

# Part 3: Management and accountability

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## CORPORATE GOVERNANCE

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 Treasury's resources.

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

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

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

- Secretary: accountable for the department'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 provision of technical expertise and team leadership and contributions to unit outputs.

## SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

### The Executive Board

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 department's strategic leadership and management, including:

- organisational development — shaping 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 allocating resources — meeting current and future work priorities.

The Executive Board members as at 30 June 2006 were:

- Dr Ken Henry, Secretary;
- Dr Martin Parkinson, Executive Director, Macroeconomic Group;
- Mr Jim Murphy, Executive Director, Markets Group;
- Mr Mike Callaghan, Executive Director, Revenue Group;
- Mr David Tune, Executive Director, Fiscal Group;
- Dr David Parker, Alternative Executive Director, Macroeconomic Group; and
- Mr Ian Robinson, General Manager, Corporate Services Division.

## **Audit Committee**

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

- supporting and enhancing the control framework;
- ensuring the objectivity and reliability of published financial information;
- monitoring and evaluating Treasury's risk management strategies; and
- helping the Secretary to comply with all legislative and other obligations.

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

The Audit Committee members as at 30 June 2006, were David Parker (the Chair), Mark O'Connor, Ian Robinson, Geoff Miller, David Martine and Jim Kropp (the external representative). The Audit Committee met eight times during 2005-06.

## **Remuneration committees**

Remuneration committees are established within the Executive, Corporate Services Division, Strategic Communications Division and the four policy groups in Treasury to recommend to the Secretary the determination of salary rates available under Australian Workplace Agreements (AWAs) for Australian Public Service 6 (APS6), Executive Level 1 (EL1) and Executive Level 2 (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 Treasury's management structure are set out in Figure 3, in Part 1.

## **CORPORATE PLANNING AND REPORTING**

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

### Part 3: Management and accountability

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

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

The Corporate Services Division uses a Balanced Scorecard Performance Reporting Framework to enable the division to measure overall business performance against the four perspectives of customer satisfaction, financial efficiency and effectiveness, operational efficiency and effectiveness, and staff learning and growth. The division reports progress twice a year.

## RISK MANAGEMENT

Treasury is committed to a comprehensive, coordinated and systematic approach to the management of risk. That approach is directed toward 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. This policy, which is consistent with the Australian/New Zealand Standard for Risk Management (AS/NZS 4360:2004), aims to:
  - integrate and formalise existing risk management processes across the department;
  - 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 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 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.

Treasury strategies aim to identify and manage risks associated with the 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 Treasury's central computing infrastructure is lost completely or partially. The plan aims to restore services within an appropriate time.
- Business Continuity Plans for Treasury's IT application systems which set out alternate methods and processes to use, so 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 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 (APS) 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 Standards Organisation and Defence Signals Directorate guidelines which ensure compliance with best practice website security.

### Part 3: Management and accountability

- 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 Treasury's IT infrastructure and management practices.
- 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.
- Applications Systems Forward Work Plan which is prepared on an annual basis in consultation with the Executive Board, General Managers and client representatives. It identifies applications systems development and enhancement requirements for the next year and facilitates priority setting and resource allocation in relation to approved IT applications projects.

Staff awareness of risk management policies and procedures is raised through training programmes and departmental 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 APS values. They are embedded in the Performance Management System and are referred to in the capability framework for non-SES staff. Staff members are appraised against the values.

Both the Treasury Certified Agreement and AWAs contain a commitment from employees to uphold Treasury values and comply with the APS Code of Conduct.

Departmental 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 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. 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 assist them to comply with legislation and 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 employees are appraised using the APS'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 employee, which reflects performance.

An increase in ranking based on longer-term performance can lead to an increase in base salary. See Tables 9 and 10 for details of senior executive service salary scales. Additional information on remuneration and performance pay is set out in Note 16: Executive Remuneration in Part 4 of the Financial Statements.

## INTERNAL AND EXTERNAL SCRUTINY

### AUDIT

The Audit Committee convened eight times in 2005-06. Its work included reviewing the department's financial statements and reviewing a range of internal and external audit reports.

The Audit Committee's Financial Statements sub-committee convened three times in 2005-06, and consisted of members from the Treasury, ANAO and the internal audit service provider. The sub-committee monitors the production of the financial statements and acts as a forum for the resolution of issues.

The contract held with Deloitte Touche Tohmatsu for the provision of internal audit services expired in October 2005. After a tender evaluation process, KPMG was appointed in December 2005 as Treasury's internal auditors for three years, with an option to extend for a further two years. The Audit Committee and KPMG undertook a reassessment of the internal audit work programme which resulted in a revised programme for the financial year.

The Audit Committee, assisted by KPMG, has a continuous improvement approach to audit services, regularly reviews Treasury's audit programme and scrutinises recommendations arising from completed internal audits, as well as relevant ANAO reviews.

### INTERNAL AUDITS — TREASURY

Treasury completed five internal audits/reviews during 2005-06.

### Governance review of selected portfolio bodies

The purpose of this review was to assess whether current arrangements within six nominated Treasury portfolio bodies facilitated the achievement of stated objectives. The bodies involved were the Financial Reporting Council, the Australian Accounting Standards Board, the Australian Government Actuary, the Takeovers Panel, the Board of Taxation and the Royal Australian Mint.

The review focused on three key themes:

- Purpose — the body's organisational focus and how this dictates roles and operations. The concern is whether Treasury is constructive and cooperative, and working in the best interest of the public to deliver appropriate outcomes. Membership and funding are covered by this theme.

- Relationships — ensuring the relationships between the body and Treasury are clear and fit for purpose.
- Performance evaluation — whether the evaluation is objective, constructive and used to facilitate real performance improvements.

The review determined that Treasury has maintained, in all material respects, appropriate arrangements, policies and procedures in relation to its governance processes with the selected portfolio bodies.

