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.

As part of its ongoing focus on effective governance arrangements, the Treasury periodically considers a range of issues, including:

- clear accountability mechanisms;

- its leadership, culture and communication;

- appropriate governance and committee structures;

- the effectiveness of its work with its stakeholders;

- comprehensive risk management, compliance and assurance systems; and

- strategic planning, performance monitoring and evaluation.

The Executive Board is the Treasury's primary decision-making body. The Audit Committee assists the Executive Board by independently reviewing and considering the department's operations, competence and integrity of its accounts.

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

Executive Board

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

- organisational development — shaping the Treasury's future;

- policy development and coordination — involving major and/or new economic policy issues, generally with implications that involve more than one group;

- corporate governance — ensuring the efficient, effective and ethical use of resources; and

- planning and allocation of resources — meeting current and future work priorities.

The Executive Board members as at 30 June 2008 were:

- Dr Ken Henry, Secretary;

- Dr David Gruen, Executive Director, Macroeconomic Group;

- Mr Chris Legg, Executive Director, Macroeconomic Group (acting);

- Mr Jim Murphy, Executive Director, Markets Group;

- Mr Nigel Ray, Executive Director, Fiscal Group;

- Mr Paul McCullough, Executive Director, Revenue Group (acting);

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

The Executive Board is supported by the Executive and Parliamentary Division. Mr Frank Di Giorgio, General Manager, Executive and Parliamentary 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's Audit Committee meetings as an observer. The Audit Committee reviews internal and external audits relating to the Treasury.

Audit committee members as at 30 June 2008, were Mr David Parker (Chair), Mr David Martine, Mr Geoff Miller, Ms Deidre Gerathy, Mr Mark O'Connor, Mr Rob Donelly and Mr Bruce Jones (the external representative). The committee met six times during 2007-08.

Remuneration committees

Remuneration committees are established within the Executive, Corporate Services Group and the four policy groups in the Treasury to recommend to the Secretary the determination of salary rates available under individual arrangements 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 General Manager Human Resources Division and all general managers within the group. One general manager from another group is included to promote consistency of outcomes between groups.

SENIOR MANAGEMENT STRUCTURE

Details of the Treasury's management structure are set out in Part 1, Figure 1 on page 15.

CORPORATE PLANNING AND REPORTING

The Treasury's 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 through its identity statement, *The Treasury — Who We are and What We Do*, and its annual corporate plan. The identity statement sets out the Treasury's mission, values, role, and key policy responsibilities, whilst the corporate plan articulates future directions, key priorities, capabilities, risks and key risk management strategies. The corporate plan provides context for group and divisional plans.

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. The Chief Executive Instructions also contain topics relating specifically to risk management and internal accountability.

- The Internal Audit Plan identifies services and functions for auditing. The plan 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.

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;

- the Business Continuity Plan 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's 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;

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

- the 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;

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

- Project Standards, internal standards based on the structured project management methodology PRINCE2, which ensures correct project governance is applied to Information and Communications Technology projects; and

- Applications Development Standards, internal standards based on a phased System Development Life Cycle, which ensure disciplined, consistent and repeatable process is applied to software development and deployment.

Staff awareness of risk management policies and procedures is raised through training programs 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 (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.

All Treasury Workplace Agreements contain a commitment from employees to be aware of, and to uphold, the Treasury and APS values.

The Treasury learning and development activities reinforce the ethical responsibilities of staff. The APS and Treasury Accountabilities Workshop was introduced during the year, aimed at new starters. It provides participants with an understanding of the APS, Treasury accountabilities and corporate governance frameworks. The Executive Level Leadership Program, the Treasury Certificate in Business Services for APS1-5 officers, the Graduate Development Program 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 1997*. 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 comply with legislation and the Treasury's ethical standards.

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

SENIOR EXECUTIVE SERVICE REMUNERATION

Terms and conditions for all Treasury senior executive service employees are contained in either Australian Workplace Agreements (AWAs) or individual s.24(1) determinations made by 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 (refer to Table 9 on page 145). Additional information on remuneration and performance pay is set out in Note 13: Executive remuneration in the Financial Statements on page 205.

INTERNAL AND EXTERNAL SCRUTINY

AUDIT

The Audit Committee convened six times in 2007-08. 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 twice in 2007-08, and comprised members from the Treasury, the ANAO, the Treasury's internal audit service provider and the 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 2007-08 internal audit program. The Audit Committee, assisted by KPMG, continuously improves audit services by regularly reviewing the Treasury's audit program and scrutinising internal audit recommendations, as well as relevant ANAO reviews.

INTERNAL AUDITS — TREASURY

The Treasury completed four internal audits/reviews during 2007-08.

Business continuity planning

This review considered the Government's requirements and better practice tools for business continuity management and their application to the Treasury. KPMG examined the Treasury's overarching Business Continuity Plan and a selection of supporting plans for key outputs to ensure they are appropriate to maintain critical business operations in the event of unplanned disruption.

The Treasury's existing business continuity management framework is sound. The Treasury has agreed to implement the three best practice recommendations arising from the review.

End user computing

This review assessed the Treasury's approach in controlling the development, maintenance and use of end user computing solutions, such as spreadsheets, for key business processes

to ensure they are used in a way that is commensurate with their significance and criticality.

The Treasury agreed to develop an overarching management strategy for end user computing to address KPMG's recommendation.

Key application security

This review assessed whether current user access management processes are in line with organisational requirements and are appropriate to prevent unauthorised transaction processing and/or access to data.

No instances of inappropriate levels of staff user access were identified. KPMG made four recommendations to improve processes around the documentation of user addition, modification and removal from the Treasury's key systems. The Treasury agreed to implement the recommendations.

Ministerial processes

This review provided assurance that the Treasury is managing the risks associated with the ministerial briefing process. Investigation focused on the Treasury's internal processes which track ministerial responses against agreed timeframes.

