



## PART 3 MANAGEMENT AND ACCOUNTABILITY



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# MANAGEMENT AND ACCOUNTABILITY

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

The Executive Board is the 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 Treasury 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.
- 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, 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
- planning and allocating resources — meeting current and future work priorities.

The Executive Board members as at 30 June 2004 were: Dr Ken Henry, Secretary to the Treasury; David Parker, Acting Executive Director, Revenue Group; Dr Martin Parkinson, Executive Director, Macroeconomic Group; Richard Murray, Executive Director, Fiscal Group; Jim Murphy, Executive Director, Markets Group; and 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
- assisting 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 and the Mint.

The Audit Committee members are Dr Martin Parkinson (Chair), Steve French (Deputy Chair), Ian Robinson, Mike Rawstron, David Martine and Tony Ayres (external representative). The Audit Committee met nine times during 2003-04.



## Remuneration committees

Remuneration committees are established within the four groups in Treasury and Corporate Services Division to recommend to the Secretary the allocation of additional pay points available under Australian Workplace Agreements for APS 6, 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 Principal Adviser, Corporate Strategy and all general managers in the group. One general manager from another group is included to promote consistency of ratings between groups.

## Senior management

Details of Treasury's management structure is set out in Figure 4, 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.

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. The corporate plan includes an identity statement based on Treasury's mission statement and people values, and 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.

The Information Technology Infrastructure Statement of Direction is a three-year plan setting out Treasury's strategic directions in managing and accessing Treasury's information, knowledge and intellectual property. Underpinning the Statement of Direction

is the Application Systems Forward Work Plan which identifies Treasury's systems development for the next year. The plan is linked to corporate and operational plans.

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

Under the *Financial Management and Accountability Act 1997*, Treasury meets its specific risk management requirements through a single, integrated approach. In 2003 Treasury developed a Risk Management Implementation Plan and a Corporate Policy and Framework for Managing Risk. These documents established the key risk management objectives and communicated the risk policy framework.

The approach has the following key components:

- The Fraud Control Plan complies with Australian Government Fraud Control Guidelines.
- The Chief Executive's 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, recent ANAO reports on cross-agency matters, upcoming management issues, policy evaluations, previous internal audits and strategic risk management issues.
- Annual Comcover insurable risk assessments are part of the process for applying for Comcover Insurance renewal. The programme is based on the appropriate Australian risk management standard and measures Treasury's performance in

implementing risk management processes and policies against the national benchmark.

Treasury strategies aim to identify and manage risks associated with the delivery of information technology services. Information technology governance includes:

- The IT Disaster Recovery Plan setting 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 timeframe.
- Business Continuity Plans for all Treasury's IT Application systems setting out alternate methods and processes to use so Treasury can continue to work until the IT environment is restored.
- The IT Security Policy addressing 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 recommendations from the ANAO.
- The Internet and E-mail Acceptable Use Policy setting out responsibilities of individuals to use the internet appropriately, e-mail facilities and services. This policy refers to the Australian Public Service Values and Code of Conduct, the *Public Service Act 1999*, other relevant Australian Government legislation, and the Treasury IT Security Policy.
- Website Development Standards and Guidelines based on ISO 9001 and ACS1 33 International Standards Organisation and Defence Signals Directorate guidelines to ensure compliance with best practice in relation to website security.
- IT Change Control Guidelines (an internal IT management tool) assisting with quality assurance control over proposed changes to the IT technical environment and facilities. This change control process 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 to identify technical risks associated with Treasury's IT infrastructure and IT management practices.

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

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

## Ethical standards and accountability

Treasury has its own agency values reflecting and supporting the way it functions within the Australian Public Service legislative framework (including values). Treasury's people values are closely aligned with the Australian Public Service (APS) Values and are embedded in the Treasury Management Model and Performance Management System.

The Treasury Certified Agreement and Australian Workplace Agreements contain a commitment from employees to uphold Treasury values and comply with the Code of Conduct.

Internal learning and development programmes, such as leadership programmes, the APS 1-5 Treasury Certificate in Business Services, the graduate development programme and performance management system workshops also reinforce the values and behaviours expected of staff within both the department and the broader public sector.

Treasury has taken steps to establish and maintain ethical standards through developing policies such as the Fraud Control Plan, the Chief Executive's Instructions, Conflict of Interest Guidelines, Consultant Engagement and Management Guidelines and the Internet and E-mail Acceptable Use Policy.

The Chief Executive's 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 in Treasury of Commonwealth money and property. Treasury completed a full update of its Chief Executive's Instructions in September 2003 and has continued to review and update them regularly.

The Chief Executive's Instructions provide a user-friendly approach to financial management processes and provide staff with procedures so they can comply with legislation and Treasury's ethical standards.



All corporate governance policies and procedures are available to staff on the Intranet.

## Senior Executive Service remuneration

All Treasury senior executive service officers have Australian Workplace Agreements in place.

Since September 2000, senior executive service employees have been appraised using the Australian Public Service Commission's Senior Executive Capability Framework. That involves making individual rankings against each of the five criteria of the framework, then arriving at an overall ranking for the employee, which reflects their performance relative to their peers.

An increase in relative ranking can lead to an increase in base salary. See Table 10 for details of senior executive service salary scales. Additional information on remuneration and performance pay is set out in Note 15: Executive Remuneration in Part 4 of the Financial Statements.

## Corporate governance — the Mint

The Mint's Advisory Board is responsible for ensuring good corporate governance, advising corporate strategy and providing guidance and oversight to the Mint's senior management team.

The Mint's Advisory Board members as at 30 June 2004 were: Jim Murphy, Executive Director, Markets Group, Treasury (Chair); Vivienne Thom, Controller, Royal Australian Mint; Michael Rawstron, General Manager, Corporations and Financial Services Division, Treasury; Michael Del Gigante, Chief Operating Officer, Defence Housing Authority; and Ross Macdiarmid, Chief Executive Officer, Australian Capital Tourism Corporation.

The Mint's Senior Management Team comprises the Controller and the Directors of Marketing, Operations, and Finance & Systems.

## Risk management

The Mint's internal policies and procedures identify, plan for and manage the risks associated with the business of circulating and numismatic coin for Australia. These policies and procedures are consistent with the Treasury Chief Executive Instructions. The Treasury Audit Committee reviews all the Mint's internal and external audits.

The Mint's internal audit plan for 2003-2004 was designed to provide a single integrated framework for risk management within the Mint. This was seen as a way of overcoming or managing business risks through a formal risk treatment plan and future internal audits.

