workplace Relations Committee, the Inclusive Workplace Committee, the Work Health and Safety Committee, that include the results and strategies developed to improve performance.

## Stress Management program

Treasury's managers were invited to attend workshops to assist them with identifying and managing acute and chronic staff stress. Managers were provided with information on the physiological, psychological and behavioural consequences of chronic and sustained stress and how these can impact on work performance, productivity and team morale. Through a practical workshop, managers gained skills to identify the early warning signs of stress and were provided with tools they could use to address this appropriately. Sixty-three managers participated in the workshops.

## Employee assistance program

The Treasury provides staff and their immediate family members with access to an employee assistance program. The program provides a free professional and confidential counselling service to assist staff experiencing work-related or personal problems. The employee assistance service collects generic data that provides guidance for departmental wellbeing strategies. To compliment this service, the employee assistance service also offers an online wellbeing resource which provides interactive and user-friendly information and guidance on work and personal issues. Managers and executives may seek advice and support on managerial issues through a dedicated and confidential program.

The usage rate for new staff referrals to the program was 4.28 per cent, which is slightly lower than the average 2012-13 APS usage rate of 6.83 per cent.

## Child care centre

Treasury staff have access to onsite childcare facilities in the Abacus Childcare and Education Centre which is managed by Communities@Work.

As at 30 June 2013 there were 85 children from Treasury families enrolled at the Abacus Childcare and Education Centre. The centre can accommodate a total of 143 child care places.

## Health and wellbeing program

The Treasury promotes a workplace culture that values, supports and improves the health and wellbeing of employees. Several health and wellbeing activities were arranged during 2012-13 including 386 influenza vaccinations, 136 workstation assessments and 130 contacts with the employee assistance program. Resilience coaching was also available to staff who were experiencing difficulty in managing stress. The resilience coaching covers several key concepts in promoting emotional resilience and self-care and covers topics such as developing resilience, physiological balance, stress management and developing a personal action plan. Staff have the opportunity to participate in health and fitness activities during lunch times with lockers and shower facilities available onsite.

## Lifestyle payment and corporate gym memberships

In recognition of the benefit that can be achieved by staff undertaking their own initiatives to achieve a healthy lifestyle, the Treasury's Workplace Agreement 2011-14 provides eligible non-SES staff with the option of applying for a single lifestyle contribution payment of \$600. The lifestyle payment is available for activities such as gym memberships, sporting apparel and relaxation programs. From 1 July to 31 December 2012, 19 lifestyle payments were made and from 1 January 2013 to 30 June 2013, 850 lifestyle payments were made.

Treasury staff can access discounted gym and health club memberships through participating providers. There were five providers that agreed to offer discounted memberships.

## STAFFING INFORMATION

Ongoing and non-ongoing employee numbers in the Treasury decreased from 988 in 2011-12 to 949 in 2012-13 (Table 2).

Due to natural attrition, there was a decrease in staff numbers across all levels, except at the APS4 level and the EL1 level, where this figure increased by 10 and 8 respectively. The most significant decrease was at the APS5 level, where staffing numbers reduced by 25. The number of APS3 and EL2 employees decreased by 22 and 9 respectively.

Part-time employees increased from 11.03 per cent in 2011-12 to 13.4 per cent in 2012-13. Part-time females at the EL1 level increased from 30 in 2011-12 to 38 in 2012-13. Part-time EL2 level females reduced from 24 to 21.

**Table 2: Operative and paid inoperative staff by classification and gender as at 30 June 2013**

Classification	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
Cadet					1				1
APS1									
APS2		1							1
APS3	30	24		2		1			57
APS4	19	32		14	3	1			69
APS5	55	64	3	9					131
APS6	111	94	4	10	1	1			221
EL1	103	62	4	38	2	1		4	214
EL2	80	50	10	21	3	1			165
SES Band 1	44	10	3	3	1	1			62
SES Band 2	12	6	1	1	1				21
SES Band 3	5	1							6
Secretary	1								1
<b>Total</b>	<b>460</b>	<b>344</b>	<b>25</b>	<b>98</b>	<b>12</b>	<b>6</b>	<b>0</b>	<b>4</b>	<b>949</b>

Note: Staff paid by other agencies are not included.

**Table 3: As at 30 June 2013 — Proportion of female representation at senior levels**

SES % female representation	24.4%
'CEO' minus one % female representation	16.7%
'CEO' minus two % female representation	35.0%
'CEO' minus three % female representation	21.7%

The three layers of management below the Secretary, articulated as CEO minus one, CEO minus two and CEO minus three.