The Treasury has agreed to implement eight business improvement recommendations to improve the efficiency of the ministerial process.

AUSTRALIAN NATIONAL AUDIT OFFICE REPORTS

In 2007-08, the ANAO conducted one performance audit specific to the Treasury's operations.

Audit Report No. 32: Preparation of the Tax Expenditures Statement

Tax expenditures are tax concessions that provide benefits to specified activities or to a class or classes of taxpayer.

This audit assessed the completeness and reliability of the estimates reported in the *Tax Expenditures Statement 2006*. In particular, the audit examined:

- the development and publication of the detailed statement of actual tax expenditures required by Division 2 of Part 5 of the *Charter of Budget Honesty Act 1998*;

- systems and supporting records used to produce and publish the *Tax Expenditures Statement 2006*;

- methods, models and data sources the ATO uses to produce the reported estimates of tax expenditures; and

- reporting of tax concessions by some other agencies responsible for administering Commonwealth taxing and charging laws so as to assess completeness of the tax expenditures statement. In particular, the Australian Customs Service was included in the audit.

The ANAO's six recommendations to increase ongoing scrutiny of tax expenditures are to better integrate consideration of tax expenditures into the budget processes; better integrate reporting of outlays and tax expenditures; extend the scope of tax expenditure reporting to cover all Commonwealth revenues; improve the quality of tax expenditure reporting by including estimates of large tax expenditures on a revenue gain approach; and improve the reliability of tax expenditure estimates by implementing improvements to estimation methods, reporting and measurement of tax expenditures.

The Treasury has accepted the recommendations with some qualifications. The Treasury regards the publication of the annual tax expenditures statement as an integral part of the Australian Government's budget reporting. The tax expenditures statement allows for greater scrutiny of government assistance to taxpayers and other interventions in the economy that are achieved through the tax system, and contributes to the tax system's design by promoting and informing public debate on it. The Treasury considers that the reporting of tax expenditures will continue to improve through greater use of data held by other agencies and disclosure of the reliability of estimates. The Treasury notes that in respect of improving the reliability of the tax expenditures statement estimates, availability of data is the key constraint. Therefore the benefits from improving the reliability of estimates must be weighed against the cost of increasing the compliance cost burden on taxpayers.

Other ANAO reports relevant to the Treasury's operations in 2007-08 are:

Report No. 7:   *The Senate Order for the Departmental and Agency Contracts (Calendar Year 2006 Compliance)*;

Report No. 10:   *Whole of Government Indigenous Service Delivery Arrangements*;

Report No. 12:   *Administration of High Risk Income Tax Refunds in the Individuals and Micro Enterprises Market Segments;*

Report No. 13:   *The Australian Taxation Office's Approach to Managing Self Managed Superannuation Fund Compliance Risks;*

Report No. 15:   *Administration of Australian Business Number Registrations Follow-up Audit;*

Report No. 18:	*Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2007*;
Report No. 23:	*The Management of Cost Recovery by Selected Regulators;*
Report No. 30:	*The Australian Taxation Office's Use of Data Matching and Analytics in Tax Administration;*
Report No. 31:	*Management of Recruitment in the Australian Public Service;*
Report No. 36:	*The Australian Taxation Office's Strategies to Address Tax Haven Compliance Risks;*
Report No. 37:	*Management of Credit Cards;*
Report No. 40:	*Taxpayer's Charter Follow-up Audit;*
Report No. 41:	*Management of Personnel Security Follow-up Audit;* and
Report No. 44:	*Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year Ending 30 June 2008.*

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

FRAUD PREVENTION AND CONTROL

In 2007-08 two new cases of fraud were referred to the Australian Federal Police for investigation. The Treasury resolved two cases of fraud involving false submissions made to the HIH Claims Support Scheme.

The Treasury maintains a Fraud Control Plan in compliance 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 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 2007-08.

COURTS AND PROCEEDINGS

Corporations Act — constitutional validity — Attorney-General (Cth) v Alinta Limited

On 13 December 2007, the High Court decided that paragraph 657A (2)(b) of the Corporations Act (now amended, and renumbered as paragraph 657A (2)(c)), was not invalid because it did not confer the judicial power of the Commonwealth on the Takeovers Panel in contravention of Chapter III of the Constitution. The decision set aside the Full Federal Court's declaration in Alinta Limited v Takeovers Panel that paragraph 657A (2)(b) was invalid. The High Court decision confirms the Takeovers Panel's role as the main forum for resolving takeovers disputes until the bid period ends.

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 previous 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 appeal was heard in late April 2007 and the full Federal Court dismissed the appeal on 5 October 2007. On 7 March 2008, the High Court heard and allowed an application by BHP Billiton for special leave to appeal the full Federal Court's decision. The High Court heard the appeal on 29 July 2008 and has deferred its decision.

In addition, on 4 July 2007, Rio Tinto applied to the Federal Court to prevent the Australian Competition Tribunal from hearing the matter due to a lack of jurisdiction. Rio Tinto claims that the tribunal cannot hear the matter as the definition of 'service' to which Fortescue Metals Group is seeking access has changed since the initial application

to the National Competition Council. The matter was heard by the full court of the Federal Court of Australia and was dismissed on 14 February 2008.

A subsidiary of Fortescue Metals Group (The Pilbara Infrastructure Pty Ltd) has lodged three further applications for railway services in the Pilbara region of Western Australia, including the Hamersley line operated by Rio Tinto. The National Competition Council released its draft recommendations on the application on 20 June 2008. On 24 December 2007, Hamersley Iron Pty Ltd (a subsidiary of Rio Tinto) commenced proceedings challenging the National Competition Councils ability to consider the Hamersley application. The Federal Court dismissed the application on 5 May 2008.

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. On 22 June 2007, the Australian Competition and Consumer Commission made its final determination and issued its statement of reasons for its arbitration of the access dispute.

