PART 3
MANAGEMENT AND ACCOUNTABILITY

PART 3

Part 3: Management and accountability

CORPORATE GOVERNANCE

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

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

- clearly established role accountabilities, including clear delegations of authority and responsibilities;

- planning and monitoring of outputs; and

- monitoring of the Treasury's resource use, based on budgeting, financial accounting, audit, fraud control, risk management and other reporting systems.

The Executive Board is the Treasury's primary decision-making body. The Audit Committee is the other body that ensures accountability.

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

- the Secretary: accountable for the Treasury's management and strategic leadership;

- executive director: accountable for a group's management and strategic leadership;

- general manager: accountable for a division's management and strategic leadership;

- manager: accountable for a unit's management and leadership; and

- adviser and analyst: accountable for providing technical expertise and team leadership and contributing to unit outputs.

SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

The Executive Board

The Treasury's Executive Board comprises the Secretary, the Executive Directors and the General Manager of Corporate Services. 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 2007 were:

- Dr Ken Henry, Secretary;

- Dr Martin Parkinson, Executive Director, Macroeconomic Group (offline);

- Dr David Gruen Executive Director, Macroeconomic Group (acting);

- Mr Jim Murphy, Executive Director, Markets Group;

- Mr Mike Callaghan, Executive Director, Revenue Group;

- Mr David Tune, Executive Director, Fiscal Group;

- Mr David Parker, Alternative Executive Director, Macroeconomic Group; and

- Ms Deidre Gerathy, General Manager, Corporate Services Division.

The Executive Board is supported by the Strategic Communications Division.
Mr Frank Di Giorgio, General Manager, Strategic Communications Division, is secretary to the Executive Board.

Audit Committee

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

- supporting and enhancing the control framework;

- providing assurance on published financial information;

- monitoring, reviewing and reporting on compliance; and

- assisting the Chief Executive to comply with all legislative and other obligations.

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

The Audit Committee members as at 30 June 2007, were Mr David Parker (the Chair), Mr David Martine, Mr Geoff Miller, Ms Deidre Gerathy, Mr Mark O'Connor, Mr Michael Burton and Mr Bruce Jones (the external representative). The Audit Committee met six times during 2006-07.

Remuneration committees

Remuneration committees are established within the Executive, Corporate Services Division, Strategic Communications Division and the four policy groups in the Treasury to recommend to the Secretary the determination of salary rates available under Australian Workplace Agreements (AWAs) for APS6, EL1 and EL2 employees.

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

SENIOR MANAGEMENT STRUCTURE

Details of the Treasury's management structure are set out in Part 1, Figure 1 on page 14.

CORPORATE PLANNING AND REPORTING

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

The Executive Board sets the broad strategic direction for the Treasury. The corporate plan articulates this direction and provides context for policy group operational plans, Corporate Services Division and the Strategic Communications Division. The corporate plan includes an identity statement based on the Treasury's mission statement and people values, sets out the Treasury's outcomes and outputs, and identifies high-level priorities for the following year.

Groups and divisions prepare operational plans at the beginning of the financial year. They identify key priorities, performance information, risks, relationships and financial information.

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

RISK MANAGEMENT

The Treasury is committed to a comprehensive, coordinated and systematic approach to risk management. That approach is directed towards supporting managers to anticipate uncertain events, exploit opportunities and respond appropriately to potential weaknesses.

The approach has five key components.

- The Corporate Policy and Framework for Managing Risk and associated guidelines, released in April 2006 is consistent with the Australian/New Zealand Standard for Risk Management (AS/NZS 4360:2004), and aims to:

  - integrate and formalise existing risk management processes across the Treasury;

  - ensure appropriate identification, analysis and evaluation of relevant risks;

  - continue monitoring risk and considering treatment strategies; and

  - establish a risk communication strategy and training framework for stakeholders.

- The Fraud Control Plan complies with Australian Government Fraud Control Guidelines.

- The Chief Executive Instructions put into effect the *Financial Management and Accountability Act 1997* requirements, setting out responsibilities and procedures which provide an overarching framework for transparent and accountable financial management. They also contain topics relating specifically to risk management and internal accountability.

- The Internal Audit Plan identifies services and functions for auditing. It incorporates issues raised by the ANAO in its audit of the Treasury's financial statements, and where appropriate, recent ANAO reports on cross-agency matters, upcoming management issues, policy evaluations, previous internal audits and strategic risk management issues.

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

The Treasury strategies aim to identify and manage risks associated with delivery of information technology (IT) services. IT governance includes:

- the 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. The plan aims to restore services within an appropriate time;

- Business Continuity Plans for the Treasury's IT application systems which set out alternate methods and processes to use, so the Treasury can continue to work while the environment is restored;

- the IT Security Policy which addresses the requirements to protect information holdings and secure operation of the Treasury IT resources. The policy is based on the protective security policies and standards in the Australian Protective Security Manual, the Draft Australian Communications Security Instruction — Electronic Security Instructions 33(A) and ANAO recommendations;

- the Internet and Email Acceptable Use Policy which sets out responsibilities for appropriate use of the internet, email facilities and services. This policy refers to the Australian Public Service Values and Code of Conduct, the *Public Service Act 1999*, other relevant Australian Government legislation and the Treasury IT Security Policy;

- Website Development Standards and Guidelines based on ISO 9001 and ACSI 33, and International Organization for Standardization and Defence Signals Directorate guidelines which ensure compliance with best practice website security;

- IT Change Control Guidelines (an internal management tool) which assists with quality assurance control over proposed changes to the technical environment and facilities. It involves reviewing proposed variations and clearing them before releasing changes in the production environment;

- IT Risk Management Strategy, developed in accordance with Defence Signals Directorate guidelines, which identifies technical risks associated with the Treasury's IT infrastructure and management practices; and

- Applications Development and Project Standards, internal standards based on the Structured System Development Methodology PRINCE 2 for system development, which provide a phased system development life cycle to ensure correct project governance is applied to systems development.

Staff awareness of risk management policies and procedures is raised through training programmes and Treasury staff notices. All policies and procedures are available to staff in hard copy and on the intranet.

ETHICAL STANDARDS AND ACCOUNTABILITY

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

Both the Treasury Workplace Agreement and Australian Workplace Agreements (AWAs) contain a commitment from employees to uphold Treasury values and comply with the Australian Public Service Code of Conduct.

The Treasury learning and development activities reinforce the ethical responsibilities of staff. The Executive Level Leadership Programme, the Treasury Certificate in Business Services for APS1-5 officers, the Graduate Development Programme and performance appraisal training reinforce the values and behaviours expected of staff within both the department and the broader public sector.

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

The Chief Executive Instructions provide a user-friendly approach to financial management processes and provide staff with guidance to help them to comply with legislation and the Treasury's ethical standards.

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

SENIOR EXECUTIVE SERVICE REMUNERATION

All Treasury senior executive service employees have entered into an AWA with the Secretary.