**Table 4: Staff located at overseas posts**

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

Note: Locally engaged staff are not included.

## Senior Executive Service remuneration

Remuneration and conditions for the Treasury's Senior Executive Service (SES) are determined under AWAs and section 24(1) determinations, supported by a remuneration model that determines pay levels within each SES level, based on performance (Table 5). The Treasury does not offer performance pay.

**Table 5: Salary scales — SES**

Classification	September 2011		September 2012	
	Minimum	Maximum	Minimum	Maximum
	\$	\$	\$	\$
SES Band 1	180,614	209,913	185,129	215,161
SES Band 2	221,366	259,099	226,900	265,576
SES Band 3	286,876	335,976	294,048	344,375

Senior Executive Service staff are appraised using the APSC Senior Executive Leadership Capability Framework to assess performance and rank each employee relative to their peers. An increase in relative ranking can lead to an increase in base salary.

## Remuneration — non-SES employees

The *Treasury Workplace Agreement 2011-14* determines salary rates for all non-SES staff (Table 6). The Treasury does not offer performance bonuses.

**Table 6: Workplace agreement salary scales — non-SES**

Classification	July 2011		July 2012	
	Minimum \$	Maximum \$	Minimum \$	Maximum \$
APS1	41,068	44,597	42,094	45,712
APS2	47,338	50,471	48,521	51,733
APS3	53,605	56,736	54,945	58,155
APS4	59,871	63,003	61,367	64,578
APS5	67,314	71,624	68,997	73,414
APS6	75,932	91,994	77,831	94,294
EL1	99,045	113,617	101,522	116,457
EL2	120,981	138,845	124,006	142,316

Under the *Treasury Workplace Agreement 2011-14*, access to some pay points for APS6, EL1 and EL2 staff can only be determined by the remuneration committee process and are based on sustained performance under the Treasury's Performance Management System.

## Senior management changes

110 Several senior management movements occurred in 2012-13 (Table 7).

**Table 7: SES commencements and cessations**

Reason	SES Band 3	SES Band 2	SES Band 1	Total
Engagement			3	3
External promotion		1		1
Internal promotion	1	5	10	16
Resignation				
Retirement	1	1	1	3
Transfer to another department			2	2
Promoted to another department				
Total	2	7	16	25

During 2012-13 four SES commenced in the Treasury.



Ms Leesa Croke was promoted to an SES band 2 from the Department of Families, Housing, Community Services and Indigenous Affairs.

There were three retirements at the SES level during 2012-13.

There were sixteen internal promotions at the SES level during 2012-13, including Ms Jan Harris who joined the Executive board, promoted to the SES band 3 level.

## ASSETS MANAGEMENT

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The Treasury has developed an asset management framework. The framework includes:

- an asset register that records details of all assets held by the Treasury. Assets on the Treasury's register are subject to an annual stocktake to keep records accurate and up-to-date;
- an asset management guide that sets out the Treasury's policies and asset management guidelines for the day-to-day care and custody of assets. The guide is incorporated into the Treasury's Chief Executive Instructions. Further details on the Treasury's asset policies are in notes 1.14 to 1.18 of the Treasury's Financial Statements; and

a capital management plan that sets out the Treasury's longer term asset requirements and funding sources for ongoing asset replacement and investment. The Treasury's capital budget process is integrated with strategic planning and occurs prior to the beginning of each financial year, in conjunction with the Treasury's annual operating budget process. In determining the capital budget, the Treasury considers the level of funding available for asset purchases, immediate and longer term asset replacement requirements and organisational opportunities that an investment in new assets can address.

## PURCHASING

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The Treasury's purchasing activities are undertaken in accordance with government policy and best practice. Procurement of all goods and services is consistent with the requirements of the Commonwealth Procurement Rules (CPRs). The Treasury applies the CPRs to all its activities through the Chief Executive Instructions and supporting operational guidelines.

The Treasury's purchasing processes focus on the core principle of value for money. This is achieved through:

- encouraging competitive and non-discriminatory processes;
- using Commonwealth resources in an efficient, effective, economical and ethical manner that is consistent with the policies of the Commonwealth;
- making decisions in an accountable and transparent manner;
- considering the risks; and
- conducting a process commensurate with the scale and scope of the procurement.