### **The revised procurement framework**

This review provided assurance that changes mandated by the revised *Commonwealth Procurement Guidelines* have been applied to procurement policies and practices within Treasury.

Treasury has, in all material respects, ensured the mandated changes have been applied. The report contained 14 medium/low level recommendations which Treasury has agreed to implement.

### **Post implementation review — rollout and upgrade of the electronic document management system**

The review was to provide an assessment of whether practices and procedures used in the electronic document management system rollout and upgrade followed best practice and met Treasury's objectives.

Effective control procedures had been maintained. Treasury has agreed to implement two recommendations on the development of departmental guidelines and training of officers in relation to file naming, security and folder structure.

### **Review of employee entitlements calculations**

This review examined the methodology currently employed within the Aurion payroll system to ensure correct calculation of employee entitlements in accordance with Australian accounting standards. The review made recommendations on:

- payroll staff resources;
- the current and non-current component split of long service leave entitlements;
- reconciliation of timing differences between payroll and general ledgers; and
- a review of Treasury leave guidelines, particularly leave without pay.

Treasury agreed to implement the recommendations.

## Review of IT governance

This review sought to benchmark Treasury's current IT practices to the better practice model for IT and information systems management, *Control Objectives for Information and Related Technology (COBIT)*. The key output was an assessment and gap analysis to assist Treasury to further enhance existing controls.

In most cases, Treasury is at or exceeding the benchmark level.

## AUSTRALIAN NATIONAL AUDIT OFFICE REPORTS

The ANAO conducted one performance audit specific to Treasury's operations in 2005-06.

### **Audit Report No. 25: Australian Securities and Investments Commission's Implementation of Financial Services Licences**

The *Financial Services Reform Act 2001* introduced a requirement that providers of financial services hold an Australian Financial Services Licence. The ANAO reviewed the effectiveness and efficiency of the implementation by the Australian Securities and Investments Commission (ASIC) of the Australian Financial Services License. In particular, the audit examined ASIC's planning for the introduction of financial services licences; the roles of Treasury and ASIC in defining the effective scope of licensing; ASIC's assessment and processing of licence applications and ASIC's supervision of licencees.

The report contained seven recommendations, six directly related to ASIC and one joint recommendation with Treasury relating to the benefits of making licence applicants' certifications more enforceable. Treasury and ASIC agreed with the recommendations.

Other ANAO reports relevant to Treasury's operations in 2005-06 are:

- Report No. 2: Bank Prudential Supervision;
- Report No. 11: The Senate Order for departmental and agency contracts (calendar year 2004 compliance);
- Report No. 13: Administration of goods and services tax compliance in the large business market segment;
- Report No. 16: Management and processing of leave;
- Report No. 17: Administration of the Superannuation List Members' Register;
- Report No. 21: Audits of the financial statements of Australian Government entities for the period ending 30 June 2005;
- Report No. 22: Cross-portfolio audit of Green Office procurement;

- Report No. 23: IT security management;
- Report No. 26: Forms for individual service delivery;
- Report No. 27: Reporting of expenditure on consultants;
- Report No. 28: Management of net appropriation agreements;
- Report No. 30: The Australian Taxation Office's strategies to address the cash economy;
- Report No. 33: Administration of petroleum and tobacco excise collections: follow-up audit;
- Report No. 35: The Australian Taxation Office's administration of activity statement high risk refunds;
- Report No. 37: Management of infrastructure, plant and equipment assets;
- Report No. 45: Internet security in Australian Government agencies; and
- Report No. 48: Interim phase of the audit of financial statements of general government sector entities for the year ending 30 June 2006.

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](http://www.anao.gov.au).

## **FRAUD**

In 2005-06, no new cases of fraud were identified in Treasury. Treasury is currently pursuing actions concerning the submission of false information by claimants seeking compensation from the HHH Claims Support Scheme. In two of the cases, recovery action is in hand and in the third case, money owed has been repaid.

## **OMBUDSMAN COMMENTS, COURT DECISIONS, ADMINISTRATIVE TRIBUNAL DECISIONS**

### **Ombudsman**

There were no comments received from the Ombudsman in 2005-06.

## Courts and proceedings

### Corporations Act — transitional provisions — *Forge v ASIC*

On 7 and 8 February 2006, the High Court heard argument in the matter of *Forge v ASIC* on the constitutional validity of the transitional provisions in Chapter 10 of the *Corporations Act 2001*. The Solicitor-General for the Commonwealth, instructed by Treasury, made submissions in support of validity. The case also concerned the constitutional validity of the use of acting judges on the NSW Supreme Court. The High Court has not yet handed down its decision.

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

On 26 August 2005, Mr McKinnon appealed a 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 was the interpretation of subsection 58(5) of the *Freedom of Information Act 1982* 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. In its decision delivered on 6 September 2006, the High Court ruled in favour of Treasury, dismissing the appeal by a majority of 3-2.

### Trade Practices Act — Access to services — *Virgin Blue Airlines Limited*

On 9 December 2005, the Australian Competition Tribunal issued its decision to declare airside services at Sydney Airport following an application by Virgin Blue Airlines under Part IIIA of the *Trade Practices Act 1974*. The Tribunal set aside the previous decision by the Parliamentary Secretary to the Treasurer, made on the recommendation of the National Competition Council, not to declare the services.

On 6 January 2006, Sydney Airport Corporation Limited applied to the Full Court of the Federal Court seeking judicial review of the Tribunal's decision. The matter was heard on 2 and 3 May 2006, and judgment has not yet been handed down.

### 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 heard the case on 6 and 7 June 2006, and judgment has not yet been handed down.