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

An increase in ranking based on longer-term performance can lead to an increase in base salary. See Table 9 on page 138 for details of senior executive service salary scales. Additional information on remuneration and performance pay is set out in Note 14: Executive remuneration in the Financial Statements on page 200.

INTERNAL AND EXTERNAL SCRUTINY

AUDIT

The Audit Committee convened six times in 2006-07. The committee's work included reviewing the Treasury's financial statements and a range of internal and external audit reports.

The Audit Committee's Financial Statements sub-committee convened four times in 2006-07, and comprised members from the Treasury, the ANAO, the Treasury's internal audit service provider and an external representative of the Treasury Audit Committee. The sub-committee monitors production of the financial statements and acts as a forum for resolving issues.

The Treasury engaged KPMG to develop the 2006-07 internal audit programme. The Audit Committee, assisted by KPMG, continuously improves audit services by regularly reviewing the Treasury's audit programme and scrutinising internal audit recommendations, as well as relevant ANAO reviews.

INTERNAL AUDITS — THE TREASURY

The Treasury completed five internal audits/reviews during 2006-07.

Conflicts of interest

The Treasury has access to, and produces a range of financial and policy information that can impact on financial markets. Possible inappropriate use of this information by officers is a significant risk. This review investigated whether the Treasury's conflict of interest framework appropriately encapsulated the four key principles for managing conflicts of interest:

- protecting the public interest;

- supporting transparency and accountability;

- promoting individual responsibility and personal example; and

- building a supportive organisational culture.

The review found the Treasury's existing conflict of interest framework is focused on protecting the public interest. The Treasury agreed to implement the final report's two

low-level recommendations to support transparency and accountability within the existing framework.

Expenditure on consultancies

This review examined whether the Treasury had the appropriate framework in place to meet legislative reporting requirements on consultancy expenditures.

The Treasury agreed to implement the five medium/low-level recommendations to assist it obtain completeness and accuracy in reporting expenditure on consultancies.

FMA compliance

This review examined the Treasury's processes, controls and delegations supporting the *Financial Management and Accountability Act 1997* (FMA) requirement to provide a Certificate of Compliance to the Australian Government. The review considered the following objectives:

- identifying key FMA compliance risks;

- reviewing and recording the Treasury's financial control and compliance framework; and

- identifying gaps in the control and compliance framework to improve management assurance mechanisms supporting FMA compliance within the Treasury.

The Treasury agreed to implement the report's eight medium/low-level recommendations to assist it meet the requirements of the Certificate of Compliance.

IT procurement

This review assessed whether the current IT procurement procedures and processes align with Commonwealth Procurement Guidelines, departmental policies/procedures and conflict of interest guidelines.

The Treasury has agreed to implement two low-level recommendations to strengthen its IT procurement framework.

Security of staff in the Pacific

This review examined the Treasury's linkages and communication protocols, internally and at a whole-of-Government level, to ensure they align with security and other nation-specific information that could affect officers deployed in the Pacific. The review also examined the Treasury's response plan to assess flexibility in response methods and

coverage of identified risks. The Treasury agreed to implement the two-low level recommendations.

AUSTRALIAN NATIONAL AUDIT OFFICE REPORTS

In 2006-07, ANAO conducted one performance audit specific to the Treasury's operations.

Audit Report No. 17: Treasury's management of international financial commitments — follow-up audit

The Treasury manages Australia's relations with the IMF and various development banks. As at 30 June 2006, the Treasury's administered assets in the IMF and other international financial institutions totalled $7.1 billion. Liabilities totalled $4.8 billion, comprising uncalled share capital subscriptions.

This audit is a follow-up to ANAO Audit Report No. 10 of 2002-03, *Treasury's Management of International Financial Commitments*. The review assessed the Treasury's progress in addressing the four audit findings and two recommendations of the 2002 report.

The Treasury has addressed the two audit recommendations effectively and the two findings without recommendations. As a result of this review, ANAO made one further recommendation which the Treasury agreed to implement.

Other ANAO reports relevant to the Treasury's operations in 2006-07 are:

Report No. 4:	*Tax Agent and Business Portals*
Report No. 5:	*The Senate Order for the Departmental and Agency Contracts (Calendar Year 2005 Compliance)*
Report No. 6:	*Recordkeeping including the Management of Electronic Records*
Report No. 15:	*Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2006*
Report No. 16:	*Administration of Capital Gains Tax Compliance in the Individuals Market Segment*
Report No. 18:	*ASIC's processes for Receiving and Referring for Investigation Statutory Reports of Suspected Breaches of the Corporations Act 2001*
Report No. 21:	*Implementation of the revised Commonwealth Procurement Guidelines*
Report No. 22:	*Management of intellectual property in the Australian Government sector*
Report No. 23:	*Application of the Outcomes and Outputs Framework*

Report No. 26:   *Administration of Complex Age Pension Assessments*

Report No. 30:   *The Australian Taxation Office's Management of its Relationship with Tax Practitioners Follow-up Audit*

Report No. 42:   *The ATO's Administration of Debt Collection — Micro-business*

Report No. 43:   *Managing Security Issues in Procurement and Contracting*

Report No. 47:   *Coordination of Australian Government Assistance to Solomon Islands*

Report No. 48:   *Superannuation Payments for Contractors Working for the Australian Government: Follow-up Audit*

Report No. 51:   *Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year Ending 30 June 2007*

Report No. 52:   *The Australian Taxation Office's Approach to Regulating and Registering Self Managed Superannuation Funds*

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

FRAUD PREVENTION AND CONTROL

In 2006-07, two new cases of fraud were identified and investigated. The Treasury continues to pursue actions concerning submissions of false information by claimants seeking compensation from the HIH Claims Support Scheme.

In 2006-07, the Secretary endorsed the Treasury's Fraud Control Plan for 2007-08. This complies with the Commonwealth Fraud Control Guidelines issued under regulation 19 of the *Financial Management and Accountability Regulations 1997*.

Accordingly, it is certified that the Treasury has undertaken a fraud risk assessment and prepared a fraud control plan; the Treasury has appropriate fraud control, prevention, detection, investigation and reporting standards in place; and annual fraud control data has been collected and reported.

OMBUDSMAN COMMENTS, COURT DECISIONS AND ADMINISTRATIVE TRIBUNAL DECISIONS

OMBUDSMAN COMMENTS

No comments were received from the Ombudsman in 2006-07.

COURTS AND PROCEEDINGS

Corporations Act — constitutionality — *Alinta v Takeovers Panel*

On 20 April 2007, the Full Federal Court, by majority, held that the Takeovers Panel, in declaring unacceptable circumstances against Alinta Limited, invalidly exercised judicial power. The court declared that the then paragraph 657A(2)(b) of the Corporations Act (now amended and renumbered as paragraph 657A(2)(c)) was invalid. The Attorney-General, on behalf of the Commonwealth, has been granted special leave to appeal the decision to the High Court.