Responsibility for procurement is devolved to individual groups with support from a central team of procurement specialists. The Treasury supports devolved procurement by providing a central point of contact for staff seeking purchasing advice, and by providing ongoing support and training on procurement policies and procedures to staff. The Treasury's procurement framework makes appropriate financial delegates responsible for procurement. Currently, all proposed procurements valued at \$10,000 or more are reviewed by the Treasury's Procurement Team to ensure due process is followed.

The Treasury publishes, on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au), all contracts awarded with a value of \$10,000 or more, and, in an annual procurement plan, information about significant procurements the department expects to undertake during the following year.

## CONSULTANTS

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The Treasury engages consultants where specialist skills are required that are not available inhouse or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or innovative solutions to assist in the Treasury's decision making.

Before engaging consultants, the Treasury takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the FMA Act and related regulations including the Commonwealth Procurement Rules (CPRs) and relevant internal policies.

Providers of consultancy services are selected through the following methods:

- Open tender — a procurement procedure which publishes a request for tender, inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are generally sought from the Australian Government AusTender website.
- Prequalified tender — publishing an approach to market inviting submissions from all potential suppliers on:
  - a) a shortlist of potential suppliers that responded to an initial open approach to market on AusTender;
  - b) a list of potential suppliers selected from a multi-use list established through an open approach to market; or
  - c) a list of all potential suppliers that have been granted a specific licence or that comply with a legal requirement, where the licence or compliance with the legal requirement is essential to the conduct of the procurement.
- Limited tender — a form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or special ability to supply the goods and/or services sought.
- Panel — an arrangement whereby a number of suppliers, initially selected through an open tender process, may each supply property or services to an agency as specified in the panel arrangements. Quotes are sought from suppliers that have pre-qualified on the agency panels to supply to the Government. This category includes standing offers and supplier panels where the supply of goods and services may be provided for a predetermined length of time, usually at a prearranged price.
- Multi-Use List — a list of pre-qualified potential suppliers of nominated goods and/or services, who have satisfied the conditions for inclusion. A multi-use list is a procurement tool available under the Commonwealth Procurement Rules and is intended for use in more than one procurement process.

During 2012-13, 98 new consultancy contracts were entered into involving total actual expenditure of \$1,255,486. In addition, 29 ongoing consultancy contracts were active during the 2012-13 year, involving total actual expenditure of \$861,019. These amounts include GST.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website [www.tenders.gov.au](http://www.tenders.gov.au).

## AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

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The Treasury is required to provide details of any contract let during 2012-13 of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises. The Treasury must include the name of the contractor, the purpose and value of the contract, and the reason for not including standard access clauses in the contract.

The Treasury did not have any contracts over \$100,000 that did not provide for the Auditor-General to have access to the contractor's premises.

## EXEMPT CONTRACTS

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The Treasury is required to advise if any contract in excess of \$10,000 (inclusive of GST) or a standing offer has been exempted by the Chief Executive from being published on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*. The fact that the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

The Treasury did not have any contracts that were exempt from publication on AusTender.

## WORKPLACE DIVERSITY

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The Treasury is committed to providing an organisational culture that embraces and actively promotes diversity. Several important initiatives were introduced in 2012-13.

Treasury launched the Progressing Women initiative in December 2011 after staff consultations identified challenges faced by Treasury women. Progressing Women comprises a suite of strategies to widen and deepen the pool of future leaders in the Treasury by harnessing the talents of women at all levels. The strategies are based on five themes:

- leadership, governance and accountability;
- workplace policies;
- training and networks;
- performance assessment and career development; and
- measuring success.

To achieve the outcomes of the Progressing Women initiative:

- the Inclusive Workplace Committee met quarterly to review progress and to set milestones and priorities to drive the initiatives;
- each group committed to broadening the accountability for the progress of women by examining its own operating environment, its challenges and approach to the progress of women and presenting this back to the IWC;
- SES and EL2 staff attended unrecognised bias awareness training to increase their understanding of institutional and individual biases and reported an increase in recognising cultural and gender bias and using more inclusive language;
- staff were consulted about flexible working arrangements and were invited to join the Flexible Work Forum;
- senior staff who have worked part-time and in other flexible working arrangements while in senior positions participated in open forums to discuss their experiences as part of a community of practice; and
- a formal mentoring program was implemented to provide guidance and support to high-performing EL1, EL2 and SES participants.