ADMINISTRATIVE APPEALS TRIBUNAL

Freedom of information — *Fisse and the Department of the Treasury*

An application was made to the Administrative Appeals Tribunal for a review of a decision by the Treasury not to release information in response to a request under the Freedom of Information Act for a report from an interdepartmental working group to government on introducing criminal sanctions for serious cartel conduct. The Administrative Appeals Tribunal affirmed the Treasury's decision on 10 April 2008.

MANAGEMENT OF HUMAN RESOURCES

The Human Resources Division delivers strategic human resource management advice and services to enable the Treasury to recruit, develop and manage its staff to deliver high performance and to provide a supportive work environment.

Key 2007-08 workforce initiatives included:

- ensuring workforce and staff wellbeing strategies met organisational needs;

- developing and implementing strategies to address key issues identified in the staff survey;

- reviewing the Performance Management System; and

- continuously improving human resource business systems and organisational reporting.

PEOPLE MANAGEMENT SYSTEMS

The Treasury's people management systems are underpinned by the Treasury Management Model and 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.

PERFORMANCE MANAGEMENT SYSTEM

The Treasury's Performance Management System underpins the Treasury's capacity to achieve its mission by strengthening individual capabilities and aligning individual values and behaviors with shared corporate values and behaviors. The Treasury Performance Management System is based on clearly articulated capability frameworks — the Work Value Matrix which defines the capabilities required by all employees at the APS and EL classifications and the Senior Executive Service (SES) Capability Framework which defines the capabilities for SES staff.

The capability frameworks not only provide the basis for appraisals, but underpin recruitment processes, the Professional Development Framework and the Career Development System.

Ratings against each capability criterion contribute to the overall outcome, which determines the base pay for staff employed under the Treasury Workplace Agreement. The Performance Management System outcomes also inform the remuneration

committees which advise the Secretary on salary levels for APS6, EL1 and EL2 staff covered by individual arrangements.

Following a review of the Treasury Performance Management System, the Executive Board agreed in December 2007 to adopt a new naming convention for ratings against individual criteria and the overall assessment, and move to a five point rating and assessment scale. These changes took effect in the August 2008 appraisal round.

Two new ratings against individual criteria better identify employees who are 'developing to standard' and employees 'not meeting standard'. These changes facilitate improved identification of staff development needs and more realistic appraisals, particularly for newly promoted or appointed employees.

To support introduction of the new rating system, and refresh all employees' understanding of the system, a comprehensive program of training on the Treasury Performance Management System was delivered to all employees, including the Executive Board. Training by internal facilitators began in June 2008 and continued until the August 2008 appraisal round, with case-study based workshops fostering discussion and understanding.

A number of processes support the underlying principles of fairness, transparency and consistency in the Performance Management System.

- In setting the context for appraisals, initially 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 before each appraisal round provide information on the process for new staff; refresh staff knowledge; and develop skills in giving and receiving feedback for appraisees and managers.

- Review panels, usually at the 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.

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

While formal appraisal meetings are held twice a year in February and August, regular informal feedback is encouraged to facilitate productive staff management. Managers are encouraged to seek feedback from a range of sources before the appraisal meetings. Employees who meet specified criteria can elect to have an informal appraisal (rather than a formal appraisal) in the February appraisal round.

CAREER DEVELOPMENT SYSTEM

The Career Development System is part of the Treasury's people systems and the Treasury Management Model. It applies to all staff, including temporary employees and secondees with at least six months continuous service and provides staff with career development guidance by managers-one-removed.

In 2007-08, staff were offered two training sessions on 'Planning for Your Next Position', with graduates and APS6 to EL1 employees offered career planning workshops.

In addition, further guidance on the Career Development System is being developed for implementation in 2008-09. This highlights career development activities and opportunities for Treasury staff to support their career guidance discussions with managers-one-removed.

WORKPLACE AGREEMENT

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

It provides for increased pay rates (refer to Table 10 on page 145), minor variations to conditions of service, including monthly accrual of annual leave; removal of limits for payment in lieu of accrued annual leave on leaving the APS; increased paid leave to assist employees and their partners during maternity leave; 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 program of AWAs for employees classified as APS6, EL1 and EL2, along with the introduction of s.24(1) determinations for new staff following changes to the Government's Bargaining Framework in February 2008. 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 arrangements reflect government policy on agreement making at the time of implementation.

The Treasury consults extensively with staff on workplace matters, and the Workplace Agreement reinforces staff involvement in decision making. Consultation primarily occurs through the Workplace Relations Committee, elected by all Treasury staff and comprising

eight members. The committee meets regularly with the Secretary and Human Resources Division staff to discuss employment terms and conditions related matters. The Workplace Relations Committee was reconstituted during the year with elections held for all eight positions and revised Terms of Reference agreed to by the new committee. The new streamlined Terms of Reference reflect a more principles based approach.

The Treasury Workplace Agreement 2006-09 and individual arrangements provide access to 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 or the working environment. This network complements other staff support processes, such as human resources advisors and an employee assistance program delivered by an external provider.

RECRUITMENT AND SUCCESSION PLANNING

The Treasury's recruitment activity in 2007-08 included two major bulk selection campaigns, a graduate campaign, a cadetship program and 111 individual processes. Overall, 229 roles were filled from advertised vacancies. The graduate intake was 54 in 2008.

Graduate recruitment forms a major part of the Treasury's recruitment and succession planning strategy. In 2007-08, 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, advertisements were placed in major national newspapers, in graduate publications and on university career web pages.

In 2007-08, the Treasury continued with the cadetship program. This initiative targets economic honours and postgraduate students and involves a 4-6 week summer internship with financial assistance and support from Treasury mentors throughout the cadet's final year of study.