Corporations Act — transitional provisions — *Forge v ASIC*

On 5 September 2006, the High Court handed down a unanimous decision in the matter of *Forge v ASIC* confirming the constitutional validity of the transitional provisions in Chapter 10 of the *Corporations Act 2001*. The Solicitor-General for the Commonwealth, instructed by the Treasury, made submissions in support of validity. The High Court also upheld the validity of the appointment of acting judges of the Supreme Court of New South Wales.

Freedom of information — *McKinnon v Secretary, the Treasury*

On 26 August 2005, Mr McKinnon appealed the decision of the Full Court of the Federal Court to the High Court. The appeal was heard in Canberra on 18 May 2006. The central issue in the case was interpretation of subsection 58(5) of the *Freedom of Information Act 1982* (FOI Act), which sets out the role of the Administrative Appeals Tribunal in reviewing a conclusive certificate issued by a minister (or their delegate) to protect internal working documents from disclosure.

On 6 September 2006, the High Court decided the McKinnon case in the Treasury's favour. By a majority of 3:2, the High Court dismissed McKinnon's appeal. The majority judgments essentially confirmed the existing understanding of the way in which the Administrative Appeals Tribunal should review conclusive certificates issued over internal working documents.

The High Court ordered McKinnon pay the Treasury's costs of the appeal.

Foreign Acquisitions and Takeovers Act — *Wight v Pearce* (Parliamentary Secretary to the Treasurer)

Dr Wight, a Swiss citizen, challenged the validity of an order made by the Parliamentary Secretary under the *Foreign Acquisitions and Takeovers Act 1975*. Dr Wight also challenged the constitutionality of certain provisions of that Act. The Federal Court upheld the constitutional validity of the provisions of the Act challenged by Dr Wight but found in Dr Wight's favour regarding the order and directed that it be set aside.

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

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

On 18 December 2006, in proceedings initially instigated separately by BHP Billiton and Fortescue Metals Group, the Federal Court ruled that BHP Billiton's Mt Newman and Goldsworthy rail lines may be subject to declaration applications under Part IIIA, as they do not represent 'use of a production process'. On 12 January 2007, BHP Billiton lodged an appeal against the Federal Court decision to the Full Court of the Federal Court. The Federal Court heard the matter in late April 2007 and has not announced its decision.

Trade Practices Act — Access to Services — Virgin Blue Airlines Pty Ltd

The Federal Court of Australia decided on 18 October 2006 to dismiss Sydney Airport Corporation Limited's application for judicial review of a decision of the Australian Competition Tribunal under Part IIIA of the *Trade Practices Act 1974*. This upheld the tribunal's decision on an application by Virgin Blue Airlines Pty Ltd, to declare airside services at Sydney Airport for five years from 9 December 2005. On 2 March 2007, the High Court of Australia dismissed Sydney Airport Corporation Limited's application for special leave to appeal the Federal Court's decision of 18 October 2006. Domestic airside services at Sydney Airport therefore remain declared under Part IIIA.

On 29 January 2007, Virgin Blue notified the Australian Competition and Consumer Commission under Part IIIA of an access dispute with Sydney Airport Corporation Limited, and arbitration related to access to the declared airside service began in February 2007. The dispute related to the level of and method for calculating the price Sydney Airport Corporation Limited was charging Virgin Blue for use of airside services at Sydney Airport. Virgin Blue lodged a written notice with the Australian Competition and Consumer Commission on 22 May 2007 withdrawing its notification of an access dispute, following negotiated commercial settlement of the dispute.

Trade Practices Act — Access to Services — Services Sydney Pty Ltd

In November 2006, Services Sydney Pty Ltd notified the Australian Competition and Consumer Commission, under Part IIIA of the *Trade Practices Act 1974*, of an access dispute with Sydney Water Corporation. The dispute relates to the pricing method used to determine access prices Services Sydney is to pay for certain services provided by Sydney Water and declared under Part IIIA. The Australian Competition and Consumer Commission's arbitration of the dispute is ongoing.

ADMINISTRATIVE APPEALS TRIBUNAL

Freedom of information — *The Australian v Secretary, the Treasury*

Applications were made to the Administrative Appeals Tribunal to review two Treasury decisions regarding partial withholding of information in response to requests under the FOI Act, for material on cutting the top rate of tax to 30 per cent and automatic indexation of income tax scales. The Administrative Appeals Tribunal granted a consent order on 6 June 2006 for the Treasury to release some further, but not all, material prior to the matter being heard.

On 12 July 2006, the Secretary issued two conclusive certificates under subsection 36(3) of the FOI Act that disclosure of the documents not released under both requests would be contrary to the public interest.

Following the High Court's decision in *McKinnon v Secretary*, on 6 September 2006 the Secretary decided to review the certificates to determine whether they should be revoked, and if so, whether new certificates should be issued. However, the applicant withdrew the matter on 14 June 2007, before a decision had been made.

Freedom of information — *Baronsun Pty Ltd v Secretary, the Treasury*

An application was made to the Administrative Appeals Tribunal to review a Treasury decision regarding partial withholding of information in response to a request under the FOI Act, for material on investments in Australia by the applicants, considered by the Foreign Investment Review Board. The main issues in the case are, firstly, whether the documents to which access has been refused are exempt under sections of the FOI Act, and secondly, whether the Treasury has taken all reasonable steps to find further documents requested by the applicant and whether such documents cannot be found or do not exist.

A hearing took place on 16 and 17 February 2007. The Treasury agreed to release some further, but not all, material before the second day of the hearing. The applicant agreed

and the matter was settled under section 42 of the *Administrative Appeals Tribunal Act 1975* (agreement between parties outside of adjudication by the Deputy President).

Freedom of information — *The Australian v Secretary, the Treasury*

An application was made to the Administrative Appeals Tribunal to review a Treasury decision regarding partial withholding of information in response to requests under the FOI Act, for material on streamlining superannuation. A directions hearing was held on 12 December 2006 and it was decided to put off setting a hearing date until the Secretary had decided whether to issue a conclusive certificate in this matter under subsection 36(3). The Secretary invited submissions from the applicant. However, the applicant withdrew the matter on 14 June 2007 before submissions had been forwarded.

Freedom of information — *Gordon Renouf* (Australian Consumers' Association) *v the Treasury*

An application was made to the Administrative Appeals Tribunal to review a Treasury decision regarding partial withholding of information in response to requests under the FOI Act, for material in a report into bank fees by the Australian Bankers' Association.

The Australian Bankers' Association provided a copy of the report to the applicant outside of FOI on 9 March 2007. The applicant withdrew the matter and thus it was deemed withdrawn on 15 April 2007.

The Australian Bankers' Association withdrew its Administrative Appeals Tribunal application. Under subsection 42(1B) of the AAT Act, this means that the tribunal is deemed to have dismissed the application.

MANAGEMENT OF HUMAN RESOURCES

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

Key 2006-07 workforce initiatives included:

- introduction of a new Workplace Agreement consistent with the Work Choices legislation. The Treasury Management Team consulted extensively with a representative employee body and staff more generally;

- implementation of enhanced e-recruitment tools to administer the annual graduate campaign;

- review of the Performance Management System;

- implementation of the Mature Age Employment Strategy, including introduction of an online alumni register for former employees;

- launch of a Learning and Development Portal on the intranet;

- enhancement of the Treasury Executive Leadership Development Programme; and

- review of induction processes for new recruits.