In December 2011 the Treasury committed to a target of 35 per cent female representation in the SES by 2016. As at 30 June 2013 24.4 per cent of the SES were female.

In June 2013 the Treasury formally committed to Gender Reporting. This framework is a Male Champions of Change initiative involving senior corporate and government leaders and organisations and provides greater transparency in reporting the advancement of women into senior leadership positions. The Treasury will now report on the progress of women for three layers of management. To provide consistency of reporting across sectors, gender reporting articulates the senior management relationship by reference to the 'CEO'. The Treasury is reporting on the three layers of management below the Secretary, articulated as CEO minus one; CEO minus two; and CEO minus three.



As at 30 June 2013 at the CEO minus one level (SES Band 3) there was 16.7 per cent female representation. The CEO minus two level (SES Band 2) had 35 per cent female representation and the CEO minus three (SES Band1) level had 21.7 per cent female representation.

As part of the Government's response to the Access and Equity Inquiry report released in June 2012, all Australian Government departments and agencies were required to prepare and implement a two year Agency Multicultural Plan (AMP). As the lead department in its portfolio, the Treasury developed an AMP which covers the Australian Office of Financial Management, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector General of Taxation, the National Competition Council and the Office of Auditing and Assurance Standards Board. The Treasury's AMP has been designed to identify priority actions, responsibilities, timelines and measurable targets to address its access and equity obligations.

In September 2012 the Treasury participated in the Jawun Indigenous Corporate Partnerships Program.

The Treasury employed four indigenous cadets in 2012-13 through the APSC's Indigenous Cadetship Program. The cadets are studying business, commerce, economics and law.

The Treasury ensures that all office accommodation fitout construction works undertaken in the tenancy comply with the *Australian Standard 1428.1 — 2001 Design for Access and Mobility* and the Building Codes of Australia 2013.

As at 30 June 2013, 13.4 per cent of Treasury staff worked part time. Over two thirds of these staff were executive level employees or SES. Both male and female employees have used part-time work to enable them to balance work and family requirements. In addition to part-time work, the Treasury provided access to job-share arrangements and home-based work through its 2011-14 Workplace Agreement. These flexibilities help the Treasury to contribute to the retention of staff with valuable skills and knowledge.

At 30 June 2013 (see Table 8 below), departmental staff comprised:

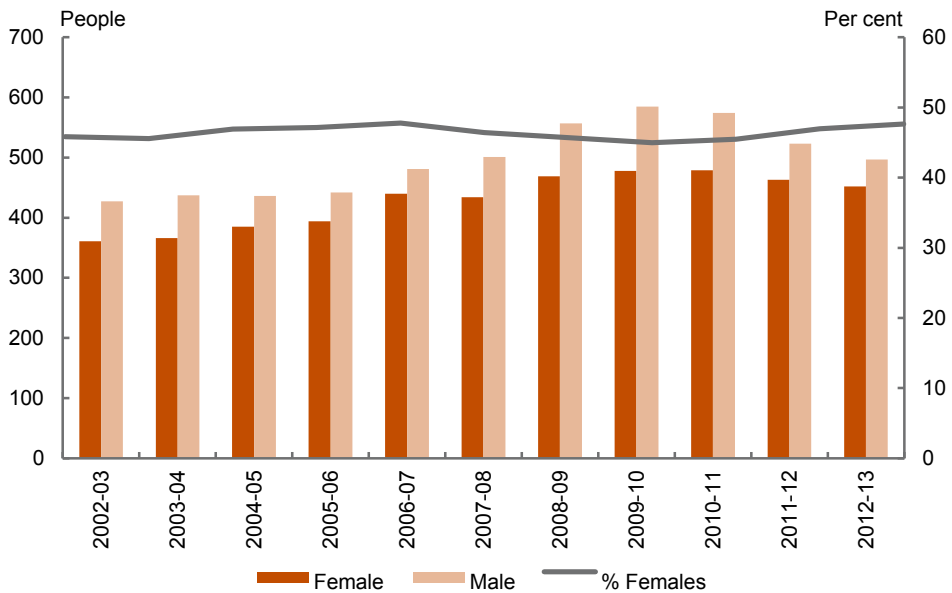
- 47.6 per cent women;
- 23.7 per cent born overseas;
- 0.4 per cent who identified as indigenous;
- 11.4 per cent with English as a second language; and
- 1.9 per cent who identified as having a disability.