The Treasury's internet careers portal provides job seekers with five targeted avenues to register for employment and to lodge their applications for advertised vacancies. A dedicated section for graduates provides information on the Graduate Development Program including roles and expectations.

The Treasury's alumni uses non-ongoing and general employment registers and the APS Jobs portal to source candidates with the required skills and expertise to fill short term and casual roles that arise.

In accordance with Government procurement guidelines the Treasury conducted and completed an open tender process for an e-recruitment provider.

Recruitment information and procedures to assist applicants, managers, referees and selection committees were reviewed and consolidated in 2007-08. These procedures

complemented the delivery of interviewer/interviewee skills training courses. In addition, amendments to the Public Service Commissioner's Directions provided flexibility in resourcing senior executive non-ongoing roles of a temporary nature.

During 2007-08 the Treasury implemented the Australian Public Service Commission/Government's new procedures for the filling of senior public service appointments.

The Human Resources Division in conjunction with the Financial and Facilities Management Division, and the four policy groups work closely on workforce planning to recruit appropriately skilled staff. Workforce diagnostic information informs workforce planning for all levels of the Treasury's organisational structure.

LEARNING AND DEVELOPMENT

The Treasury's Professional Development Framework provides timely opportunities for staff to develop their skills and knowledge for 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 learning and development priorities.

LEARNING AND DEVELOPMENT STRATEGIES

The Treasury provides staff with an extensive array of learning and development opportunities to enable capability development, networking and the retention of corporate knowledge. Training courses held over one or two days or over a semester in length are offered for development in both corporate as well as more specific technical skills.

A large part of 2007-08 was focused on developing a suite of postgraduate programs in economics. The tender process conducted in November 2007 resulted in the Australian National University presenting an Introduction to Economics course commencing in August 2008 and Monash University selected to present a Graduate Diploma in Economic Studies and a Postgraduate Diploma in Economics and Commerce commencing in 2009 and 2010 respectively. Other Commonwealth agencies have indicated their interest in reserving places on these programs.

In October 2007 a tender process was conducted for a semester long Introduction to Law course. The Australian National University College of Law will present the course from Semester 2 in 2008. The course provides an opportunity for participants to gain accreditation towards a postgraduate law qualification.

Senior executives continue to participate in the Australian Public Service Commission leadership courses and seminars, as well as executive coaching provided by a panel of providers.

Other learning and development opportunities include short courses such as APS and Treasury accountabilities, advanced writing skills, managing workloads, financial management, policy advising, interviewer skills, providing oral advice, career planning and effective teamwork. All workshops are tailored to the Treasury's needs and are evaluated with outcomes feeding into the development of subsequent programs.

The Treasury's Certificate in Business Services program is designed for corporate, administrative and executive support staff at the APS1-6 level. The program's nine foundation modules develop a range of skills across the Treasury's Work Value Matrix, including written and oral communication skills, teamwork, client service delivery and effective time management. The fifth iteration of the program commenced in February 2008 with 38 staff attending.

The Treasury's Executive Leadership Program aims to enhance the leadership and strategic thinking skills of executive level staff to equip them to fulfil their leadership and management roles. In 2007, 37 executive level staff completed the program with 22 participating in the 2008 program which commenced in June 2008.

The Treasury has continued its mentoring program designed to assist new recruits in the transition to the Treasury. Fifty new recruits have participated as mentorees since the program commenced in May 2005. The program is evaluated every six months.

An evaluation of the new starter process was conducted in July 2007, and in November, a new starter's site was developed for the intranet. This site includes a checklist for managers, a new starter's guide, a training manifest and a peer support program where a person from within the team assists the new starter in their first few weeks in the Treasury.

The 12 month Graduate Development Program combines on-the-job training with formal in-house courses, such as advanced writing, governance and APS decision making, effective teamwork, presentation skills and economics for graduates. The program also includes external courses, such as 'Introduction to the Senate' as well as familiarisation tours and participation in key events, such as the budget 'lock-up' where budget material is provided under embargo to registered media officers. The program is refined through feedback from graduates and graduate managers.

In 2007-08, the Treasury's four policy groups organised internal workshops and divisional policy seminars to share and disseminate information to staff.

- Macroeconomic Group offered weekly Economic Policy Workshops for more junior staff to further develop presentation skills and brainstorm economic policy issues. Staff were also offered specialised training in economic modelling. The group's senior and executive level staff participated in regular economic and organisational discussions.

- Fiscal Group held a series of seminars presented by both internal and external speakers on a range of policy topics relevant to the group, and held a number of internal policy discussions on emerging issues.

- Revenue Group arranged for the Australian Taxation Office to facilitate a two day Introductory Tax course for new starters. 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, including representatives from New Zealand Inland Revenue.

- 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.

The Treasury Seminar Series continued with prominent guest speakers presenting current economic issues and research. An average of 44 staff attended each of the 20 seminars presented in 2007-08.

INFORMATION TECHNOLOGY INITIATIVES AND TRAINING

During 2007-08, IT training offered staff an extensive suite of client focused programs. The 2,171 attendances were 342 more than the previous year.

Training on a range of IT related topics, included desktop applications, security awareness, IT for new starters, electronic records management and records awareness, customised training for in-house systems; desktop applications and publishing projects, the financial management information system and the internal budgeting and reporting tool, TM1.

Key training initiatives included an increased focus on providing training on using Outlook responsibly and productively, and the introduction of compulsory training for new staff on IT Security and recordkeeping awareness.

EXTERNAL LEARNING AND DEVELOPMENT OPPORTUNITIES

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

Over 115 employees accessed studies assistance each semester in 2007-08. Students can receive a maximum of $2,500 per semester up to a maximum of $5,000 per year in financial assistance as well as access to study leave.