A major part of the internal audit programme was to undertake a comprehensive update of the Business Risk Assessment to ensure that changes to the Mint's control environment since it was last completed were reflected in the risk treatment plan.

From this business risk assessment the Mint's current Fraud Control Plan will be updated to ensure it complies with Australian Government Fraud Control Guidelines.

The Mint also engaged Ernst and Young to provide assistance in the development of a Business Continuity Plan to mitigate risks to the business in the event of a major disruption to key business processes.

The Mint's Quality Management System was designed to capture all of its operations including occupational health and safety, security, environmental management, human resources and quality control. The Quality Management System ensures that the Mint's operations meet customer requirements and organisational goals, and comply with applicable regulatory requirements. An electronically based system of policies, procedures and records management ensures effective document control and easy accessibility for all intended users. In 2003-04 the Mint further developed its ISO9001-2000 certified Quality Management System to support the Business Plan outcomes and maintain high quality service to the customers. In March 2004 SAI-Global conducted a comprehensive three-day audit of the system, concluding that the 'Mint's Quality Management System provides high levels of compliance both in definition and implementation in line with the International Standard and the organisational requirements'. The certification to the International Standard was extended for a further year.

The Mint's security system is continuously upgraded to comply with the Commonwealth Protective Security Manual and with regard to threat alerts issued from time to time by the Protective Security Coordination Centre.

## Internal and external scrutiny

### Audit

The Audit Committee convened nine times in 2003-04. Key issues it considered included H1H Claims Support scheme corporate governance processes, development of strategic risk management planning and risk assessment processes.

The Audit Committee's Financial Statements subcommittee, which oversees the presentation of Treasury's financial statements, met three times in 2003-04. The ANAO has confirmed that Treasury's published 2002-03 Financial Statements agreed with those certified by the Secretary and the Auditor-General, and were free from errors.

Treasury engaged Deloitte Touche Tohmatsu to develop the 2003-04 Internal Audit Plan. The Audit Committee, assisted by Deloitte, has a continuous improvement approach to audit services and 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 seven internal audits during 2003-04.

#### Contract risk assessment matrix

This review assessed the risks associated with the preparation and management of contracts in Treasury. One outcome of the review was to produce a contract risk assessment matrix that staff involved in contract procurement can use. The assessment matrix informs staff about the risks that could adversely affect contract delivery, including tender selection, assessment and contract management.

#### Review of quality assurance framework for financial statements

This review aimed to assess the adequacy of the financial statement quality assurance framework and level of adherence to the framework for the period ended 31 December 2002. Treasury had significantly improved the process and the review recommended further enhancements to the existing framework.

### Review of payments control framework

This review assessed Treasury's compliance with relevant requirements of its Fraud Control Plan, procedural statements and Chief Executive Instructions in relation to payments. Treasury complies with the relevant requirements.

### Review of the budget documentation production process

This review aimed to evaluate Treasury's performance in preparing and coordinating budget documentation, identify issues and opportunities for improvements in the process and recommend initiatives for achieving these improvements in future. The review identified five key areas of strategic issues and 14 opportunities for improving budget production. Treasury supports the recommendations.

### Protective security review

This wide-ranging review aimed to confirm whether controls in place meet the requirements of the minimum audit criteria standards of the Protective Security Manual 2000, *The Inter-Agency Security Forum* and recommendations of ANAO Audit No. 23 of 2002-03—Physical Security Arrangements in Commonwealth Agencies. The review made several recommendations and found most key controls in place met the designated security standards.

### Follow-up review of management of international financial commitments

ANAO reviewed Treasury's management of international financial commitments (No. 10 of 2002-03). The internal review aimed to assess the extent to which Treasury had implemented ANAO's recommendations, assess whether Treasury had implemented practices and procedures for financial risk management, specifically foreign exchange risk, and determine whether opportunities existed to improve practices and procedures. Treasury had successfully addressed ANAO recommendations, implemented the Department of Finance and Administration's guidelines on foreign exchange management and identified opportunities to improve business processes.

### Review of Treasury's performance in collaborative policy development

This review assessed two major policy projects on Treasury's performance in developing policy initiatives where Treasury was expected to work collaboratively in multi-agency efforts to develop policy proposals and outcomes. Treasury achieved a satisfactory overall level of collaborative policy performance for the policy projects.

## Internal audits — the Mint

The Mint engaged Ernst and Young as internal auditors. They conducted four internal audits during 2003-04; three reviews are ongoing and will be completed in 2004-05.

### Review of GST policy and processes

This audit assessed the adequacy of policies, processes and controls in accounting for GST collected and paid by the Mint. The review also assessed whether the Mint is working in accordance with ANAO's *A Better Practice Guide for the Management of GST Administration* and the accompanying workbook issued in May 2003.

The Mint had many instances of better practice in managing GST administration but some exceptions. Management has determined a timetable to implement these exceptions over the coming financial year.

### Business Risk Assessment

This audit updated the Mint's Business Risk Assessment to reflect changes in the Mint's control environment. It assessed risks against the Risk Assessment Framework and the Mint developed a risk treatment/management plan. The Mint will use the plan to determine priorities and methods for controlling risks.

Relevant risk information from the risk assessments is being used in developing the Fraud Control Plan, the Business Continuity Plan and internal audit planning.

### Fraud Control Plan

This audit updated the Mint's Fraud Control Plan in accordance with legislative requirements. The plan is being developed using data developed during the Business Risk Assessment.

### Business Continuity Plan

This audit assisted the Mint with aspects of business continuity planning and disaster recovery planning in line with the ANAO better practice guide, *Business Continuity Management — Keeping the Wheels in Motion* as well as the Standards Australia handbook, Business Continuity Management.

The audit identified key business processes and their critical supporting resources. The auditors, in consultation with management, are developing continuity strategies. From this, they will establish a business continuity management framework which will support the documentation of plans and procedures.



## ANAO reports

In June 2003, ANAO completed an audit of Treasury's management of the HIH Claims Support Scheme. The Government implemented this scheme to assist policyholders experiencing financial hardship as a result of the HIH collapse. The audit reviewed the governance and accountability framework for the scheme and assessed the efficiency and effectiveness of Treasury's implementation and management of that framework.

In Audit Report No 51: *HIH Claims Support Scheme—Governance Arrangements*, ANAO found Treasury had achieved the Government's objective in a manner that, in the main, provided appropriate standards of public sector governance and stewardship, and was comprehensively planning the design of the revised scheme structure and documents. ANAO noted the outcomes achieved to date were a credit to the parties involved, given the challenging circumstances in which the scheme was designed and implemented. Treasury supported all six recommendations.