PERFORMANCE MANAGEMENT

A report to the Executive Board on the review of the Treasury's Performance Management System, which has operated since 1999, was tabled in June. The Human Resources Unit and a steering committee comprising a representative from each group managed the review. They consulted widely with staff at all levels and concluded that the system is mature, well supported by staff at all levels, taken seriously and well implemented. However, in some instances, the system is not implemented appropriately; report recommendations and action items are intended to refresh and improve the application and efficiency of the system.

The report did not recommend any immediate significant changes to the system. However, further consultation is planned on proposals to streamline underperformance arrangements and review the rating scale. The processes support the underlying principles of fairness, transparency and consistency.

- In setting the context for appraisals, initially Senior Executive Service (SES) staff meet before each appraisal round to discuss issues relevant to the upcoming round, then group and divisional context setting meetings follow.

- Workshops and information sessions provide information on the process for new staff; refresh staff knowledge; develop skills in giving and receiving feedback for appraisees and managers; and include workshops for managers.

- Review panels, usually at divisional level, examine the outcomes of appraisals to ensure consistency across the division.

- Cross-group representatives on review panels provide an additional focus on consistency across the Treasury.

- Documentation is widely disseminated.

- Upward feedback is encouraged as an integral part of the appraisal process and provides input to the appraisals of managers.

Appraisal discussions are based on the capability frameworks, which are aligned with recruitment strategies, the Professional Development Framework and the Career Development System to ensure consistency across the Treasury.

While formal appraisal meetings are held twice a year, regular informal feedback is encouraged to minimise surprises at appraisal time and facilitate productive staff management. Managers are encouraged to seek feedback from a range of sources before the appraisal meetings. Appraisals are conducted against the capability frameworks, with the rating against each capability criteria contributing to the overall outcome, which determines the pay outcome.

Managers and appraisees are encouraged to identify and record development opportunities during the appraisal discussion. This informs the Treasury's learning and development strategies.

Staff who meet specified criteria can opt for informal appraisals in the February appraisal round with 21 per cent of February cycle appraisals being informal. Informal appraisals are conducted in a similar manner to formal appraisals but appraisees are not rated, reducing the administrative workload and emphasis on gathering feedback as there are no pay outcomes.

THE TREASURY WORKPLACE AGREEMENT

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

The Workplace Agreement provides for increased pay rates (refer to Table 10 on page 138), minor variations to conditions of service, including: monthly accruals of

annual leave; removal of limits on payment in lieu of accrued annual leave on leaving the APS; increased paid leave to assist employees during maternity, and their partners to assist around the time of birth; one day's paid leave to participate in community or charity work; and removal of the five day cap for the amount of carer's leave that can be taken at any one time. The agreement also encourages managers and staff to proactively manage excess leave to facilitate staff taking regular breaks from work.

As part of the remuneration and conditions framework, the Treasury continued the programme of AWAs for employees classified as APS6, EL1 and EL2. The performance-based pay model has salary levels above those available under the Workplace Agreement, but identical conditions of service.

WORKPLACE RELATIONS

The format and content of the Treasury's workplace and individual agreements reflect changes to the Government's policy parameters on agreement making.

The Treasury consulted extensively with staff on workplace matters, and the Workplace Agreement reinforces staff involvement in decision making. The primary conduit for consultation is through the Workplace Relations Committee, elected by all Treasury staff and comprising eight members. The committee meets regularly with the Secretary and Human Resources Unit staff to discuss employment related matters.

The Treasury Workplace Agreement 2006-09 and AWAs contain procedures to resolve disputes and directly consult with staff, as appropriate. A network of staff advisors assists staff with issues relating to performance appraisals, remuneration, AWAs or relations with managers. This network complements other staff support processes, such as human resources advisors and an employee assistance programme delivered by an external provider.

RECRUITMENT AND SUCCESSION PLANNING

Job seekers can lodge their applications for graduate campaigns, bulk-round recruitment, specific recruitment exercises and the Treasury's alumni, non-ongoing and general employment registers via the internet. Online short-listing and interview scheduling have improved administration and sped up the recruitment process. All job seekers are invited to provide details of their Equal Employment Opportunity (EEO) status to ensure fair treatment and consideration of reasonable adjustment principles. Graduate recruitment forms a major part of the Treasury's recruitment and succession planning strategy. In 2006-07, Treasury staff attended university career fairs and economic society information sessions, presented to final year students and distributed *Do you want to make a difference?* brochures to university careers centres and faculties. In addition, a broad marketing campaign appeared in major national newspapers and on most university intranets. A

section on the Treasury's website is dedicated to graduate careers; it provides information on the Graduate Development Programme and outlines the role and expectations of the Treasury graduates. The graduate intake was 40 in 2006 and 41 in 2007.

In 2006-07, the Treasury continued with the cadetship programme. This initiative targets economic honours and postgraduate students, and involves a 4-6 week summer internship, financial assistance and support from a Treasury mentor throughout the cadet's final year of study.

In November 2006, the Executive Board agreed to a recruitment framework to assist groups with their workforce planning processes for 2007. The framework focused on improving marketing, branding and internal strategies to address labour market shortages.

The Human Resources Unit and the four policy groups work closely on workforce planning to recruit appropriately skilled staff. Workforce diagnostic information is used to inform workforce planning.

Group-specific recruitment campaigns were conducted in addition to the twice yearly bulk selection and transfer rounds, together with re-designed media campaigns enhancing the Treasury's presence in the marketplace and capacity to attract high calibre candidates. These campaigns attracted a significant number of recruits.

Interviewer/interviewee skills training courses also complement recruitment information and procedures to assist applicants, managers, referees and selection committees.

LEARNING AND DEVELOPMENT

The Treasury's professional development framework provides staff with timely opportunities to develop the skills and knowledge required for their current and future roles and responsibilities.

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

LEARNING AND DEVELOPMENT STRATEGIES

The Treasury's learning and development strategies play a significant role in making the Treasury's Information and Knowledge Management strategic plan work, with links to capability development, networking and retention of corporate knowledge.

A fresh, challenging leadership programme for executive level staff was introduced in 2006. The Treasury Executive Leadership Programme aims to enhance the leadership and strategic thinking skills of executive level staff to equip them to fulfil the roles expected of

them under the Treasury Management Model. In 2006, 39 staff attended and in 2007, 39 also are completing the programme.

To support identified priorities and skill needs, the Treasury introduced an intranet learning and development portal to provide easy access to information about available learning and development opportunities.

The Treasury also introduced a 'Watch your Language' workshop in 2006 for staff at all levels. The workshop focuses on strengthening effective grammar skills and has received positive feedback from the 47 staff who attended.

Introduction to Economics was again offered in 2006-07, attracting 49 participants including seven from other agencies. This year, 22 students gained accreditation to certain postgraduate Australian National University courses.