## **Administrative Appeals Tribunal**

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

Applications were made to the Administrative Appeals Tribunal for review of two decisions by Treasury regarding partial withholding of information in response to requests under the FOI Act, for material in relation to cutting the top rate of tax to 30 per cent and automatically indexing income tax scales. The Tribunal granted a consent order on 6 June 2006 for 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) that disclosure of the documents not released under both requests would be contrary to the public interest. The cases have not yet been heard.

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

An application was made to the Administrative Appeals Tribunal for review of a decision by Treasury regarding partial withholding of information in response to a request under the FOI Act, for material in relation to 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 a number of sections of the FOI Act and, secondly, whether 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. The case has not yet been heard.

## MANAGEMENT OF HUMAN RESOURCES

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

Key 2005-06 workforce initiatives included:

- Development of a Mature Age Employment Strategy provided a framework to assist managers and staff deal with the emerging issues of a maturing workforce and a tightening labour supply. The strategy complements Treasury's workforce planning strategies by addressing both the retention of valued mature age employees and the attraction of mature age employees from outside Treasury, including former high performing workers. The strategy contains a range of initiatives and flexibilities available to managers and staff in Treasury. Some of these initiatives are already in place; others will be developed in 2006-07.
- Systems improvement in 2005-06 included more user-friendly Employee Self Service access to the Human Resource Management Information System and a new query tool to capture more complex human resources management information and benchmarking data.
- Progress was made in developing and negotiating a new Collective Agreement consistent with the new WorkChoices legislation. The Certified Agreement Team consulted extensively with a representative employee body and staff more generally.
- A Staff Opinion Survey in late 2005 informed organisational initiatives and provided staff feedback about a range of workplace issues.
- A cadetship programme for honours and postgraduate economics students was established to target high potential students for the Treasury Graduate Programme.
- Treasury's Professional Development Framework was enhanced to strengthen technical and leadership capabilities.



## PERFORMANCE MANAGEMENT

Treasury's Performance Management System has operated since 1999. The principles underlying it are fairness, transparency and consistency. The capability framework provides not only the basis for the appraisal processes but also aligns recruitment strategies, the Professional Development Framework and the Career Development System to ensure a consistent approach across the organisation.

Processes to maintain the principles of the system include context setting for all senior executive service staff prior to each appraisal round. The key messages disseminated in the November 2005 and June 2006 context meetings included:

- staff discussing career development in appraisals with managers and in career development discussions with managers-one-removed;
- managers and staff being fully informed about appraisal processes and the performance of appraisees throughout the appraisal cycle; and
- managers being consistent in their approach to appraisals, effectively managing the appraisals of new recruits and graduates, and managing performance particularly when performance has declined.

To develop a common understanding of the system, workshops are available to all staff to explain the system and develop skills in managing appraisal meetings and giving and receiving feedback. A hotline provides individual advice and assistance.

Formal appraisal meetings are held twice a year. Regular informal feedback during the appraisal period 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 pay outcomes. An important factor in the process is upward feedback which provides input to the appraisals of managers.

Review panels, usually at divisional level, examine the outcomes of appraisals to ensure consistency, with cross-group representatives providing an additional focus on consistency.

Development opportunities are identified and recorded during the appraisal discussion. This information informs the learning and development strategies for the department.

Informal appraisals are offered at the February appraisal round as an option for staff who meet specified criteria. Almost 15 per cent of the appraisals recorded in February were informal. Informal appraisals are conducted in a similar manner to formal appraisals but appraisees are not rated. The administrative workload for informal appraisals is reduced as there are no pay outcomes and less emphasis on gathering feedback.

## **TREASURY CERTIFIED AGREEMENT**

The 2004-2006 Treasury Certified Agreement came into operation on 20 September 2004 and will nominally expire on 4 September 2006.

The Certified Agreement provides for increased pay rates (Table 11), conditions of service, including options for leave and attendance, to allow staff more flexibility in planning their personal commitments, and reinforces initiatives that foster skills and career development, and a healthy work environment.

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

A proposed new collective agreement will be offered to employees who are not parties to AWAs; if a majority accepts the proposed collective agreement, it will take effect in September 2006.

## **WORKPLACE RELATIONS**

Treasury continues to consult extensively with staff on workplace matters and the Certified Agreement reinforces staff involvement in decision making. The primary conduit for consultation is the Workplace Relations Committee, elected by all Treasury staff and comprising eight members. The committee meets regularly with the Secretary to discuss a wide range of employment-related matters.

The Certified Agreement which is to be replaced in September 2006, and AWAs contain procedures to resolve disputes and provide for direct consultation with staff as appropriate.

A network of staff advisers assists staff with issues relating to performance appraisal, remuneration, AWAs or relations with managers. This network complements other staff support processes, such as human resources advisers and an employee assistance programme delivered by an external provider.

## **RECRUITMENT AND SUCCESSION PLANNING**

Graduate recruitment forms a major part of Treasury's recruitment and succession planning strategy. In 2005-06, Treasury staff attended university career fairs and economic society information sessions, presented to final year students and distributed *Graduate Careers in Treasury* brochures to university careers centres and faculties. In addition, a broad marketing campaign appeared in major national newspapers and on most university Intranet sites.

A section dedicated to graduate careers on Treasury's website provides information on the Graduate Development Programme and outlines the role and expectations of Treasury graduates. The graduate intake was 33 in 2005, and 40 in 2006.

In 2005-06, Treasury introduced a cadetship programme targeted at economic honours and postgraduate students involving a 4-6 week summer internship with financial assistance and support from a Treasury mentor throughout the cadets' final year of study.

Job seekers can lodge their applications for graduate campaigns, bulk-round recruitment, specific recruitment exercises and Treasury's non-ongoing and general employment registers via the Internet.

Recruitment information and procedures to assist applicants, managers, referees and selection committees were complemented by the delivery of interviewer/interviewee skills training courses.

The Human Resources Unit in conjunction with the strategy units in the four policy groups works 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 bi-annual bulk selection and transfer rounds, together with re-designed media campaigns enhancing our presence in the marketplace and capacity to attract high calibre candidates.