In May 2004, ANAO completed field work in its performance audit of Treasury's implementation of the new Commonwealth Foreign Exchange Risk Management Policy. It will complete the review in 2004-05.

Treasury's Audit Committee follows ANAO best practice guidelines by actively reviewing relevant matters raised in performance audit reports, and overseeing any follow-up action.

The following reports were relevant to Treasury's and the Mint's operations in 2003-04:

- Audit Report No 3: Management of risk and insurance
- Audit Report No 5: The Senate Order for departmental and agency contracts (Autumn 2003)
- Audit Report No 7: Recordkeeping in large Commonwealth organisations
- Audit Report No 9: Business continuity management and emergency management in Centrelink
- Audit Report No 14: Survey of fraud control arrangements in APS agencies
- Audit Report No 19: Property management
- Audit Report No 22: Audits of the financial statements of Australian Government entities for the period ended 30 June 2003

- Audit Report No 24: Agency management of special accounts
- Audit Report No 25: Intellectual property policies and practices in Commonwealth agencies
- Audit Report No 30: Quality Internet services for government clients — monitoring and evaluation by government agencies
- Audit Report No 31: The Senate Order for departmental and agency contracts (Financial Year 2002-03 compliance)
- Audit Report No 35: Compensation payment and debt relief in special circumstances
- Audit Report No 42: Financial delegations for the expenditure of public monies in FMA agencies
- Audit Report No 49: The use and management of Human Resource Information Systems in the Australian Public Service
- Audit Report No 55: Management of protective security
- Audit Report No 57: Administration of freedom of information requests
- Audit Report No 58: Control structures as part of the audit of financial statements of major government entities for the year ending 30 June 2004.

Treasury and the Mint supported the relevant recommendations. Details of ANAO audit reports are available at [www.anao.gov.au](http://www.anao.gov.au).

## Fraud

During 2003-04, the Mint together with the Australian Federal Police undertook an investigation of mutilated coins that were returned to the Mint for reimbursement. No conclusions were made as to whether the coins were counterfeit but processes regarding return of mutilated coin were reviewed.

A display representing the various stages of master tooling was broken into at the Powerhouse Museum in Sydney. Three metal punches for the 1990, \$200 reverse die production were stolen. These cannot be used on their own to make counterfeit coins; however, the matter was referred to the New South Wales police.

## Ombudsman comments, court decisions, administrative tribunal decisions

### Ombudsman

The Ombudsman did not comment on matters within Treasury and the Mint in 2003-04.

### Courts and proceedings

#### GST Start-Up Assistance Office—fraud against Treasury

In February 2002 Mr Glenn Carlos, a GST Start-Up Assistance Office contractor, was arrested and charged with defrauding the Commonwealth under section 29D of the *Crimes Act 1914*. The fraud totalled \$1,049,625.33. Mr Carlos' committal hearing occurred on 19-20 May 2003 with several Treasury officers giving evidence.

The Government also took civil action to recover costs associated with this matter. The entire amount was recovered from Mr Carlos plus an additional \$100,000 in lieu of interest. Mr Carlos' trial commenced in the ACT Supreme Court on 17 November 2003 and finished on 26 November 2003 when the jury found him guilty of intending to defraud the Commonwealth.

Mr Carlos appeared in the Supreme Court on 10 February 2004 and was sentenced to four years in goal with a non-parole period of 18 months.

#### *Kelly v Dorcy Australia Pty Ltd & Woolworths Ltd*

In 2003, the Commonwealth was joined as a defendant in proceedings involving a cause of action under the strict product liability provisions of the *Trade Practices Act 1974*. In the proceedings (*Kelly v Dorcy Australia Pty Ltd & Woolworths Ltd*), it was alleged the Commonwealth's liability arose from a mandatory consumer product information standard in relation to luggage straps. Liability was denied and the matter was subsequently settled. Issues relating to costs in the proceedings are being determined.

## Administrative Appeals Tribunal

There were three matters relating to the Treasury in the Administrative Appeals Tribunal (AAT) during 2003-04.

An application was made to the AAT in 2003 for review of a decision by the department regarding partial withholding of information in response to a request under the *Freedom of Information Act 1982* for material in relation to the ageing nature of Australia's population. The Treasury agreed to release further (but not all) material prior to the matter being heard by the AAT. Prior to the hearing the applicant indicated he wished to withdraw his appeal

and Treasury sought and obtained on 28 June 2004 a consent order from the AAT to that effect.

An application was made to the AAT in 2003 for review of a decision by the department regarding partial withholding of information in response to a request under the *Freedom of Information Act 1982* for material in relation to bracket creep. The Treasury agreed to release some further (but not all) material prior to the matter being heard by the AAT.

An application was made to the AAT in 2003 for review of a decision by the department regarding partial withholding of information in response to a request under the *Freedom of Information Act 1982* for material in relation to the First Home Owners Scheme. The Treasury agreed to release some further (but not all) material prior to the matter being heard by the AAT.

The AAT hearing in relation to bracket creep and the First Home Owners Scheme commenced on 12 July 2004. The AAT has reserved its decision.

## Management of human resources

Treasury devotes considerable effort to integrating and aligning its people management systems with its business and management systems. The Aurion Employee Self Service system now facilitates the recording of performance appraisals, online curriculum vitae information to support the Career Development System and an improved reporting capacity for training data. Enhanced human resource management reporting is provided to the Executive Board, the staffing committee and group strategy units, including data to support organisational planning, processes and strategies including performance management, remuneration processes, recruitment, staff development and workforce planning.

Treasury's people management systems include the Treasury Management Model, the Performance Management System and the Career Development System. They are continually adjusted in consultation with staff and managers.

In 2003-04, Treasury implemented its Professional Development Framework to ensure that Treasury has the capabilities needed to deliver its outputs. The framework identifies the corporate learning and development priorities and opportunities to support the capability frameworks that underpin the Performance Management and Career Development Systems. These systems provide the basis for Treasury recruitment, development and retention strategies, and align with core business areas.

Staff surveys, exit interview data, focus groups and context-setting meetings of senior executive and divisional staff before each appraisal round provide feedback on Treasury's people management systems. The feedback indicates staff have embraced a performance culture, and a high percentage of staff in the 2003 Staff Survey agreed that the people management systems, including the Performance Management System, improve Treasury's performance.