Introduction to Law was offered to 25 staff in 2006. This semester-long course offered by the Australian National University Faculty of Law also provided participants with the opportunity to gain accreditation for a postgraduate law qualification.

Senior executives continue to participate in Australian Public Service Commission leadership courses and seminars, as well as executive coaching. The Treasury offers this as an additional means of skills development.

Other learning and development workshops include Managing Yourself and Others, Financial Management, Policy Advising, Managing Workloads and Time, Interviewer Skills, Providing Oral Advice and Teamwork in Action. All workshops are tailored to the Treasury's needs and are evaluated with outcomes feeding into the development of subsequent programmes.

The Treasury's Certificate in Business Services programme is designed for corporate, administrative and executive support staff at the APS1-6 levels. The programme consists of nine foundation and three advanced modules aimed at developing a range of skills. Four programmes have been completed since 2002, with the most recent taking place from February to December 2006.

The Graduate Development Programme includes on-the-job coaching and in-house courses, such as advanced writing, policy development, economics for non-economists, effective teamwork, presentation skills and persuasive communication skills. The programme also includes external courses, such as the Senate and Legislative Process and observation at Budget Question Time. The programme is refined through feedback from graduates, managers and the Graduate Managers Forum which the graduate team attends every three months.

The Treasury has continued its mentoring programme designed to assist new recruits in the transition to the Treasury. Forty-two new recruits have participated as mentorees, and the programme is viewed as a significant contribution to staff integration.

In 2006-07, the Treasury's four policy groups organised internal workshops and divisional policy seminars to share and disseminate information to staff.

- Revenue Group arranged for the ATO to facilitate an Introductory Tax course, presented to Treasury staff over three days. The Australian National University developed and facilitated the Revenue Group Public Finance course, first offered in 2006. Several 2-day Tax Policy Framework courses were presented to new starters and external participants.

- Fiscal Group held a series of seminars and discussions on relevant policy topics. The group's senior and executive level staff also participated in forums to discuss organisational and policy strategy issues.

- Markets Group staff attended monthly group seminars to participate in learning about current economic events particularly relevant to them. Monthly policy presentations also provided a high level of discussion on current policy issues.

- Macroeconomic Group offered weekly Economic Policy Workshops for more junior staff to further develop presentation skills and brainstorm economic policy issues. Other training, such as the Economic Policy Analysis course and training in econometrics facilitated by the Australian National University, enabled staff to strengthen their technical skills.

The Treasury seminar series continued with prominent guest speakers presenting current economic issues and research. An average of 50 staff attended each of the 29 seminars presented in 2006-07.

INFORMATION TECHNOLOGY INITIATIVES AND TRAINING

The Treasury continues to provide a range of client focused IT training courses. A total of 1,430 staff attended IT training on Microsoft desktop applications, IT for new staff, voice activated software and in-house systems.

Microsoft Excel continues to be one of the most popular desktop application courses, with 180 staff attending the tailored training.

Training for 70 staff was provided on the new Budget Measures system. The new system was successfully piloted in November 2006 and used to produce Budget Paper No. 2, *Budget Measures 2007-08*.

During the year, 119 staff attended training on using the Treasury's electronic records management system and 196 staff attended recordkeeping awareness training, an increase from the previous year.

Some 84 staff attended training on the financial management information system and the internal budgeting and reporting tool, *TM1*. This specialised in-house training received positive feedback.

EXTERNAL LEARNING AND DEVELOPMENT OPPORTUNITIES

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

Over 100 employees accessed studies assistance each semester in 2006-07. The Postgraduate Study Awards guidelines were revised late in 2006 and full financial assistance was introduced through the Knightsmove Award. This award provides assistance to employees undertaking an accelerated 18 month Master of Economic Policy programme at the Australian National University.

The Treasury continues to participate in ANZSOG development opportunities. Each year, one SES officer attends the Executive Fellowship Programme, and in 2007 one SES officer also started the Executive Master of Public Administration.

Since 1999, 36 Treasury staff have attended the Career Development Assessment Centre, with four in 2006-07.

In 2004, the Treasury signed a memorandum of understanding with the Australian National University to facilitate on campus short-term research economic projects. Two staff have undertaken projects. One researched the specific implications of HECS for TAFE students; the other undertook research with Japanese academics on comparisons between Australian and Japanese labour markets.

The Treasury's staff development costs totalled over $3 million in 2006-07, representing an average of over five days of training per staff member. This figure includes participant salary and on-costs, registration fees for internal and external training courses and external providers' development and delivery costs.

STAFFING INFORMATION

The Treasury's ongoing and non-ongoing employee numbers increased to 921, up from 836 in 2005-06. Additional staff went primarily to Markets Group (40), Macroeconomic Group (21) and Fiscal Group (16). These additions largely reflected increased recruitment, with staffing heading towards budget establishment. Staffing also grew to meet new government policy commitments, including establishment of the Standard Business Reporting Management Group in Markets Group.

Table 7: Operative and paid inoperative staff by classification and gender (as at 30 June 2007)

| Classification | Ongoing | | | | Non-ongoing | | | | | | |
| | Full-time | | Part-time | | Full-time | | Part-time | | Casual | | |
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Cadet	1	-	-	-	-	-	-	-	-	-	1
APS1	-	2	-	-	-	-	-	-	-	-	2
APS2	-	3	-	1	-	3	-	-	-	-	7
APS3	29	39	-	5	4	5	1	-	-	-	83
APS4	13	43	-	6	1	5	-	-	-	-	68
APS5	47	61		10	1	3	-	-	-	-	122
APS6	85	79	4	11	1	-	-	1	-	-	181
EL1	112	69	2	16	2	2	-	1	1	1	206
EL2	104	35	3	20	5	-	3	-	1	-	171
SES Band 1	39	12	-	3	2	-	-	-	-	-	56
SES Band 2	11	2	1	1	1	1	-	-	-	-	17
SES Band 3	6	-	-	-	-	-	-	-	-	-	6
Secretary	1	-	-	-	-	-	-	-	-	-	1
Total	448	345	10	73	17	19	4	2	2	1	921

Note: Staff paid by other agencies are not included.

Table 8: Staff located at overseas posts

Overseas post	SES Band 2	SES Band 1	EL2	Total
Beijing	-	1	-	1
Jakarta	-	1	-	1
Paris	-	1	1	2
Tokyo	-	1	-	1
Washington	1	-	-	1
Total	1	4	1	6

Note: Locally engaged staff are not included.

SENIOR EXECUTIVE SERVICE — REMUNERATION AND PERFORMANCE APPRAISAL

Remuneration and conditions for Treasury senior executives are determined under AWAs, supported by a remuneration model that determines pay levels within each senior executive service level, based on performance.

Table 9: Salary scales — SES

Classification	May 2006		September 2006	
	Minimum	Maximum	Minimum	Maximum
	$	$	$	$
SES Band 1	145,527	169,134	151,348	175,899
SES Band 2	178,362	208,765	185,496	217,116
SES Band 3	231,146	270,709	240,392	281,537

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

Senior executives may have access to airline lounge membership, mobile phones and handheld wireless communication devices. Some may also have home office facilities, if appropriate.