Workforce planning initiatives, particularly in relation to mature age employees were introduced as part of Treasury's Mature Age Employment Strategy.

## **Learning and development**

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.

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

When implementing these processes, managers are encouraged to think critically about the development needs of individual staff in the context of departmental capability requirements, the potential contribution of employees to the department and the operational requirements of the work area.

## Learning and development strategies

The Executive Level Development Programme (ELDP) was further strengthened in 2005-06. The programme aims to develop leadership capabilities and equip managers to meet their roles. Each programme is continuously evaluated with feedback and improvements incorporated into subsequent programmes. Thirty-nine staff members attended the ELDP in 2005-06, incorporating modules such as leading and managing, project management, coaching skills, teamwork, strategic thinking to output management, change and risk management and influencing skills. A new programme commenced in June 2006 with a focus on strategic leadership and the engagement of managers and the Senior Executive.

Senior Executives continue to use a suite of development opportunities including the Australian Public Service Commission (APSC) leadership courses. Executive coaching has gained momentum since its launch in June 2005 and provides an additional means of skills development for senior executive staff.

Treasury introduced Teamwork in Action workshops in June 2006. These workshops are designed to build and enhance teamwork within Treasury units and may be incorporated into strategic planning days. A number of managers have expressed an interest in their units participating in these workshops and have scheduled sessions to run in early 2006-07.

A Policy Advising workshop was offered in November 2005 and facilitated by senior staff from Treasury and other agencies. The workshops continue to receive positive feedback from participants and complement on-the-job policy advising experience. Evaluation outcomes feed into the development of workshops for the following year.

Planning commenced for the delivery of the third semester-long Introduction to Economics course, scheduled to commence in September 2006. Offered by the Research School of Social Sciences, Australian National University (ANU), the course is closely aligned to Treasury's core business and includes participation from guest lecturers. Some participants from the second programme have taken up the opportunity of accreditation towards further economics study at ANU.

Introduction to Law was again offered by the Faculty of Law, ANU with 32 staff attending the semester-long course in 2005. The programme provided participants with the opportunity to gain accreditation for a postgraduate law qualification from the Faculty of Law, ANU.

A range of learning and development workshops are offered to staff. These are delivered by internal and external presenters and are tailored to the needs of the organisation. Each is evaluated, with evaluation outcomes feeding into the development of the next workshop. The workshops are mapped against the capability frameworks to ensure development opportunities are available against the capabilities across all classifications.

The Graduate Development Programme includes on-the-job coaching, and in-house courses such as advanced writing, economics for non-economists, policy development, presentation skills and communicating with influence. 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 Certificate in Business Services Programme, designed for executive support, administrative and corporate services staff at the APS1-5 levels, is in its fourth year. The redesigned programme which commenced in February following an open tender process, now incorporates three advanced modules which complement the nine foundation modules. These modules are open to APS6 staff as well. The programme provides participants with a greater understanding of their work context, Treasury's structure and mission, and the opportunity to improve skills and potential in current and future work roles.

Treasury has established a mentoring programme for new staff recruited to the department. Interested staff who attended the ELDP Coaching Skills module facilitate the integration of new recruits into the department.

In 2005-06, Treasury's four policy groups organised internal workshops and divisional policy seminars to share and disseminate information to staff.

- Revenue Group ran a Tax Policy Framework Course for Revenue Group staff, consisting of seminars and a two-day intensive workshop. The Australian Tax Office also presented two four-day introductory tax courses for new Revenue Group staff.
- Macroeconomic Group established the Macroeconomic Analysis Project which trained analysts to better understand links between different sectors of the economy, held a course on Kalman filters, and conducted a reading group which examined key economic journal articles. Macroeconomic Group also hosted economic policy workshops in which analysts presented and discussed issues pertinent to Australia's economic landscape and engaged in econometrics training provided by Dr Robert Breunig of the ANU.
- As part of its preparations for Australia hosting the G-20 in 2006 and the APEC Finance Ministers' Meeting in 2007, Treasury's G-20 and APEC Secretariat organised a series of work-based learning and development opportunities for Treasury staff.
  - In March 2006, Curtin University's Western Australian School of Mines provided a two-day internal short course on mineral economics, drawing on its corresponding Masters programme. This event was attended by 24 staff from the Treasury and the Reserve Bank of Australia.

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- A series of internal seminars were offered to G-20 and APEC Secretariat staff. These seminars were led by Senior Treasury officials and academics from ANU's Asia-Pacific School of Economics and Government. Topics covered included global and regional institutions and forums, political institutions and economic development.
- Fiscal Group held a series of internal seminars on relevant emerging policy issues and further developed its understanding of the Treasury wellbeing framework and its application to core policy responsibilities. Fiscal Group's Senior and Executive Level staff also participated in forums to consider organisational and policy strategy issues.
- Markets Group offered a one-day Regulation Impact Statement training session to staff and held internal policy presentations on emerging and current policy issues and Treasury's role as a central policy agency.

The Treasury Seminar Series continued with prominent guest speakers presenting current economic issues and research. An average of 45 staff attended each of the 19 seminars.

### Information technology and systems training

In 2005-06, Treasury provided staff with IT training opportunities in Microsoft desktop applications, IT for new staff, one-on-one training for voice activated software, electronic document records management, financial management systems and in-house systems.

During the year, 281 staff attended Microsoft desktop applications courses with an overall 96 per cent level of satisfaction with the training. Microsoft Excel was one of the most popular desktop application courses with 119 staff attending the tailored training that included fundamentals through to Excel Visual Basic for Applications.

The Introduction to Treasury Computing for new staff continues to receive positive feedback with 117 new staff attending the course. During the year, 183 staff attended training on the Ministerial, Minute Register and Contracts systems, an increase from the previous year.