The Treasury has a memorandum of understanding in place with the Australian National University to facilitate on campus Short-term Economic Research projects. Three staff have undertaken projects so far; the most recent project examined the relationship between a company's adoption of the Australian Securities Exchange's Corporate Governance Council's Principles of Good Corporate Governance and best practice recommendations and its financial performance in the areas of shareholder performance, operating performance and one-year sales growth for the top 300 Australian listed companies from 2003 to 2006.

Treasury's staff development costs totalled over $3.6 million in 2007-08, reflecting 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.

WELLBEING

The Treasury has continued to monitor its performance against its Staff Wellbeing Framework that uses a range of tools to regularly assess performance indicators of staff wellbeing. The Human Resources Division provides regular management information reports to the Executive Board, the Workplace Relations Committee and staff on the results and strategies developed to improve performance.

Results of the fourth Treasury Staff Opinion Survey were presented to staff in September 2007. The survey provides important information to assist in the development of wellbeing and workforce strategies and programs. Staff continue to record high levels of satisfaction, including with Treasury people and their values, the challenging work environment, a safe and healthy workplace, access to learning and development, and security awareness.

Some progress was made in areas identified by the Executive Board as needing further improvement including: consultation; communication, particularly regarding information disseminated to staff by the Executive Board; resource allocation; feedback to staff on Remuneration Committee outcomes; and improved career development advice.

However, small declines in overall satisfaction levels were recorded in 2007 in job and career satisfaction, particularly amongst the EL1 cohort. This issue is not unique to the Treasury, and has been identified as an issue where all agencies need to focus to ensure the ongoing sustainability of the APS.

The staff survey results were released to staff and discussed in staff seminars attended by members of the Executive Board with follow-up work progressed by the Human Resources Division.

The 2007 staff survey findings are consistent with the 2006-07 State of the Service Employee survey results in which the Treasury's results were significantly more favorable than the APS average in the key areas of overall job, work and career satisfaction.

The Treasury's employee assistance program also provides generic data that provides guidance for appropriate wellbeing strategies. An external provider manages the program and continues to assist employees who may be experiencing personal or work-related problems. It provides a free, confidential counselling service to Treasury employees and their families. To complement this service, the eapdirect™ website offers easy access to information on stress, depression, anxiety, work-life balance, career development and management techniques. The employee assistance provider also offers managerAssist®, an advisory service that assists managers to deal with work performance issues and personal difficulties.

The Treasury continues to monitor staff departures and the exit survey tool was reviewed and enhanced. This will provide further detail on reasons for movements and allow the Treasury to respond effectively to factors that result in staff turnover, and allow the Treasury to target workforce and staff wellbeing strategies appropriately.

In May 2008, the annual Staff Wellbeing Framework report was again presented to the Executive Board. This report ensures that staffing data is regularly provided to assess staff wellbeing and its impact on the Treasury's operations. The paper did not identify significant risks to current operations but highlighted emerging stress points which could impact on future capabilities, particularly in the context of a tightening budgetary climate. These include reduced career opportunities particularly at the EL1 level and increasing concerns about work-life balance and associated occupational health and safety risks. Going forward, the Human Resources Division is exploring these issues further and progressing strategies to minimise the risks.

STAFFING INFORMATION

The Treasury's ongoing and non-ongoing employee numbers increased from 921 to 941 (refer to Tables 7 and 8 on page 144). Graduate (APS3) recruitment increased from 41 in 2006-07 to 53 in 2007-08. The number of EL1 employees increased from 206 in 2006-07 to 219 in 2007-08, while the number of APS4 employees decreased from 68 to 62.

Table 7: Operative and paid inoperative staff by classification and gender (as at 30 June 2008)

| Classification | Ongoing | | | | Non-ongoing | | | | | | |
| | Full-time | | Part-time | | Full-time | | Part-time | | Casual | | |
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
APS1	1	2	-	-	-	-	-	-	-	-	3
APS2	-	3	-	-	-	2	-	-	-	-	5
APS3	44	38	-	4	5	4	1	-	-	-	96
APS4	13	36	-	9	1	3	-	-	-	-	62
APS5	50	63	2	7	-	2	-	-	-	-	124
APS6	86	73	3	11	2	4	-	2	-	-	181
EL1	109	81	6	14	5	3	-	-	-	1	219
EL2	103	37	8	19	4	-	1	-	1	-	173
SES Band 1	40	12	-	4	1	-	-	-	-	-	57
SES Band 2	10	2	1	1	-	-	-	-	-	-	14
SES Band 3	6	-	-	-	-	-	-	-	-	-	6
Secretary	1	-	-	-	-	-	-	-	-	-	1
TOTAL	463	347	20	69	18	18	2	2	1	1	941

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	3	2	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 and individual arrangements, supported by a remuneration model that determines pay levels within each senior executive service level, based on performance (refer to Table 9 on page 145).

Table 9: Salary scales — SES

Classification	September 2006		September 2007	
	Minimum	Maximum	Minimum	Maximum
	$	$	$	$
SES Band 1	151,348	175,899	157,402	182,935
SES Band 2	185,496	217,116	192,916	225,801
SES Band 3	240,392	281,537	250,008	292,798

Senior executives are appraised using the APS 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 (refer to Table 10 below).

Table 10: Workplace Agreement salary scales — non-SES

Classification	September 2006		September 2007	
	Minimum	Maximum	Minimum	Maximum
	$	$	$	$
APS1	34,819	37,811	36,212	39,324
APS2	40,135	42,791	41,740	44,502
APS3	45,448	48,104	47,266	50,028
APS4	50,761	53,418	52,792	55,554
APS5	57,072	60,726	59,355	63,155
APS6	64,379	68,032	66,954	70,753
EL1	75,771	83,975	78,802	87,334
EL2	93,972	102,573	97,003	106,676

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 individual arrangements (refer to Table 11 on page 146).