### Performance management

The Performance Management System is designed to provide a vehicle for open, two-way discussions on performance for all staff and establishes the base pay for staff employed under the Treasury Certified Agreement. The Performance Management System outcomes also inform the remuneration committees which advise the Secretary on the salary levels for APS6, EL1 and EL2 staff under Australian Workplace Agreements.



Before appraisal rounds, the Secretary and senior executive service staff attend a context-setting meeting. The meetings are one of the strategies to ensure a consistent approach to the appraisal process. The meetings also set the broad context for appraisals and provide the opportunity to discuss relevant issues. The outcomes are disseminated to staff through a staff notice with additional context-setting meetings at the divisional and unit level to enhance consistency and assist staff to manage appraisals.

Before each appraisal round, Performance Management System workshops are offered to all staff to ensure employees are suitably prepared for appraisals. This includes briefing sessions for new starters and new managers, and workshops on giving and receiving feedback for managers and staff to develop skills related to performance appraisals.

The Performance Management System promotes fairness through clearly defining expectations and building in system controls including:

- the application of capability frameworks that set the standards expected of staff at each classification level and define the assessment criteria for measuring performance
- clearly defined role accountabilities for all levels of work
- use of upward feedback to the manager-one-removed (that is, two levels more senior), so staff have an additional opportunity to comment on the appraisal process and their manager's performance as a manager
- use of review panels comprising the manager-one-removed, the immediate manager and other relevant managers to facilitate fairness and consistency
- use of structured under-performance provisions and strategies
- transparent appraisal outcomes for all staff.

Treasury regularly reviews the objectives, processes and outcomes of the Performance Management System, and staff can provide feedback on all aspects of the appraisal process through the consultative processes, including meetings with the Workplace Relations Committee.

## Treasury Certified Agreement

The Treasury Certified Agreement 2002-04 is due to expire on 3 September 2004. It provided for the pay rates shown at Table 11. Other features relate to options for leave and attendance, allowing staff more flexibility in planning their personal commitments. The agreement also reinforced Treasury's commitment to staff through initiatives that foster staff and career development, and a healthy work environment.

Shortly after the 2002-04 agreement was certified, Treasury introduced a programme of Australian Workplace Agreements for employees classified at APS6, EL1 and EL2. The Australian Workplace Agreements provided for a performance based pay model that has salary levels above those available under the Certified Agreement.

During 2003-04, Treasury management started the process to replace the Certified Agreement. Those processes again involved direct consultation with all staff and the Workplace Relations Committee and culminated in the Secretary offering a new agreement to staff on 9 August 2004. This offer was accepted by staff and the new agreement will take effect from 22 September 2004.

## Workplace relations

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

The Certified Agreement and Australian Workplace Agreements contain procedures to resolve disputes and also provide for direct consultation with staff as appropriate.

A network of Staff Advisers assist employees in any issues relating to matters such as performance appraisal, remuneration, Australian Workplace Agreements or relations with managers.

## Recruitment and succession planning

Graduate recruitment forms a major part of Treasury's recruitment and succession planning strategy. The graduate recruitment strategy includes Treasury staff attending university career fairs and economic society information sessions, disseminating *Graduate Careers in the Treasury* brochures to university careers centres and faculties, placing

graduate recruitment information on university intranets, making presentations to final year students and advertising in several major national and state newspapers. A graduate careers section on Treasury's website provides information on the role and expectations of Treasury graduates. Treasury continues to be an attractive employer of graduates and the retention rate is high, at around 65 per cent after three years. The graduate intake in 2003 was 61 graduates and in 2004 was 45 graduates.

In 2003-04, Treasury implemented an e-recruitment system which provides online lodgment of applications and web based administration for graduate campaigns, bulk round recruitment, job-specific recruitment exercises and Treasury's non-ongoing and general employment registers.

Recruitment information and procedures which assist applicants, managers, referees and selection committees were revised and posted on the intranet.

Human Resources and the strategy units in the policy groups work closely on workforce planning issues to facilitate the recruitment of staff with appropriate skills. Workforce information is also used in staffing reports for the Executive Board and to inform on staffing placements.

Treasury advertises nationally for policy staff in bulk-round recruitment processes. It regularly conducts internal transfer rounds and advertises specialist and non-policy job opportunities as required. Treasury's website provides information on employment opportunities and invites interested people to lodge an expression of interest.

## **Training and development**

Treasury values its staff and recognises the importance of investing in learning and development strategies to offer development and career opportunities to staff. In turn this maximises Treasury's performance as well as its attractiveness as an employer.

### **Professional training and development**

The professional development framework introduced in 2003 continues to be implemented to ensure that the department has the capabilities to meet current and future business needs. The framework identifies leadership, skills development and organisational capabilities to meet current and future business needs. The framework aims to develop and sustain the capabilities needed to fulfil Treasury's mission, and builds on the Australian Public Service Leadership Capability Framework and development needs identified in

performance appraisals and career development discussions, as well as priorities identified in corporate planning processes.

Treasury's Performance Management and Career Development Systems continue to shape learning and development strategies by providing information to plan internally offered training and development programmes. Treasury's training plan maps activities offered against the work value matrix (performance management criteria) to ensure appropriate coverage across all criteria and staff levels. All learning activities are tailored to Treasury's business needs and include development in leadership and management, Treasury-specific oral and written communication, information technology, performance management, policy advising and other technical skills, and a programme tailored for administrative staff as well as induction for new staff.

The Treasury seminar series continued, with prominent guest speakers giving presentations on current economic issues and research.

Treasury also introduced tertiary-level semester courses in economics and law to complement the tertiary studies of policy analysts within the department.

Treasury delivered three comprehensive Executive Level Development Programs for EL2s and EL1s in 2003-04 with a fourth almost completed. The programmes are modular and span six months. They provide a broad range of opportunities to build management and leadership skills in technical and non-technical areas, building on Treasury's work value matrix and taking into account the Australian Public Service Commission's Senior Executive Leadership Capability Framework. The programmes include a core module on leading and managing and six other modules on project management, strategic thinking to operational planning, output and risk management, influencing skills, teamwork and coaching.

A programme for APS 1-5 administrative staff, the Treasury Certificate in Business Service, was completed during the year. Formal reviews of the programme were positive and further courses are planned for the next reporting period.

The Graduate Development Programme is structured to meet the needs of graduate policy analysts in their first year in Treasury. The programme assists graduates to develop the skills and knowledge necessary to work effectively in the Treasury and more widely in the Australian Public Service. Through a combined approach of formal and on-the-job training, graduate policy analysts are provided with opportunities to demonstrate their ability, skills and knowledge against the criteria of the Treasury's Performance Management System.