Other specialised training included Intranet content manager, SmartDraw and tailored courses for preparing budget documentation. Feedback for the courses indicated a high level of satisfaction.

In December, Treasury introduced Enterprise Email Vault, with training sessions available for all staff. Fortnightly training continues to be available for new and existing staff.

For the first time, a tailored course using Microsoft Outlook as a tool for managing time was included in the Managing Workloads and Time course. Feedback was positive and as a result, future courses will follow this format.

Some 134 staff attended training on using Treasury's Electronic Records Management System and 55 staff attended training on good recordkeeping practices.

During the year, 58 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 its internal learning and development opportunities, Treasury encourages participation in external learning and activities.

Assistance to study part-time and postgraduate full-time study awards contributes to developing organisational capability. Over 100 staff accessed studies assistance each semester and a few high performing staff received postgraduate study awards. The postgraduate study award guidelines include a cost recovery provision to facilitate the department's return on investment.

Treasury entered into an agreement with ANU in 2004 to enable selected staff to undertake short-term research projects as a Visiting Fellow at the university; one project has been completed. The arrangement fosters links and provides opportunities for academics to work closely with Treasury economists on current economic issues.

Treasury's agreement with the Cape York Institute for Policy and Leadership (Griffith University) is intended to enhance Treasury's policy capabilities on Indigenous affairs and provide the Cape York Institute with the opportunity to work closely with Treasury economists on current policy issues. Three Treasury officers are currently seconded to the Cape York Institute.

Four Treasury staff attended the APSC managed Career Development Assessment Centre. Feedback received from participants was positive.

Treasury has sponsored five participants to the Australian and New Zealand School of Government since its inception in 2003. Three staff have completed the Executive Fellows Programme, one has completed the Executive Master of Public Administration, and another has commenced the Executive Master of Public Administration.

Treasury encourages participation in overseas scholarships including the Young Leaders' Programme, a 12 month scholarship to study in Japan, and the Ecole National d'Administration, a scholarship to study at France's premier school of public administration. Both scholarships are highly competitive with limited places and rigorous selection criteria. Treasury staff successfully secured places on the Young Leader's Programme in both 2005 and 2006, and one secured an 18-month placement to study at the Ecole National d'Administration in France in 2005.

Staff also attend a wide range of conferences, seminars and workshops providing subject specific training.

### Part 3: Management and accountability

Treasury's staff development costs totaled over \$2 million in 2005-06. This includes participant salary and on-costs, registration fees of external training courses, and external providers' development and delivery costs.

## STAFFING INFORMATION

Treasury's ongoing and non-ongoing employee numbers increased slightly to 836, up from the 2004-05 figure of 827. Treasury recruited 40 graduates this financial year compared to 33 in the 2004-05 financial year.

**Table 7: Operative and paid inoperative staff by classification and gender (as at 30 June 2006)**

Classification	Ongoing				Non-ongoing						Total	
	Full-time		Part-time		Full-time		Part-time		Casual			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Cadet	1	-	-	-	1	1	-	-	-	-	-	3
APS1	-	2	-	-	-	-	-	-	-	-	-	2
APS2	-	4	-	1	-	2	-	-	-	-	1	8
APS3	29	41	-	6	1	3	-	-	-	-	1	81
APS4	12	37	-	7	2	3	-	2	-	-	-	63
APS5	43	40	1	9	1	-	-	-	-	-	-	94
APS6	70	79	5	11	-	2	-	-	-	-	1	168
EL1	105	62	4	12	-	2	-	-	-	-	-	185
EL2	105	35	2	15	5	-	-	-	-	1	-	163
SEB1	31	9	1	2	-	-	-	-	-	-	-	43
SEB2	13	2	1	1	2	1	-	-	-	-	-	20
SEB3	5	-	-	-	-	-	-	-	-	-	-	5
Secretary	1	-	-	-	-	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>415</b>	<b>311</b>	<b>14</b>	<b>64</b>	<b>12</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>836</b>

Note: Staff paid by other agencies are not included in this table.

**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
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>6</b>

Note: Locally engaged staff are not included in this table.



## 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 (SES) level, based on performance.

**Table 9: Salary scales — SES**

Classification	20 September 2004		8 September 2005	
	Maximum	Minimum	Maximum	Minimum
	\$	\$	\$	\$
SES Band 1	138,973	116,053	143,142	119,535
SES Band 2	177,449	147,932	182,773	152,370
SES Band 3	230,894	192,484	237,821	198,259

Senior Executives are appraised using the APSC's 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.

A change in Treasury's remuneration policy in September 2002 discontinued senior executives' access to a private plated vehicle, with provisions made for a payment in lieu. In a further change in May 2006, the payment in lieu of the vehicle was rolled into base salary, which resulted in the following salary scales. The payment in lieu of the vehicle is not included as part of salary for superannuation purposes.

**Table 10: Salary scales — SES (from May 2006)**

Classification	Maximum	Minimum
	\$	\$
SES Band 1	169,134	145,527
SES Band 2	208,765	178,362
SES Band 3	270,709	231,146

Note: The amounts in this table are a sum of the rates in Table 8 plus the amount formerly received as a payment in lieu of a vehicle.

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 Certified Agreement 2004-06 determines salary rates for all non-SES staff.

**Table 11: Certified Agreement salary scales — non-SES**

Classification	20 September 2004		8 September 2005	
	Maximum	Minimum	Maximum	Minimum
	\$	\$	\$	\$
APS1	35,298	32,505	36,357	33,480
APS2	39,947	37,467	41,145	38,591
APS3	44,907	42,427	46,254	43,700
APS4	49,867	47,387	51,363	48,809
APS5	56,689	53,279	58,390	53,877
APS6	63,510	60,100	65,415	61,903
EL1	78,393	70,735	80,745	72,857
EL2	95,755	87,073	98,628	89,685

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

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

**Table 12: APS6, EL1 and EL2 additional pay points**

Classification	Staff eligible 2005-06	Staff receiving additional pay point 2005-06	Maximum	Minimum
			additional pay point 2005-06	additional pay point 2005-06
			\$	\$
APS6	168	74	74,996	70,526
EL1	186	107	92,625	87,081
EL2	162	112	113,191	103,483
Total	516	293		

Note: Two EL2 and two EL1 employees have salary rates which fall outside the pay structure.