Table 11: APS6, EL1 and EL2 additional pay points

Classification	Staff eligible 2007-08	Staff receiving additional pay point 2007-08	Minimum additional pay point 2007-08	Maximum additional pay point 2007-08
			$	$
APS6	181	93	76,281	81,116
EL1	219	133	94,187	100,183
EL2	173	139	111,927	122,428
Total	573	365		

Salary levels under individual arrangements are determined by the Secretary, based on remuneration committee recommendations aligned with performance appraisal assessments and assessment of long term sustainable performance, as well as relevant skills and responsibilities.

SENIOR MANAGEMENT CHANGES

Several senior management movements occurred in 2007-08 (refer to Table 12 below).

Table 12: SES ongoing commencements and cessations

Reason	SES Band 3	SES Band 2	SES Band 1	Total
Engagement	1	1	1	3
External Promotion	-	-	1	1
Internal Promotion	1	-	1	2
Resignation	-		2	2
Retirement	-	1	-	1
Transfer to another department	1	-	1	2
Promoted to another department	1	1	1	3

PROCUREMENT AND ASSET MANAGEMENT

PROCUREMENT

The Treasury's procurement framework reflects the core principle governing Australian Government procurement—value for money. The Treasury's approach to the procurement of all goods and services, including consultancies, is consistent with the requirements of *Commonwealth Procurement Guidelines—January 2005—Financial Management Guidance No.1*. The guidelines are applied to the Treasury's activities through the Chief Executive Instructions and supporting operational guidelines.

The Treasury's procurement policies and processes help ensure the Treasury undertakes competitive, non-discriminatory procurement processes; uses resources efficiently, effectively and ethically; and makes decisions in an accountable and transparent manner. Responsibility for procurement is devolved to individual business groups. The Treasury supports the decentralised approach to procurement by providing information and training about procurement policies and procedures to all staff, and maintaining a single point of contact for staff to seek advice on the guidelines, the Chief Executive Instructions and tendering processes. Standardised tendering and contracting documentation ensures consistent procurement practices are employed across the Treasury.

The Treasury's procurement framework places responsibility for procurement with the appropriate financial delegates. Currently, all proposed procurements valued at $10,000 or more are subject to review by the Treasury's Central Procurement Team to ensure due process is followed.

Details of certain agency agreements and Commonwealth contracts are published on AusTender, but 'if the Chief Executive of an agency decides that details of an agency agreement or Commonwealth contract (including standing offers) are exempt matters under the *Freedom of Information Act 1982*, the Chief Executive may then direct, in writing, that details are not to be published'. No such directions were issued during 2007–08.

ASSET 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. All assets were tested for impairment, and no adjustments to the carrying value were required.

Revaluations have been done during 2007-08 using the fair value method of valuation required by AASB 116 Property, Plant and Equipment.

CONSULTANCIES

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 in its decision-making. The most common reasons for engagement of consultancy services are:

- unavailability of specialist in-house resources in the 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 the note in Table 13.

During 2007-08, 42 new consultancy contracts were entered into involving total expenditure of $2,540,115. In addition, 53 on-going consultancy contracts were active during the year, involving total actual expenditure of $3,413,337. These amounts include GST.

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

Table 13, below, summarises consultancy contracts let in 2007-08 valued at $10,000 or more.

Table 13: List of new consultancies over $10,000 in 2007-08

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
ABARE	Provide preliminary assessment of agricultural land use, land use change and forestry dynamics within the context of a market for greenhouse gas emissions	35,000	Direct sourcing	B
ACIL Tasman Pty Ltd	Provide analysis of the electricity generation sector	55,044	Select tender	A
Acumen Alliance	Provide financial advice and support for the Standard Business Reporting Program	200,000	Panel	A
Australian Government Solicitor	Provide legal advice on the *Foreign Acquisition and Takeovers Act 1975*	14,952	Direct sourcing	A
Australian Government Solicitor	Provide legal services for limitation of common law liability	17,600	Select tender	B

Table 13: List of new consultancies over $10,000 in 2007-08 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Australian Government Solicitor	Provide legal advice to assist in responding to freedom of information requests	48,000	Panel	B
Australian Government Solicitor	Provide legal advice on property investment collapses	10,956	Panel	B
Australian National University	Provide analysis on the economic impacts of greenhouse gas emission reduction goals	49,500	Direct sourcing	B
Australian National University	Provide quantitative economic analysis of the macroeconomic, sectoral and distributional implications of achieving different long-term greenhouse gas emission reduction goals and trajectories	66,000	Direct sourcing	B
B Armstrong & Co Pty Ltd	Provide a review and report on the building services in West Block, Canberra.	13,695	Direct sourcing	B
Bizi Bytes	Provide IT architecture development and project support to the Standard Business Reporting Program	375,840	Select tender	A
Blake Dawson	Provide services to membership of the Tax Law Design Review Panel	15,000	Select tender	B
Broadleaf Capital International Pty Ltd	Provide risk and liability advice and support services for the Standard Business Reporting Program	50,000	Panel	B
Clientwise Pty Ltd	Provide performance benchmarking of information technology services	30,030	Direct sourcing	C
Collective Resources	Provide IT Architecture development and project support for the Standard Business Reporting Program	275,616	Panel	A
Compas Pty Ltd	Provide IT Architecture development and project support for the Standard Business Reporting Program	375,840	Panel	A
Curriculum Corporation	Provide development of a professional learning package to teachers of consumer and financial literacy	207,937	Open tender	A
Cybertrust	Provide professional IT security services	77,800	Direct sourcing	B