All skills based workshops offered through the Treasury training calendar were re-tendered and were closely aligned to the needs of the organisation. Writing skills workshops are specifically tailored to Treasury business. In addition, providing oral advice workshops enhances the skills of senior executives and EL2 employees. In-house workshops on presentation skills are also provided as well as workshops designed to develop leadership and people management skills.

Each of the four groups has offered a variety of forums to encourage skills development. Revenue Group conducted a tax policy framework course as well as weekly seminars. Markets Group offered a monthly policy presentation series with senior staff identifying topics relevant to the group, as well as a seminar series designed to develop communication skills. Fiscal Group runs seminars fortnightly on major microeconomic policy issues as well as on best practices for Treasury as a central policy advising agency, including communication. Macroeconomic Group conducted weekly economic policy workshops covering issues being examined within the group. Staff undertake specialised external learning and development activities where this has been agreed as part of their development plan.

Development of planning and team skills continues, with most areas conducting planning days.

Treasury implemented its revised studies assistance policy from 1 July 2003. Staff can access study leave and, in some cases, receive financial assistance for tertiary study related to Treasury work. The Studies Assistance Programme was accessed widely. New guidelines for postgraduate study provide study awards for up to four staff per year.

Three Treasury EL2s participated in the Career Development Assessment Centre managed by the Australian Public Service Commission. In addition, two Treasury employees participated in the Australian and New Zealand School of Government programmes in public policy, management and administration.

Treasury continues to offer exchanges to other Treasuries in New Zealand and Canada, to facilitate best practice public policy and career development.

### **Information technology and systems training**

In-house information technology training programmes included training on Microsoft, Web, TRIM, SAP and in-house developed systems. In 2003-04, the focus was to implement Windows and Microsoft Office XP software and 560 staff attended training on the new



software applications. Post-course evaluations indicated an 89 per cent level of satisfaction with the training provided.

Client feedback on the relevance of the Introduction to Treasury Computing course was high. In 2003-04, 89 new staff attended the Introduction to Treasury Computing course in their first week at Treasury. Evaluations indicated a 90 per cent satisfaction with the training provided.

The progressive implementation of TRIM electronic records management continued and should be completed in October 2006. In 2003-04, 317 staff attended training on the electronic records management system. In addition to the system training, more than 255 staff attended recordkeeping information sessions to enable them to better understand and meet their obligations under the *Archives Act 1983*.

In 2003-04, around 170 staff attended in-house training programmes on the Financial Management Information System (SAP R/3) and internal budgeting and report tool (iTM1). Post-course evaluations indicated over 90 per cent satisfaction with the training provided.

Specialised training was conducted for staff involved in the preparation and management of contracts. Fifty staff attended these training sessions.

Treasury's staff development costs totalled \$2.6 million (including participant salary and on costs) in 2003-04. This represents 2.5 per cent of departmental running costs and 5.7 days per staff.

## Staffing information

The employment of ongoing staff slightly increased in 2003-04 and the number of graduates decreased, as did the number of non-ongoing staff.

Table 8 represents the number of Treasury staff, by category and gender, as at 30 June 2004. Staff paid by other agencies are not included. All staff are employed under the *Public Service Act 1999*.



Table 8: Operative and paid inoperative staff by classification and gender (as at 30 June 2004)<sup>a</sup>

Classification	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
CADET	1	0	0	0	0	0	0	0	1
APS1	0	2	0	0	0	0	0	0	2
APS2	1	4	0	1	3	0	0	1	10
APS3	31	43	0	2	0	4	0	1	81
APS4	12	39	0	4	3	0	0	1	59
APS5	54	71	0	3	0	0	0	0	128
APS6	80	67	1	6	1	2	0	0	157
EL1	97	46	2	10	0	1	1	0	157
EL2	96	34	3	13	2	0	1	0	149
SEB1	35	10	1	0	0	0	0	0	46
SEB2	8	1	0	1	0	1	0	0	11
SEB3	3	0	0	0	0	0	0	0	3
Secretary	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>419</b>	<b>317</b>	<b>7</b>	<b>40</b>	<b>9</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>805</b>

<sup>a</sup> Includes staff located outside Canberra.



Table 9: Staff located at overseas posts

Overseas Post	SES Band 1	EL2	Total
Beijing	1	0	1
Jakarta	0	1	1
Paris	1	1	2
Tokyo	1	0	1
Washington	1	0	1
<b>Total</b>	<b>4</b>	<b>2</b>	<b>6</b>

Note: Locally engaged staff are not included in tables.

## Senior Executive Service — remuneration and performance appraisal

Remuneration and conditions for Treasury senior executives are determined under Australian Workplace Agreements, supported by a remuneration model that determines pay levels within each Senior Executive Service level, based on performance.



Table 10: Salary scales — SES

Classification	4 September 2002		4 September 2003	
	Maximum	Minimum	Maximum	Minimum
	\$	\$	\$	\$
SES Band 1	126,188	98,278	133,760	104,175
SES Band 2	162,529	126,583	172,281	134,178
SES Band 3	211,481	164,707	224,169	174,589

Note: Treasury senior executives do not have performance bonuses.

Since September 2000, senior executives have been appraised using the Australian Public Service Commission'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. A small number of continuing leases for private plated vehicles are still in operation and will be retained until they expire.

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

## Remuneration — employees other than SES

The Treasury Certified Agreement 2002-04 determines salary rates for all non-SES employees. See Table 11.



Table 11: Certified Agreement salary scales — non-SES

Classification	4 September 2002		4 September 2003	
	Maximum \$	Minimum \$	Maximum \$	Minimum \$
APS1	30,956	28,398	32,814	30,102
APS2	35,214	32,942	37,327	34,919
APS3	39,757	37,485	42,143	39,735
APS4	44,300	42,028	46,958	44,550
APS5	50,549	47,425	53,582	50,271
APS6	56,796	53,672	60,204	56,893
EL1	70,427	63,413	74,653	67,218
EL2	86,330	78,378	91,510	83,081

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

Treasury 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 Australian Workplace Agreements.



Table 12: APS 6, EL1 and EL2 additional pay points

Classification	Staff eligible 2003-04	Staff receiving additional pay point 2003-04	Maximum additional pay point 2003-04 \$	Minimum additional pay point 2003-04 \$
APS6	157	91	69,235	65,021
EL1	157	112	85,851	80,626
EL2	149	109	105,237	96,086
<b>Total</b>	<b>463</b>	<b>312</b>		

Note: Four EL2 staff have salary rates which fall outside the pay structure.