Salary levels under AWAs are determined by the Secretary based on Remuneration Committee recommendations aligned to performance appraisal assessments as well as relevant skills and responsibilities.

## Senior management changes

Senior management movements in 2005-06 within Treasury are shown in Table 13.

**Table 13: SES commencements and cessations**

<b>Reason</b>	<b>SES Band 3</b>	<b>SES Band 2</b>	<b>SES Band 1</b>	<b>Total</b>
Appointment	-	2	-	2
Internal promotion	-	-	2	2
Non-ongoing specific term engagement	-	1	1	2
Resignation	-	-	1	1

## PROCUREMENT AND ASSETS MANAGEMENT

### PROCUREMENT

Treasury's new procurement framework for goods and services includes a new suite of Request for Tender and draft contract templates (with user guides), delegate submission templates, various new and updated guidance documents (including a revised Risk Management Guide, a Tender Evaluation Plan template and a Guide to Negotiating Contracts), and the *Treasury Procurement Procedures Manual*. A series of tailored procurement seminars accompanied the introduction of the new framework.

Involvement in government forums on procurement ensures Treasury maintains procurement expertise and complies with government policy and guidelines. Information on the Treasury's Intranet was upgraded significantly to reflect the new procurement framework and contemporary procurement practices. The site also contains links to relevant Australian Government procurement policies.

### ASSETS MANAGEMENT

Treasury manages both current and non-current assets in accordance with guidelines set out in the Chief Executive Instructions and Australian Accounting Standards.

Treasury's non-current assets are subject to an annual stocktake to ensure the 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, with no adjustment to the carrying values required.

## CONSULTANCIES

Consistent with the *Commonwealth Procurement Guidelines* (CPGs) and the Chief Executive Instructions, 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.

The selection methods used for consultancies are categorised in column five of Table 15.

Treasury continued to implement initiatives to improve the management of Treasury's contracts and consultancies throughout the year. A suite of new streamlined, user-friendly templates was introduced including Contract, Request for Tender and User Guides. Further, a new contracts module has progressed, as a part of Treasury's Financial Management Information System. This system is designed to improve the accuracy of recorded contract information and will ensure better compliance with Australian Government reporting obligations. Combined with a series of targeted procurement seminars, these initiatives have seen an increase in awareness and understanding of procurement processes and a greater compliance with Australian Government policy requirements amongst Treasury staff.

During 2005-06, 21 new consultancy contracts each valued at \$10,000 or above, were entered into involving total actual expenditure of \$2,288,907. In addition, 22 ongoing consultancy contracts each valued at \$10,000 or above, were active during the year involving total actual expenditure of \$5,999,019.

**Table 14: Total number and expenditure of new and ongoing consultancies \$10,000 and over in 2005-06 by output group<sup>(a)</sup>**

Output Group		Number of consultancies	Cost \$
1.1	Macroeconomic	6	\$160,356
2.1	Fiscal	1	\$228,064
3.1	Revenue	13	\$476,471
4.1	Markets	18	\$6,803,083
	Corporate Services Division	5	\$619,952
Total		43	\$8,287,926

(a) Table 14 shows the total expenditure and number of new and ongoing consultancies \$10,000 and over for 2005-06. This table does not correspond with Table 15 which shows the total value of new consultancies over \$10,000. All amounts are GST inclusive.

**Table 15: List of new consultancies over \$10,000 in 2005-06 by output group**

Consultant name	Description	Contract price	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
<b>Output Group 1.1 (Macroeconomic)</b>				
Australian National University	Develop and deliver a specialist course on macroeconomic policy	\$39,000	direct engagement	e
Dr Robert Breunig	Provide specialist economics training and assistance	\$35,000	select	e
Greg Smith	Provide a study/report on a framework for a future Treasury-Indonesia engagement	\$33,000	direct engagement	b
<b>Total Output Group 1.1</b>		<b>\$107,000</b>		
<b>Output Group 2.1 (Fiscal)</b>				
Watson Wyatt Australia Pty Ltd	Provide advice to Treasury on formulating an investment mandate for the Future Fund	\$228,064	open	c
<b>Total Output Group 2.1</b>		<b>\$228,064</b>		
<b>Output Group 3.1 (Revenue)</b>				
Australian National University	Develop and provide a specialist on-site training course in Gauss Programming Language	\$29,700	select	e
Creating Coherence Pty Ltd	Develop a new approach for the design of tax policy and tax law based on coherent principles	\$180,000	direct engagement	e
Monash University	Provide research services and contribute to working group discussions on tax policy and tax law issues	\$80,000	direct engagement	e
PricewaterhouseCoopers	Provide expert financial accounting advice for Taxation of Financial Arrangements Stages 3 & 4 exposure draft legislation	\$55,000	direct engagement	e