**Table 8: Operative and paid inoperative staff by Equal Employment Opportunity target group (as at 30 June 2013)**

Classification	Female	Born Overseas	English as second Language	Indigenous	Disability
CADET				1	
APS1					
APS2	1				2
APS3	25	9	2	1	2
APS4	35	10	5		1
APS5	81	37	31		4
APS6	98	48	24	1	1
EL1	110	52	28	1	5
EL2	80	47	15		2
SES1	14	17	2		1
SES2	7	1	1		
SES3	1	4			
Grand Total	452	225	108	4	18

As at 30 June 2013, 47.6 per cent of the Treasury's workforce were women. This is an increase over the 30 June 2012 figure of 47 per cent and only slightly lower than the 30 June 2007 peak of 47.8 per cent (see Chart 1 below).

Chart 1: Treasury staff by gender 2001-2013



As at 30 June 2013, four staff identified as being indigenous (0.4 per cent of the workforce). This compares with seven staff members who identified as indigenous in 2011-12. The Treasury has continued to support indigenous employment (including the graduate and cadetship programs) in 2012-13 through the Indigenous Pathways program managed by the APSC. The Treasury employed four indigenous cadets in 2012-13.

In the *Treasury Workplace Agreement 2011-14*, the department maintained its commitment to a range of family-friendly working arrangements, such as access to information about child care and school holiday care through the intranet and an external service provider, access to a carer's room, and accreditation as a breastfeeding-friendly workplace.

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the APSC's *State of the Service Report* and the *APS statistical bulletin*. These reports are available on the Australian Public Service Commission website at [www.apsc.gov.au](http://www.apsc.gov.au).

The Treasury has continued to provide access to adaptive technologies and other practical support for staff with a disability. This included voice-activated software, the provision of six sit-stand work stations and three workstation height adjusters to enable effective working arrangements, and the regular provision of an interpreter through the Deaf Society of NSW. In providing the interpreter services the Treasury connected with the JobAccess Employment Assistance Fund to gain support for staff at the Treasury with a disability. Tailored reasonable Adjustment arrangements were undertaken to ensure safe and effective working arrangements for individual staff. These and other activities to assist employees with a disability are provided for under the *Treasury's Disability Action Plan 2009-2012*.

**Table 9: Appointments of women to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2013)**

	Total number of Board positions as at 30 June	Number of women	Number of appointments made during the year	Number of appointments of women
Auditing and Assurance Standards Board	1	1	–	–
Australian Accounting Standards Board	1	–	–	–
Australian Charities and Not-for-profits Commission	1	1	1	1
Australian Charities and Not-for-profits Advisory Board	12	5	12	5
Australian Competition and Consumer Commission	10	4	3	2
Australian Competition Tribunal	13	1	-	–
Australian Energy Regulator	2	1	1	1
Australian Government Financial Literacy Board	13	3	13	3
Australian Prudential Regulation Authority	3	–	–	–
Australian Reinsurance Pool Corporation	7	5	5	4
Australian Securities and Investments Commission	5	1	1	1
Australian Statistics Advisory Council	23	5	6	2
Australian Taxation Office	4	-	2	–
Board of Taxation	10	3	4	2
Clean Energy Finance Corporation	7	2	7	2
Commonwealth Consumer Affairs Advisory Council	9	4	-	-
Commonwealth Grants Commission	6	2	-	-
Companies Auditors and Liquidators Disciplinary Board	13	2	6	2
Corporations and Markets Advisory Committee	11	4	3	2
Energy Security Council	8	1	-	-
Financial Reporting Council	18	4	9	1
Financial Sector Advisory Council	15	2	-	-
Foreign Investment Review Board	4	1	1	–
Inspector-General of Taxation	1	–	–	–
Legal Committee of Corporations and Markets Advisory Committee	5	2	-	-
National Competition Council	3	1	3	1
National Housing Supply Council	9	4	5	2

**Table 9: Appointments of women to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2013) (continued)**

	Total number of Board positions as at 30 June	Number of women	Number of appointments made during the year	Number of appointments of women
Payments System Board	7	1	1	1
Productivity Commission	12	5	2	–
Reserve Bank of Australia	9	3	3	1
Superannuation Complaints Tribunal	26	11	-	-
Takeovers Panel	48	16	19	8
Tax Practitioners Board	9	4	9	4
<b>Total</b>	<b>335</b>	<b>99</b>	<b>117</b>	<b>45</b>

\*Ex-officio appointments are included.