Salary levels under Australian Workplace Agreements are determined by the Secretary on the basis of recommendations from remuneration committees on the value of the employee to the Department based on demonstrated long-term performance with reference to appraisals under the Performance Management System, as well as relevant skills and responsibilities of the employees.

### Senior management changes

Senior management movements in 2003-04 within Treasury are shown in Tables 13 and 14.



Table 13: SES commencements

Reason for commencement	SES Band 3	SES Band 2	SES Band 1	Total
Appointment	0	0	1	1
Transfer from other agencies	0	0	2	2
Non-ongoing specific term engagement	0	1	0	1
<b>Total</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>4</b>



Table 14: SES cessations

Reason for movement	SES Band 3	SES Band 2	SES Band 1	Total
Resignation	1	0	0	1
Retirement	0	1	0	1
External transfer	0	0	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>

## Management of human resources — the Mint

The Mint's workload and organisational arrangements were steady throughout the year.

A consultant conducted a staff satisfaction survey in October 2003. Results were positive overall but with room for improvement in certain areas. When compared to a database of 114 organisations the Mint rated best practice scores for:



- Mint and APS values and code of conduct (understanding and application), which exceeded the previous best practice score by 13 per cent
- Occupational Health and Safety-use of safe working practices — the Mint equalled the previous best practice scores of 90 per cent positive.

The Mint also performed very well in overall job satisfaction, work-personal life balance, quality, and understanding of vision, goals, objectives and individual roles.

Areas for improvement include change management, cross-area cooperation and performance management.

## Performance Management System

The Mint's Performance Management System provides a framework for improving organisational performance by linking and aligning individual, team and organisational objectives and results. It also provides a means to recognise good performance and manage results.

Bonus payments that were payable under previous Agency Agreements were rolled into salary as part of the 2004-05 Agency Agreement and are no longer part of the performance management system.

The Mint's Work Level Standards were reviewed and found to be broadly consistent with APS-wide standards and work value indicators.



Table 15: The Mint performance pay — non-SES

Classification	Staff eligible	Staff receiving bonus	Smallest bonus paid	Largest bonus paid	Total cost of bonus
	2003-04	2003-04	2003-04	2003-04	2003-04
			\$	\$	\$
Apprentice	0	0	0	0	0
APS1	0	0	0	0	0
APS2	17	12	724	1,811	9,780
APS3	9	5	815	815	4,075
APS4	4	1	900	900	900
APS5	2	2	999	999	1,998
APS6	6	4	1,184	1,184	4,736
EL1/2	11	9	1,381	4,394	23,632
<b>Total</b>	<b>49</b>	<b>33</b>	<b>6,003</b>	<b>10,103</b>	<b>45,121</b>

## Royal Australian Mint Certified Agreement and APS Values

The 2004-05 Royal Australian Mint Agreement negotiated under section 170LJ of the *Workplace Relations Act 1966* was certified by the Australian Industrial Relations Commission on 3 February 2004 and will expire at the end of December 2005.

The Controller chaired the Agency Agreement Group that included management representatives, elected employee representatives, Community and Public Sector Union and Australian Manufacturing Workers Union representatives.

The 2004-05 agreement delivered a 4 per cent increase from 3 February 2004, and provides for a 4.25 per cent increase 12 months later. The increase will be funded in part by productivity initiatives and discontinuation of performance management bonus payments.

The agreement commits all parties and encourages other parties to commit to the Mint's values which are consistent with APS values. The values are also embedded in the performance management system.



Table 16: The Mint Certified Agreement salary scales — non-SES

Classification	From 3/2/2004	
	Maximum \$	Minimum \$
Apprentice	31,020	15,925
APS1	33,177	30,016
APS2	37,670	34,499
APS3	42,379	37,670
APS4	46,823	43,064
APS5	51,951	46,823
APS6	61,556	53,528
EL1	76,690	66,518
EL2	91,406	76,690

## Workplace relations

The Mint has a range of formal and informal consultative arrangements including the Mint Consultative Forum which meets regularly. It is chaired by the Controller and comprises management representatives, elected employee representatives and representatives of the Community and Public Sector Union and the Australian Manufacturing Workers Union.

The agreement commits to discussing workplace issues in a spirit of cooperation and trust, and ensuring employees receive information on workplace issues affecting them, including business progress and the impacts of new programmes. The agreement also allows employees to contribute their views on these issues.

## Recruitment and succession planning

Staffing numbers increased by 13 in 2003-04, but this increase was offset by a decrease in employment agency employees and reflects more consistent production demands and work availability. One new apprentice was employed, maintaining the number of apprentices at four.

## Training

The Mint's training and development programme provides training to improve the skills, knowledge and attitudes of employees, to increase their competence and performance.

On-the-job training continues to be an important focus for developing competencies and Occupational Health and Safety awareness programs, with external providers or the Mint's own staff providing the expertise necessary. Word and Excel were taught in-house by experienced users to the many employees who wanted to expand their skills. Extensive programme testing and staff training for a new Streamline MPR system started mid-year and will continue into next year.

Low workforce numbers and a slow turnover of employees allow for only limited career development opportunities within the Mint, presenting challenges for those seeking self-development. One employee received study assistance to gain a qualification as a Certified Practising Accountant. Mint employees participated in Treasury training courses on Procurement.

The cost for external training courses for the Mint for 2003-04 was \$48,000, excluding Streamline training, salary and travel costs.

## Staffing information

Staffing numbers increased from 99 in 2002-03 to 112 in 2003-04. The increase was offset by a decrease in employment agency employees and reflects more consistent production demands and work availability. Table 17 shows the number of Mint staff, by category and gender, as at 30 June 2004. All staff are employed under the *Public Service Act 1999*.



**Table 17: The Mint operative and paid inoperative staff by classification and gender (as at 30 June 2004)**

Classification	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
Apprentice	0	0	0	0	4	0	0	0	4
APS1	2	3	0	0	1	2	0	0	8
APS2	14	16	0	0	0	0	0	0	30
APS3	16	1	0	0	1	0	0	0	18
APS4	11	8	0	0	0	1	0	0	20
APS5	3	1	0	0	0	0	0	0	4
APS6	12	1	0	0	0	0	0	1	14
EL1	8	1	0	0	0	0	0	0	9
EL2	2	1	0	0	1	0	0	0	4
SEB1	0	0	0	0	0	0	0	0	0
SEB2	0	1	0	0	0	0	0	0	1
SEB3	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>68</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>112</b>

Details of the Mint's Senior Executive Service remuneration and performance pay are included in the Treasury performance pay table in the Senior Executive Service remuneration and performance appraisal section of the report.