Table 13: List of new consultancies over $10,000 in 2007-08 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Cybertrust	Provide services for the Treasury I-RAP Gateway Certification	17,600	Direct sourcing	B
Cybertrust	Provide IT security services	55,000	Direct sourcing	A
Donald Cant Watts Corker (ACT) Pty Ltd	Provide cost planning and quantity surveying services for the technical design and construction of a new computer room	18,505	Select tender	B
Eclipse Group Pty Ltd	Provide scoping and design for financial planning space on the Understanding Money website	129,796	Open tender	B
Ernst and Young	Provide services to maintain and improve the integrated plan for the Standard Business Reporting Program	470,360	Open tender	B
Famous 5 Pty Ltd	Provide design services, writing and research to the First Home Saver Account disclosure project (Phase 2)	54,254	Select tender	B
F John Morgan, Barrister at Law	Provide services relating to the Tax Law Design Review Panel	15,000	Direct sourcing	B
Gartner Australasia Pty Ltd	Provide IT advisory relationship on standard industry practices	133,870	Direct sourcing	B
Graeme Pearman Consulting Pty Ltd	Provide report summarising the impacts and risks arising from climate change under emissions scenarios	22,000	Direct sourcing	B
Hugh Watson Consulting	Provide a review of the Treasury's support services	46,475	Select tender	C
KPMG	Provide internal audit services for the HIH Claims Support Scheme	275,550	Direct sourcing	A
McLennan Magasanik Associates	Provide services relating to the analysis of the electricity generation sector in Australia	132,000	Select tender	B
McLennan Magasanik Associates	Provide services relating to the supply of emissions response functions for the industrial processing, waste, non-electricity stationary energy and fugitive emissions sector	24,000	Direct sourcing	A
Monash University	Provide services for the catalogue of policy experience and choices website project	275,000	Direct sourcing	A
Monash University	Provide services relating to the modification of the Monash Multi Regional Forecasting model	151,400	Direct sourcing	A

Table 13: List of new consultancies over $10,000 in 2007-08 (continued)

Consultant name	Description	Contract price $	Selection process[1]	Justification[2]
Monash University	Provide advice on the economics of taxation and public finance, and translating tax economic principles into tax law	300,000	Open tender	B
Mr Anthony Slater QC	Provide services advising the Board of Taxation of its review of taxation arrangements applying to Managed Investment Trusts	29,000	Select tender	B
People Bank	Provide IT Architecture development and project support to the Standard Business Reporting Program	374,400	Panel	A
Pricewaterhouse Coopers	Provide services relating to the Tax Law Design Review Panel	15,000	Direct sourcing	B
Property Mentor Pty Ltd	Provide advice on building and facilities management, leasing and property management issues	12,000	Direct sourcing	B
Richard Vann	Provide services to the Board of Taxation on its review of taxation arrangements applying to Managed Investment Trusts	30,000	Select tender	B
Rice Warner Actuaries Pty Ltd	Provide research and a report into legal and intended user requirements for a First Home Saver Account disclosure statement	40,300	Select tender	B
SMS Consulting Group Pty Ltd	Provide an IT operation capability review	46,200	Open tender	B
University of Canberra	Provide Social Policy Research Services by the National Centre for Social and Economic Modeling	140,472	Direct sourcing	C
Total consultancies over $10,000		**4,726,992**		

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

The Treasury, through its Workplace Diversity Program, is committed to fostering and valuing diversity in the workplace. The Treasury's people management policies, systems and programs are underpinned by Treasury Values which include respect, fairness and the valuing of diversity among its people.

At 30 June 2008, Treasury's staff included:

- 46 per cent women;

- 26 per cent born overseas;

- 9 per cent with English as a second language;

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

- 1.6 per cent who identify as having a disability (refer to Table 14 on page 153).

The number of employees identifying as being from an indigenous background remains low; however, the Treasury is currently reviewing its Reconciliation Action Plan to identify and implement recruitment strategies which may encourage broader interest from indigenous applicants. The Treasury continues to participate in indigenous graduate and cadet selection processes which are coordinated by the Australian Public Service Commission and offered one indigenous cadetship in 2007-08.

During the year, Treasury staff were invited to participate in a number of celebratory events to recognise and support diversity in the workplace. These events included International Women's Day, National Families Week and Australia's Biggest Morning Tea.

Strategies to support the wellbeing of Treasury staff are an integral part of the Treasury's commitment to workplace diversity. The Treasury offers flexible working arrangements and a family-friendly work environment. An increasing number of Treasury staff are accessing part-time work. At 30 June 2008, 89 ongoing employees worked part-time, including 6 at senior executive service level; this represents 10 per cent of all ongoing employees, compared with 9.5 per cent the previous year. In addition to part-time work, Treasury staff can access job-share arrangements and, in particular circumstances, may apply for home-based work.

The Treasury is accredited as a breastfeeding friendly workplace and a carer's room is provided to assist staff with parental or other caring responsibilities. A maternity pack, providing a range of information on maternity/parental leave provisions, child care and support networks has been developed to assist staff who are either planning on taking, or returning from, maternity or parental leave.

The Treasury's Mature Age Workers' Strategy provides flexible working arrangements to facilitate mature age workers continuing in the workforce and making the transition to retirement.

The Treasury continues to use an external service provider to assist staff with information on elder care, child care and care for dependants with disabilities.

A number of staff are trained to act as workplace harassment contact officers to assist employees who may require support. During 2007-08, the Treasury's policy on the *Prevention of Harassment and Bullying in the Workplace* was updated and a toolkit developed to assist the harassment contact officers in their role.

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

Classification	Female	Born overseas	ESL	ATSI	Disability
APS1	2	1	-	-	-
APS2	5	2	-	-	1
APS3	46	16	7	-	1
APS4	48	17	10	1	1
APS5	72	41	21	-	-
APS6	90	46	25	-	4
EL1	99	53	13	-	2
EL2	56	44	11	-	4
SES Band 1	16	15	2	-	2
SES Band 2	3	3	-	-	-
SES Band 3	-	2	-	-	-
Total	437	240	89	1	15

Disability Action Plan

The Treasury's Disability Action Plan was developed in consultation with staff and subsequently reviewed and updated in line with the Australian Government Disability Strategy and the *Disability Discrimination Act 1992*. The action plan will be reviewed in August 2008 as part of a review of Treasury's Workplace Diversity Program.