REMUNERATION — NON-SES EMPLOYEES

The Treasury Workplace Agreement 2006-09 determines salary rates for all non-SES staff.

Table 10: Workplace Agreement salary scales — non-SES

Classification	7 September 2005		6 September 2006	
	Minimum	Maximum	Minimum	Maximum
	$	$	$	$
APS1	33,480	36,357	34,819	37,811
APS2	38,591	41,145	40,135	42,791
APS3	43,700	46,254	45,448	48,104
APS4	48,809	51,363	50,761	53,418
APS5	54,877	58,390	57,072	60,726
APS6	61,903	65,415	64,379	68,032
EL1	72,857	80,745	75,771	83,975
EL2	89,685	98,628	93,272	102,573

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

The Treasury's remuneration policy provides for access to pay rates higher than those in the Workplace Agreement to all employees classified as APS6, EL1 and EL2, through AWAs.

Table 11: APS6, EL1 and EL2 additional pay points

Classification	Staff eligible 2006-07	Staff receiving additional pay point 2006-07	Minimum additional pay point 2006-07	Maximum additional pay point 2006-07
			$	$
APS6	181	131	73,347	77,996
EL1	206	181	90,564	96,330
EL2	171	160	107,622	117,719
Total	558	472		

Salary levels under AWAs are determined by the Secretary based on remuneration committee recommendations aligned with performance appraisal assessments, as well as relevant skills and responsibilities.

SENIOR MANAGEMENT CHANGES

Senior management movements in 2006-07 within the Treasury are shown in Table 12 below.

Table 12: SES commencements and cessations

Reason	SES Band 3	SES Band 2	SES Band 1	Total
Appointment	-	-	-	-
Internal promotion	-	-	10	10
External promotion	-	-	1	1
Non-ongoing specific term engagement	-	-	2	2
Temporary transfer to the Treasury at level	1	-	1	2
Permanent transfer to the Treasury at level	-	-	2	2
Resignation	-	1	1	2
Retirement	-	2	1	3
Non-ongoing specific term cessation	-	1	-	1
Temporary transfer to another department	-	-	1	1
Promoted to another department	-	-	1	1

PROCUREMENT AND ASSETS MANAGEMENT

PROCUREMENT

The Treasury's procurement activities are conducted in accordance with the Commonwealth Procurement Guidelines. The core principle is value-for-money, underpinned by encouraging competition (including non-discrimination), efficiency, effectiveness, the ethical use of resources, accountability and transparency.

A newly created Central Procurement Team within the Treasury is responsible for overseeing procurement. The team ensures all aspects of the Commonwealth Procurement Guidelines and the Treasury's procurement requirements are adequately met.

Currently, all procurements valued at $50,000 or more are subject to review by the Central Procurement Team. Delegates also refer purchases below this threshold that are particularly complex to the Central Procurement Team.

Under the Treasury's procurement framework, responsibility for procurement lies with the appropriate financial delegates. To support delegates, the Central Procurement Team provides procurement advice on risk management, probity, specification development and contract management.

The Treasury advertises tender opportunities through the AusTender website.

ASSETS MANAGEMENT

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

The Treasury's non-current assets are subject to an annual stocktake to ensure records are accurate. Revaluations have been done using the fair value method of valuation required by the Australian Equivalents to International Financial Reporting Standards AASB 116 Property, Plant and Equipment. All assets were tested for impairment, and no adjustment to the carrying values was required.

CONSULTANCIES

The Treasury's policy on the selection and engagement of consultants is based on the principles contained in the *Commonwealth Procurement Guidelines*, Financial Management Guidance No. 12 *Identifying Consultancies for Annual Reporting Purposes*, Requirements for Annual Reports and the Treasury's Chief Executive Instructions.

The Treasury's procurement guidelines outline selection methods, in line with procurement benchmarks.

The Treasury's internal auditors conduct periodic probity reviews of compliance with the general probity principles of the *Commonwealth Procurement Guidelines* and the Chief Executive Instructions.

Consistent with the *Commonwealth Procurement Guidelines* and the Chief Executive Instructions, the Treasury engaged consultants and contractors on the basis of:

- value for money;

- open and effective competition;

- ethics and fair dealing;

- accountability and reporting;

- national competitiveness and industry development; and

- support for other Australian Government policies.

Typically, consultants are engaged to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; provide independent advice; and provide information or creative solutions to assist the Treasury manage its decision-making. The most common reasons for engagement of consultancy services are:

- unavailability of specialist in-house resources in the short timeframe allowed;

- the need for an independent study or review; and

- specialist skills and knowledge not available in-house.

Providers of consultancy services are selected through open tender, select tender, direct sourcing or panels. These processes are detailed in Table 13 on page 142.

During 2006-07, 65 new consultancy contracts were entered into involving total actual expenditure of $1,527,307. In addition, 40 ongoing consultancy contracts were active, involving total actual expenditure of $12,202,312. These amounts include GST.

Information on expenditure on contract and consultancies is also available on the AusTender website www.tenders.gov.au.

The following table summaries the 48 new consultancy contracts let in 2006-07 valued at $10,000 or more.

Table 13: List of new consultancies over $10,000 in 2006-07

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Access Economics Pty Ltd	Provide a baseline study of consumer product-related accidents	270,380	Open tender	B
ACTSAFE Australia Pty Ltd	Provide ergonomic assessments, evaluations, rehabilitation services and Occupational Health and Safety training aimed at injury prevention	66,660	Select tender	B
Acumen Alliance	Provide IT Security risk assessment between the Department of Finance and Administration, local area network desktops and the Treasury budget system	59,400	Direct tender	B
ATI Group	Provide audit services for the Treasury's printing and reproduction service requirements	15,000	Open tender	A
Australian Government Solicitor	Provide advice on tax litigation options	58,000	Panel	A
Australian Government Solicitor	Provide legal advice and representation to assist the Treasury to respond to Administrative Appeals Tribunal proceedings for the review of a decision under the *Freedom of Information Act 1982*	82,000	Panel	A
Australian Government Solicitor	Provide legal advice to the Financial Reporting Panel on its operating procedures	50,000	Direct tender	A
Australian Government Solicitor	Provide legal advice on interpretation of S.52 of the *Superannuation Industry (Supervision) Act 1993*	21,329	Panel	A
Australian National University	Develop an in-house training course in public finance with a clear orientation towards policy development	81,000	Open tender	B
Blake Dawson Waldron ACT	Provide legal advice in relation to the review of the Treasury contracts and request for offer templates	18,496	Select tender	B
BlueChip Communication Group Pty Ltd	Provide media services for the Financial Literacy Foundation	528,000	Select tender	A