## Purchasing and assets management

### Purchasing

Treasury and the Mint have established a number of internal policies and procedures for purchasing goods and services. The policies are consistent with the Department of Finance and Administration Commonwealth Procurement Guidelines and ensure compliance with legislation and government policy in procurement.

The Chief Executive Instructions set out staff obligations and policy and associated business rules for government procurement. Responsibility for procurement is devolved to line managers. Delegated responsibilities are recorded in the Chief Executive Instructions.

Treasury is an active participant in government forums on procurement. This involvement ensures Treasury maintains procurement expertise and procedures comply with government policy and guidelines. The Treasury intranet is updated regularly to incorporate information on contemporary procurement practice. The site also contains links to relevant Australian Government procurement policies including the Department of Finance and Administration *Commonwealth Procurement Guidelines July 2004 and Guidance on Complying with Legislation and Government Policy in Procurement March 2004*.

In 2003-04 Treasury developed a government procurement training programme for staff. The training targeted staff who prepare and manage contracts.

The Mint continues to develop its internal policies and procedure manuals on purchasing goods and services. Responsibility for procurement is devolved to line managers, with assistance provided by a contract manager who was appointed during the year.

The new contract manager will address the issues raised by the Ernst and Young review of tendering and contracting arrangements conducted in 2002-03. All relevant staff have participated in procurement training.

### 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 non-current assets are subject to an annual stocktake to ensure the accuracy of asset records. Revaluations undertaken up to 30 June 2002 were performed on a deprival basis; all revaluations from this date are conducted using the fair value method of valuation. This change was required by the Australian Accounting Standard AASB 1041 *Revaluation of non-current assets*.

The Mint manages three types of fixed asset classes: plant and equipment, intangibles and the National Coin Collection. The total value of these assets is \$9.056 million. The Mint manages these assets in accordance with the guidelines set out in the Chief Executive Instructions. The Mint did a stocktake of plant and equipment and intangibles to ensure the accuracy of the asset records, and the Australian Valuation Office valued plant and equipment. It was determined that Mastertooling assets did not constitute an asset according to the Accounting Standards and these assets were written off.

## Consultancies

Consistent with the Department of Finance and Administration Commonwealth Procurement Guidelines and the Chief Executive Instructions, Treasury and the Mint engage consultants and contractors on the basis of:

- value for money
- open and effective competition
- ethical and fair dealing
- accountability and reporting
- national competitiveness and industry development
- 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 Treasury and the Mint to manage their decision-making. In 2003-04 the most common reasons for engagement of consultancy services were:

- unavailability of specialist in-house resources in the short time allowed
- the need for an independent study or review
- specialist skills and knowledge not available in-house.

The selection methods used for consultancies are categorized in column five of Table 19.

Treasury continued to implement initiatives to improve the management of departmental contracts and consultancies throughout the year. This included an education programme incorporating both high-level forums facilitated by the Australian Government Solicitor and training for contract operatives by Treasury's Contract Management Team. An electronic contract register system to supplement recently revised parliamentary and government reporting procedures was successfully implemented. Additionally, Treasury and the Australian Government Solicitor recently reviewed all contracts and associated documents to ensure they complied with legislation and government procurement policy.

During 2003-04, Treasury and the Mint engaged 109 consultancies in total valued at \$3,799,746.



**Table 18: Total number and expenditure on consultancies in 2003-04 by output group<sup>a</sup>**

Output Group		Consultancies number	Cost \$
1.1	Macroeconomic	2	54,793
2.1	Fiscal	1	163,227
2.2	Revenue	10	396,253
3.1	Markets	27	1,214,562
	Corporate Services Division	43	1,455,237
	Royal Australian Mint	26	515,674
<b>Total</b>		<b>109</b>	<b>3,799,746</b>

<sup>a</sup> Note: Table 18 shows the actual expenditure and number of consultancies for 2003-04. This table does not correspond with Table 19 which shows the total value of consultancy contracts of \$10,000 or more, entered into during the year.





Table 19: List of consultancies over \$10,000 in 2003-04 by output group

Consultant	Project	Cost \$	Reason	Procurement Method
<b>Output Group 1.1 (Macroeconomic)</b>				
Dungey, Dr Mardi	Provide econometrics training for Domestic Economy Division	19,374	e	Select
<b>Total Output Group 1.1</b>		<b>19,374</b>		
<b>Output Group 2.1 Fiscal</b>				
Taylor Nelson Sofres Australia Pty Ltd	Provide advice relating to public consultations and demographic challenges	199,502	e	Select
<b>Total Output Group 2.1</b>		<b>199,502</b>		
<b>Output Group 2.1 Revenue</b>				
BDO Kendalls	Evaluate and report on the <i>Income Tax Assessment Act 1997</i>	30,800	c,e	Select
Creating Coherence Pty Ltd	Provide consultancy services relating to tax law design and development	172,800	e	Direct Engagement
Creating Coherence Pty Ltd	Identify the inoperative provisions of the 1936 and 1997 Income Tax Assessment Acts	20,000	e	Direct Engagement
Dubedi Pty Ltd	Provide secretariat support for the charities definition working group	63,360	b, d	Direct Engagement
JP Sustainable Solutions Pty Ltd	Provide secretariat support for the charities definition working group	19,800	b, d	Direct Engagement
KPMG Australia	Provide services on taxation on certain aspects of BELC income	109,670	e	Select
Queensland University of Technology	Conduct research on charitable legal/tax issues	30,000	e	Direct Engagement
Ms Marie Spencer	Review submissions on consultation on the definition of a charity	20,790	e	Direct Engagement
Unisearch Ltd	Review the <i>Income Tax Assessment Act 1997</i>	37,600	c, e	Select
University of Canberra (NATSEM)	Provide social policy research services	54,324	e	Direct Engagement
<b>Total Output Group 2.1</b>		<b>559,1444</b>		

Table 19: List of consultancies over \$10,000 in 2003-04 by output group (continued)