**Table 15: List of new consultancies over \$10,000 in 2005-06 by output group (continued)**

Consultant name	Description	Contract price	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
<b>Output Group 3.1 (Revenue) continued</b>				
The University of Melbourne	Develop a fully and effectively operational Melbourne Institute Tax and Transfer Simulator (MITTS model)	\$100,000	direct engagement	e
University of Melbourne	Provide expert advice and report in relation to a series of questions on Taxation of Financial Arrangements financial instruments	\$20,000	direct engagement	e
University of New South Wales	Provide consultancy services on small business compliance costs	\$78,114	open	e
<b>Total Output Group 3.1</b>		<b>\$542,814</b>		
<b>Output Group 4.1 (Markets)</b>				
Ciptanet International Pty Ltd	Provide consultancy services for the quality review programmes of professional accounting bodies	\$129,000	open	c,e
DBM Consulting Pty Ltd*	Provide market research services for Financial Literacy Benchmarking	\$400,124	select	b
Henderson Walton Consulting Pty Ltd	Provide consultancy services for the teaching of professional and business ethics by, and on behalf of, the professional accounting bodies	\$75,000	open	c,e
Kevin Simpkins Advisory Services Ltd	Provide research services into the relative merits of Sector Neutral and Sector Specific Accounting standards	\$103,200	open	e
Publicis Mojo Pty Ltd*	Provide creative services for the Financial Literacy Foundation Campaign	\$1,071,980	select	e
Quantum Market Research*	Provide market research services for Financial Literacy Foundation information campaign	\$568,373	select	e
Watson Wyatt Australia Pty Ltd	Provide consultancy services in relation to the transition to the HIH Scheme Salary Continuance Claims Portfolio from Gallagher Bassett to Centrelink	\$95,600	direct engagement	e
William J Barlett	Provide consultancy services on the disciplinary procedures of the professional accounting bodies	\$97,500	open	c,e
Clayton Utz	Provide legal services relating to the HIH Claims Support Scheme	\$250,000	direct engagement	e
<b>Total Output Group 4.1</b>		<b>\$2,790,777</b>		

**Table 15: List of new consultancies over \$10,000 in 2005-06 by output group (continued)**

Consultant name	Description	Contract price	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
<b>Corporate Services</b>				
SMS Consulting Group Ltd	Review the business processes and identify strategic directions for systems development to support taxation measures	\$132,660	open	e
<b>Total Corporate Services</b>		<b>\$132,660</b>		
<b>Total consultancies over \$10,000</b>		<b>\$3,801,315</b>		

Note: All amounts are GST inclusive.

\* Consultancy includes expenditure on advertising and market research, and is reported in both the Consultancies and Advertising and Market Research categories of this report.

(1) Explanation of selection process terms:

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

(ii) Select tenders are invited from a short list of competent suppliers. This category is applied where there is a known limited market for the services required, and when value for money would not be achieved through a full open tender process.

(2) Justification of decision to use consultancy:

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

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

(c) Need for an independent study or review.

(d) Need for a change agent or facilitator.

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



## WORKPLACE DIVERSITY

Treasury's Workplace Diversity Programme reflects the APS Values and its own Treasury Values. Valuing diversity both enriches Treasury's work environment and its policy advice.

Results from the 2005 Staff Opinion Survey indicate an increasingly positive perception amongst respondents that workplace diversity is demonstrated in workplace behaviours.

At 30 June 2006, Treasury's staff included:

- 47 per cent women;
- 17 per cent born overseas;
- 9 per cent with English as a second language;
- 0.7 per cent who identify as being Aboriginal or a Torres Strait Islander; and
- 1.8 per cent who identify as having a disability (see Table 16).

Treasury has an ongoing commitment to family-friendly and work/life balance practices through flexible working arrangements. In 2005-06, 78 ongoing staff worked part-time, including five at SES level. This represents 9.7 per cent of all ongoing staff. There were 73 part-timers in 2004-05. In the 2005 Staff Opinion Survey, 75 per cent of respondents indicated that, overall, they were satisfied with their work/non-work balance.

During the year, Treasury participated in the Management Advisory Committee Review of the Employment of People with a Disability in the Australian Public Service. Treasury provided the Senior Executive chair for the committee, Ms Brenda Berkley. Treasury's involvement also included the conduct of a discussion group with managers of people with a disability and a focus group for people with a disability. As a result of this process, the department encouraged staff to regularly update their Equal Employment Opportunity (EEO) data.

The number of staff identifying as being from an Indigenous background has remained static. However, to encourage development of Indigenous employees from within the APS, Treasury has worked with the Department of the Prime Minister and Cabinet, Department of Finance and Administration, and the APSC to develop a Central Agency Indigenous Exposure Programme. This programme will offer ongoing Indigenous employees at the EL1 and EL2 levels opportunities for secondments to the central agencies to gain broader experience.

To assist staff who have parental responsibilities, a carers' room is provided in the Treasury building so that parents can care for children in an emergency situation. The accredited breastfeeding facilities also assist new mothers return to work. However,

### Part 3: Management and accountability

accessing appropriate childcare remains an issue for a number of staff. Treasury continues to use an external service provider to assist staff with a range of information including elder care, childcare and care for dependants with disabilities.

Treasury has a home-based work policy so that staff in particular circumstances, such as a graduated return to work, can formally perform some of their duties from home.

In 2005-06, Treasury developed a Mature Age Workers' Strategy to provide flexible working arrangements to facilitate continuation of mature age workers in the workforce and transition to retirement. These work arrangements will help to address an emerging skills shortage, loss of corporate knowledge and promotion of work/life balance.

A number of staff fulfil the role of Workplace Harassment Contact Officer to support staff who are experiencing difficulties. Recently these officers attended a tailored in-house training course.