Assistance is provided for staff with special needs. Special equipment is purchased, such as voice recognition software, and individually tailored training is available. Staff with special needs can access tutoring in written communication and translators for hearing impaired staff.

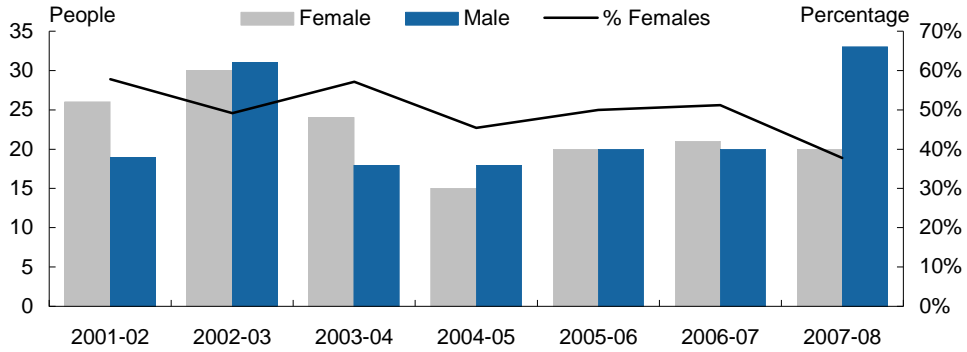## Chart 1: Number of new entrant graduates
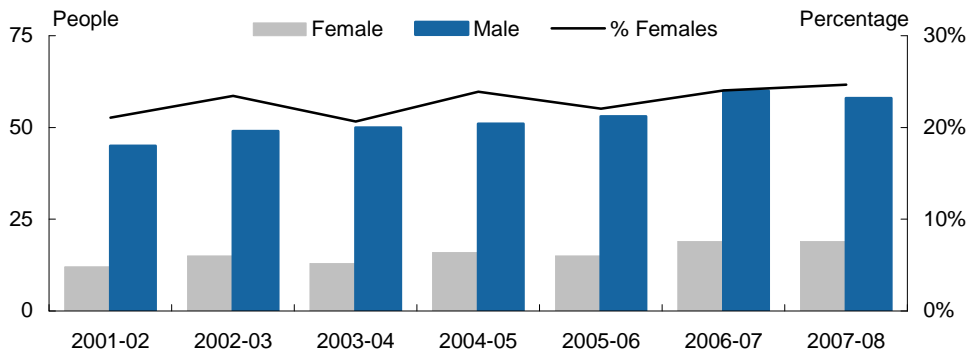

Chart 2: Number of SES staff
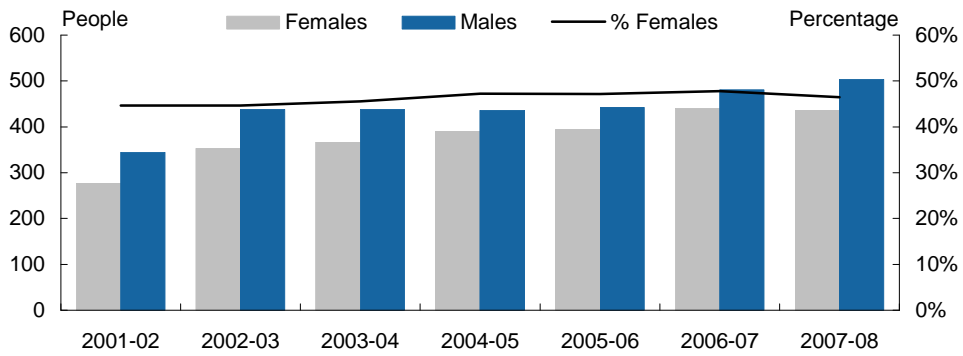

Chart 3: Treasury staff levels

Table 15: Appointments of women to boards or equivalent of statutory and non-statutory bodies (as at 30 June 2008)

	Total positions filled as at 30 June	Number of women	Number of appointments made during the year	Number of appointments of women
Australian Accounting Standards Board	1	-	-	-
Australian Competition and Consumer Commission	11	3	4	1
Australian Competition Tribunal	15	2	-	-
Australian Energy Regulator	3	-	1	-
Australian Prudential Regulation Authority	3	-	-	-
Australian Reinsurance Pool Corporation	8	3	2	1
Australian Securities and Investments Commission	3	1	1	1
Australian Statistics Advisory Council	22	6	-	-
Auditing and Assurance Standards Board	1	1	1	1
Board of Taxation	10	-	-	-
Business Regulation Advisory Group	10	6	-	-
Commonwealth Consumer Advisory Council	13	4	-	-
Companies Auditors and Liquidators Disciplinary Board	14	-	7	-
Corporations and Markets Advisory Committee	10	5	-	-
Financial Literacy Foundation	10	4	-	-
Financial Reporting Council	19	4	1	-
Financial Reporting Panel	8	1	-	-
Financial Sector Advisory Council	13	2	7	2
Foreign Investment Review Board	3	1	-	-
HIH Claims Support Limited	4	1	-	-
Inspector-General of Taxation	1	-	-	-
Legal Sub-Committee of the Corporations and Markets Advisory Committee	10	5	-	-
Life Insurance and Actuarial Standards Board	7	-	4	-
National Competition Council	4	1	-	-
Payments System Board	8	2	1	1
Productivity Commission	12	3	2	-
Reserve Bank of Australia Board	9	1	-	-
Superannuation Complaints Tribunal	20	10	2	2
Takeovers Panel	54	19	19	6
Tax Agents' Board	18	1	-	-
Total	324	86	52	15

Note: The Life Insurance and Actuarial Standards Board was abolished on 1 January 2008.