Table 13: List of new consultancies over $10,000 in 2006-07 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
DLA Phillips Fox	Provide ad-hoc legal services for the Insurance Programmes Unit	50,000	Select tender	A
DLA Phillips Fox	Provide drafting of the new HIH Claims Management Contract	98,884	Select tender	A
Duncan Sneddon Associates	Assess scientific claims regarding process yields for renewable diesel	22,000	Select tender	A
Dupont and Associates Pty Ltd	Provide workstation assessments, rehabilitation services and training to Treasury staff	25,609	Select tender	B
EB2BCOM Pty Ltd	Provide foundation documentation of the Treasury gateway and Infosec Registered Assessor Programme gateway certification	68,493	Direct tender	B
Ernst and Young	Provide training to Standard Business Reporting Programme staff, and Programme implementation review and assurance	208,752	Select tender	A
Excelerated Consulting	Provide *TM1* services	150,000	Direct tender	A
ICON Recruitment	Provide an external member for the Treasury Audit Committee	18,000	Direct tender	A
KPMG	Analyse the alignment of small concessions policy and draft legislation	27,500	Direct tender	A
KPMG Canberra	Provide ongoing, independent assessments and advice in relation to Stage 1 of the Standard Business Reporting Programme	73,150	Select tender	A
Lee Burns	Review Australian Foreign source income anti-tax deferral regimes	45,000	Select tender	A
Lisa Castles and Associates	Provide ergonomic assessment/evaluations, rehabilitation services and Occupational Health and Safety training	28,530	Select tender	A
McGibbon Software Group	Model the potential economic impacts of India's future growth on Australia	16,000	Direct tender	A
Media Monitors	Provide media monitoring services for the Financial Literacy Foundation	25,000	Direct tender	A

Table 13: List of new consultancies over $10,000 in 2006-07 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Media Monitors	Provide a media monitoring service to the Financial Literacy Foundation	20,000	Direct tender	A
Melbourne Centre of Financial Studies	Develop a menu of policy options for the 2007 APEC Finance Ministers Meeting	25,000	Direct tender	A
Monash University	Assist the Board of Taxation's project on the tax treatment of off-market share buybacks	75,000	Direct tender	C
Monash University	Provide research services on revenue issues	100,000	Direct tender	C
Montague Leong Design Pty Ltd	Provide survey design services for the Financial Literacy Foundation	25,531	Select tender	A
Murphy Davis Consulting	Assist Insurance Programmes Unit in the transition to the next phase of the HIH Claims Support Scheme	40,000	Direct tender	A
NewSouth Global Pty Ltd	Review all specific anti-avoidance provisions in the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*	67,584	Open tender	B
Pricewaterhouse Coopers	Provide a Business Architecture Report, a business case and implementation plan for submission to the Government	294,000	Select tender	A
Richard Vann	Review Australian Foreign source income anti-tax deferral rules and tax treatment of off-market share buybacks	25,000	Open tender	B
Savage and Partners	Provide media consultancy services for the Financial Reporting Council	50,010	Select tender	A
SMS Consulting	Provide advice on Business Continuity Plan	36,138	Direct tender	A
Southern Cross Computing	Provide technical support and advice on the SAP system	33,000	Direct tender	A
Stamford Interactive Pty Ltd	Conduct website usability review for the Financial Literacy Foundation	79,555	Select tender	A
Stamford Interactive Pty Ltd	Develop business requirements for the new Treasury intranet	79,573	Select tender	A
Syner Logic Microsystems Pty Ltd	Provide technical resources to develop the Treasury's Software Operating Environment	86,350	Direct tender	A

Table 13: List of new consultancies over $10,000 in 2006-07 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Tanner James Management	Provide programme management training, certification support for IT Project Management Office	29,524	Open tender	B
Tanner James Management	Provide programme management support for HIH Claims Support Scheme	79,230	Direct tender	A
Tha Banarra Trust	Evaluate how professional and business ethics are applied in practice by accounting firms	109,615	Open tender	A
True North Consulting	Provide website development services for the Financial Literacy Foundation	100,498	Select tender	A
Umee Limited	Review tax treatment of off-market share buybacks	15,000	Select tender	A
Unique World Pty Ltd	Evaluate and document business impacts and risks to the IT Project Management Office	28,000	Open tender	A
Wordmakers	Provide communications, media relations strategy, copywriting and execution services to the Financial Reporting Panel	25,000	Select tender	A
Workplace Research	Provide advice in relation to the 2007 Staff Survey	11,000	Direct tender	C
Total consultancies over $10,000		**3,541,791**		

Note: All amounts include GST.
(1) Explanation of selection process terms:
    Open tender — public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian AusTender internet site.
    Select tender — tenders are invited from a short list of competent suppliers.
    Direct sourcing — one supplier (or a limited number of suppliers) is approached directly in certain defined circumstances.
    Panel — standing offers and supplier panels where the consultant offers to supply goods and services for a pre-determined length of time and usually at a pre-arranged price.
(2) Justification for decision to use consultancy:
    A   Skills currently unavailable within agency.
    B   Need for specialised or professional skills.
    C   Need for independent research or assessment.

WORKPLACE DIVERSITY

Valuing diversity both enriches the Treasury's work environment and policy advice. A new Treasury Workplace Diversity Programme is being developed to reflect changing workplace requirements.

At 30 June 2007, Treasury's staff included (also refer Table 14 on page 147):

- 48 per cent women;

- 20 per cent born overseas;

- 10 per cent with English as a second language;

- 0.2 per cent who identify as being Aboriginal or a Torres Strait Islander; and

- 1.5 per cent who identify as having a disability.

The Treasury has an ongoing commitment to family-friendly and work/life balance practices through flexible working arrangements. In 2006-07, 83 ongoing employees worked part-time, including five at senior executive service level; this represents 9.5 per cent of all ongoing employees. The Treasury also has some job-sharing arrangements in place. The Treasury staff opinion surveys continue to indicate that staff are increasingly satisfied with their work/non-work life balance.

Following the Treasury's involvement in the Management Advisory Committee Review of the Employment of People with a Disability in the Australian Public Service, the Treasury has provided input into the *Ability at Work* good practice guide produced by the Australian Public Service Commission.

The number of employees identifying as being from an Indigenous background remains low; however, the Treasury did offer an Indigenous cadetship through the National Indigenous Cadetship Programme in 2006-07 and is keen to recruit graduates who have an Indigenous background. The Treasury is exploring new marketing strategies to encourage broader interest from Indigenous applicants.

To raise greater awareness of Indigenous issues, the Treasury has developed a Reconciliation Action Plan and helped sponsor the 'Drawing Together' Art Competition.

To assist staff who have parental responsibilities, a carer's room is provided in the building for an emergency situation. The accredited breastfeeding facilities also help new mothers return to work. However, accessing appropriate childcare remains an issue for a number of staff. The Treasury continues to use an external service provider to assist staff with information on elder care, childcare and care for dependants with disabilities.

The Treasury's home-based work policy allows staff in particular circumstances, such as a graduated return to work, formally to perform some of their duties from home.