**Table 16: Operative and paid inoperative staff by EEO target group**

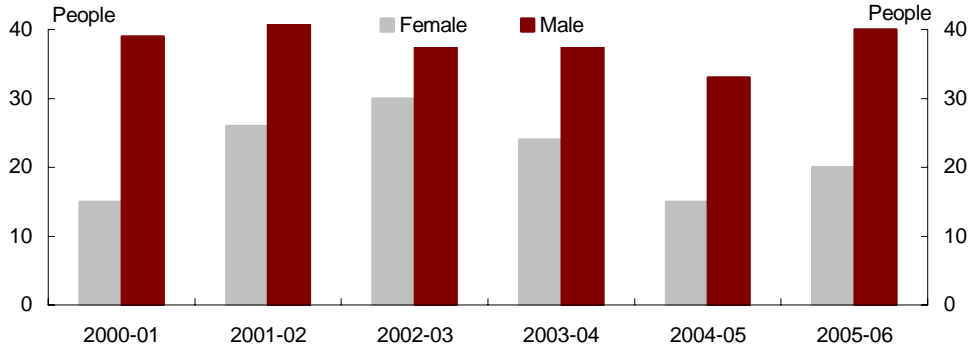
Classification	Female	Born overseas	ESL	AATSI	Disability
Cadet	1	1	1	1	-
APS1	2	-	-	-	-
APS2	8	-	-	1	1
APS3	51	19	11	1	1
APS4	49	8	8	-	-
APS5	49	27	18	-	3
APS6	93	29	14	2	4
EL1	76	26	9	1	-
EL2	50	22	11	-	5
SES1	11	7	2	-	1
SES2	4	3	-	-	-
Total	394	142	74	6	15

### Disability Action Plan

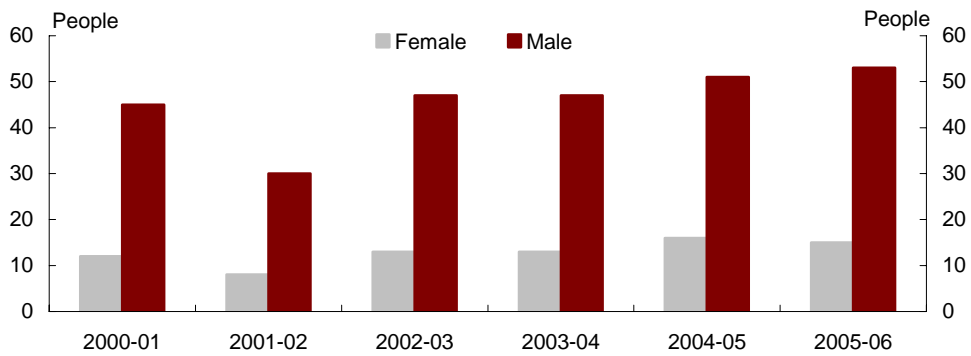
Treasury's Disability Action Plan 2001 was developed initially in consultation with staff and has since been reviewed and updated in line with the Australian Government Disability Strategy and the *Disability Discrimination Act 1992*. During the coming year the action plan will again be updated to reflect the recommendations outlined in the Management Advisory Committee report on *Employment of People with Disability in the Australian Public Service*.

Considerable assistance is provided for employees with special needs. Special equipment is purchased, such as voice recognition software, and individually tailored training is made available. Tutoring in written communication is provided as needed, as well as counselling and translators for hearing impaired staff. This proactive approach has resulted in high retention rates of staff with a disability.

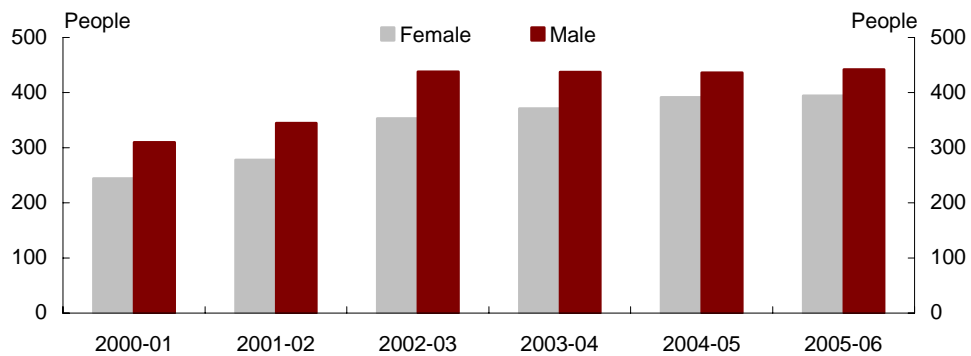
**Chart 1: Number of new entrant graduates**



**Chart 2: Number of SES staff**



**Chart 3: Treasury staff levels**



**Table 17: EEO in appointments to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2006)**

	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	17	2	1	-
Australian Energy Regulator	4	-	-	-
Australian Prudential Regulation Authority	3	-	-	-
Australian Reinsurance Pool Corporation	6	2	1	-
Australian Securities and Investments Commission	3	-	1	-
Australian Statistics Advisory Council	24	7	2	2
Auditing and Assurance Standards Board	1	1	-	-
Board of Taxation	10	1	1	-
Business Regulation Advisory Group	10	6	-	-
Commonwealth Consumer Advisory Council	11	2	9	2
Companies Auditors and Liquidators Disciplinary Board	14	-	4	-
Corporations and Markets Advisory Committee	10	5	1	-
Financial Literacy Foundation	6	3	-	-
Financial Reporting Council	17	3	9	1
Financial Reporting Panel	9	2	9	2
Financial Sector Advisory Council	10	2	3	1
Foreign Investment Review Board	3	1	-	-
HIH Assistance Review Panel	3	2	-	-
HIH Claims Support Limited	4	1	4	1
Inspector-General of Taxation	1	-	-	-
Legal Sub-Committee of the Corporations and Markets Advisory Committee	5	4	-	-
Life Insurance and Actuarial Standards Board	7	-	-	-
National Competition Council	5	1	1	-
Payments System Board	7	1	-	-
Productivity Commission	9	1	4	1
Reserve Bank of Australia Board	8	1	2	-
Superannuation Complaints Tribunal	24	11	23	11
Takeovers Panel	47	17	13	6
Tax Agent's Boards	18	1	2	-
<b>Total</b>	<b>305</b>	<b>79</b>	<b>90</b>	<b>27</b>

Note: In this table, the only EEO target group notified is women.