The recently developed Mature Age Workers' Strategy provides flexible working arrangements to facilitate mature age workers continuing in the workforce and making the transition to retirement. These work arrangements help to address potential skills shortages, loss of corporate knowledge and promotion of work/life balance.

A number of staff act as workplace harassment contact officers to support staff who are experiencing difficulties.

Recently the Treasury conducted a Staff Opinion Survey; its results will inform forward planning of strategies, policies, programmes and systems in 2007-08.

Table 14: Operative and paid inoperative staff by EEO target group

| Classification	Female	Born overseas	ESL	ATSI	Disability
Cadet	-	-	-	1	-
APS1	2	-	-	-	-
APS2	7	-	-	-	1
APS3	49	26	17	-	1
APS4	54	14	12	1	1
APS5	74	31	17	-	1
APS6	91	35	19	-	5
EL1	89	34	12	-	-
EL2	55	33	12	-	3
SES Band 1	15	9	2	-	2
SES Band 2	4	4	-	-	-
Total	440	186	91	2	14

Disability Action Plan

The Treasury's Disability Action Plan was developed initially in consultation with staff and has since been reviewed and updated in line with the Australian Government Disability Strategy and the *Disability Discrimination Act 1992*. The action plan again will be updated to reflect the recommendations outlined in the Management Advisory Committee report on *Employment of People with Disability in the Australian Public Service* and the good practice guide *Ability at Work: Tapping the Talent of People with Disability*.

Considerable assistance is provided for staff with special needs. Special equipment is purchased, such as voice recognition software, and individually tailored training is made available. Staff with special needs can access tutoring in written communication and translators for hearing impaired staff as needed. This proactive approach has resulted in high retention rates of employees with a disability.
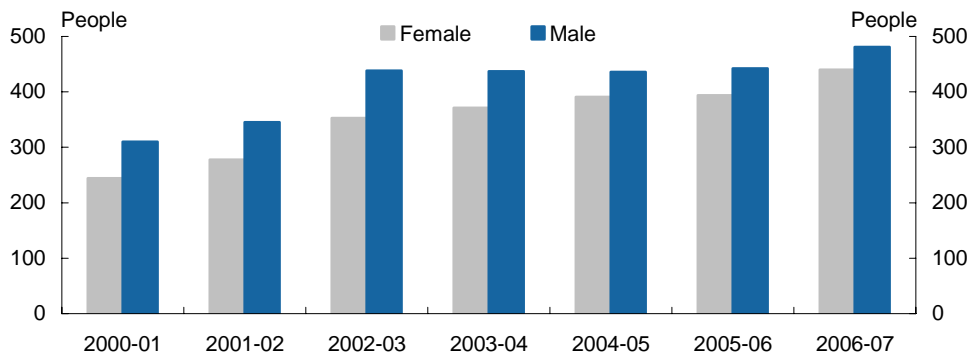
Chart 1: Number of new entrant graduates
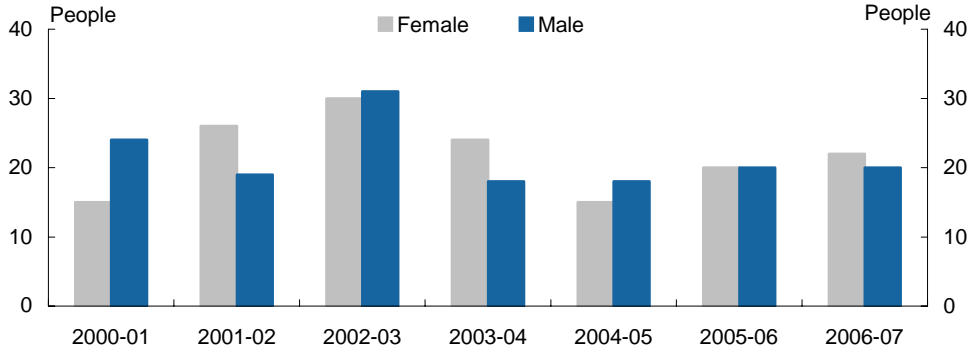
Chart 2: Number of SES staff
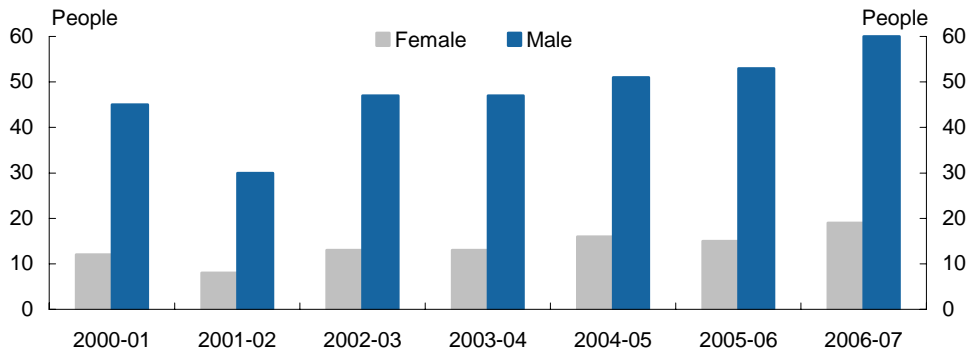
Chart 3: Treasury staff levels

Table 15: EEO in appointments to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2007)

	Total positions filled as at 30 June	Number from EEO target groups	Number of appointments made during the year	Number of appointments from EEO target groups
Australian Accounting Standards Board	1	-	-	-
Australian Competition and Consumer Commission	8	2	-	-
Australian Competition Tribunal	16	2	1	1
Australian Energy Regulator	4	-	-	-
Australian Prudential Regulation Authority	3	-	1	-
Australian Reinsurance Pool Corporation	7	2	3	1
Australian Securities and Investments Commission	6	-	4	-
Australian Statistics Advisory Council	25	7	2	-
Auditing and Assurance Standards Board	1	1	-	-
Board of Taxation	10	-	3	-
Business Regulation Advisory Group	10	5	-	-
Commonwealth Consumer Advisory Council	13	2	2	-
Companies Auditors and Liquidators Disciplinary Board	14	-	5	-
Corporations and Markets Advisory Committee	16	8	6	3
Financial Literacy Foundation	10	4	10	4
Financial Reporting Council	23	5	6	2
Financial Reporting Panel	9	2	-	-
Financial Sector Advisory Council	18	3	5	-
Foreign Investment Review Board	4	1	1	-
HIH Assistance Review Panel	3	2	-	-
HIH Claims Support Limited	4	1	-	-
Inspector-General of Taxation	1	-	-	-
Legal Sub-Committee of the Corporations and Markets Advisory Committee	15	10	9	5
Life Insurance and Actuarial Standards Board	9	-	2	-
National Competition Council	9	2	4	1
Payments System Board	9	1	2	-
Productivity Commission	13	2	4	1
Reserve Bank of Australia Board	12	1	3	-
Superannuation Complaints Tribunal	24	11	1	-
Takeovers Panel	48	16	8	1
Tax Agents' Board	19	1	1	-
Total	364	91	83	19

Note: The only EEO target group identified is women.