Output Group 3.1 Markets				
Acumen Alliance	Develop system requirements for Treasury's foreign investment management system	67,697	e	Direct Engagement
Chant Link and Associates	Provide research services on consumer and financial literacy for the Consumer and Financial Literacy Taskforce	250,000	e	Select
Clayton Utz	Provide consultancy services for the review of the <i>Insurance Contracts Act 1984</i>	82,500	e	Select
Clayton Utz	Provide legal advice on HIH Assistance Scheme — Insurance Programs	100,000	e	Open
Cre8ive Pty Ltd	Provide graphic design services	22,114	e	Direct Engagement
Mr Gary Potts	Advise on discretionary mutual funds and direct offshore foreign insurance	30,000	c	Direct Engagement
Grey Worldwide Canberra Pty Ltd	Administer the Product Recalls Australia website for Treasury	28,000	e	Direct Engagement
Griffin Interlink Pty Ltd	Review issues on law reforms and the international insurance market	15,000	e	Select
Grosvenor Management Consulting Pty Ltd	Manage tender services for the restructure of the HIH Claims Support Scheme	200,000	d, e	Open
KPMG Australia	Review the Mint's transfer price model and community service obligations	16,500	e	Direct Engagement
Montague Leong	Provide design services on Consumer and Financial Literacy Taskforce discussion paper and report	22,338	b	Select
Mr Alan Cameron AM	Review the <i>Insurance Contract Act 1984</i>	80,000	c	Select

Table 19: List of consultancies over \$10,000 in 2003-04 by output group (continued)

Consultant	Project	Cost \$	Reason	Procurement Method
<b>Output Group 3.1 (Markets)(continued)</b>				
Tall Poppies Research and Marketing Pty Ltd	Research information products	60,000	e	Select
Trowbridge Deloitte Ltd	Review Commonwealth liabilities under the HIH Claims Support Scheme	178,200	e	Direct Engagement
Trowbridge Deloitte Ltd	Prepare an international marketing report of Australian tort law reforms	33,000	e	Select
True North Consulting Pty Ltd	Develop an online website for Treasury	142,959	e	Open
University of Melbourne	Undertake a technical study of Financial System Guarantees	50,000	c, e	Direct Engagement
Watson Wyatt Australia Pty Ltd	Provide change management services for the restructure of HIH Claims Support Scheme	406,000	d,e	Open
Wyatt Gallager Bassett Pty Ltd	Provide 'gateway' eligibility assessment services for the HIH Claims Support Scheme	100,000	d	Direct Engagement
Wyatt Gallager Bassett Pty Ltd	Provide transition, claims payment, recovery and financial management services for the HIH Claims Support Scheme for a three-year period from June 2004 to September 2007	12,970,000	e	Open
HIH Casualty and General Insurance Ltd (in liquidation)	Reimburse incremental costs of providing the Insurer's information technology services for the HIH Claims Support Scheme	250,800	a	Direct Engagement
Curriculum Corporation	Redevelop consumer curriculum resources	47,290	e	Open
<b>Total Output Group 3.1</b>		<b>15,212,398</b>		

Table 19: List of consultancies over \$10,000 in 2003-04 by output group (continued)

<b>Corporate Services</b>				
Australian Government Solicitor	Provide in-house legal counsel to Treasury	850,000	e	Direct Engagement
Australian National University	Provide Treasury with consultancy services — Introduction to Law	60,000	e	Select
Chris Adams and Associates Pty Ltd	Develop and provide financial management training courses	32,450	e	Select
Clynes Hales Walker Pty Ltd	Review Treasury video conferencing and audio visual facilities	13,750	e	Direct Engagement
Cypcopic Pty Ltd	Provide IT training and consultancy services	47,520	e	Open
Davidson Trahaire Corpsych Pty Ltd	Provide services relating to the Treasury Employee Assistance Programme	92,400	e	Open
Excelerated Consulting Pty Ltd	Provide consultancy services to develop and implement the HR MIRFS system	19,200	e	Direct Engagement
Excelerated Consulting Pty Ltd	Provide consultancy services to develop and implement the HR MIRFS system	63,520	e	Direct Engagement
iCognition Pty Ltd	Prepare policy and guidelines for electronic document and records management	10,175	e	Direct Engagement
Igate Australia Pty Ltd	Provide specialised technical services for Internet/Intranet	100,000	e	Select
Interaction Consulting Group Pty Ltd	Develop and provide Writing Skills Workshops	46,640	e	Select
Mastech Asia Pacific Pty Ltd	Provide specialised technical services for Internet/Intranet	240,506	e	Direct Engagement
PALM Consulting Group	Develop and provide Staff Development Workshops	15,000	e	Select
PALM Consulting Group	Develop and provide Team Management Workshops	20,000	e	Select
RazorIT Systems	Develop computerised system to produce Budget documentation	50,000	e	Direct Engagement
RazorIT Systems	Provide systems analysis, design and programming services to develop an integrated staffing information system	20,000	e	Direct Engagement

Table 19: List of consultancies over \$10,000 in 2003-04 by output group (continued)

Consultant	Project	Cost \$	Reason	Procurement Method
<b>Corporate Services (continued)</b>				
Sue Willis Training and Consulting	Develop and provide Presentation Skills Workshops	15,325	e	Select
Support IT Pty Ltd	Provide financial management services	67,000	e	Direct Engagement
SynerLogic Microsystems Pty Ltd	Undertake a post implementation review of HEAT software	232,122	e	Direct Engagement
SynerLogic Microsystems Pty Ltd	Provide computer consultancy services relating to Corporate XP Deployment Phase 12	106,376	e	Select
Mr Tony Ayres	Provide consultancy services as external representative on the Treasury Audit Committee	24,000	e	Direct Engagement
Walter and Turnbull	Provide advice on preparing the 2003-04 financial statements	28,958	b	Direct Engagement
Walter and Turnbull	Provide the Treasury with specialised technical financial services	49,042	a, b	Select
<b>Total Corporate Services</b>		<b>2,329,175</b>		
<b>Royal Australian Mint</b>				
Australian Government Solicitor	Provide legal advice on coin related issues	65,000	c, e	Direct engagement
Attorney General's Department	Provide currency determinations	10,623		Direct engagement
Clayton Utz	Provide legal advice on commercial contract matters	22,585	c,e	Direct engagement
CSIRO Manufacturing Science	Research and develop new hologram coin technology	49,500	a, c, e	Direct engagement
Ernst & Young	Provide internal audit	26,376	e	Direct engagement
Ecolab Pty Ltd	Complete testing of air conditioning units	17,258	e	Select
GEAC Australia Pty Ltd	Maintain the Mint's FMIS System	106,000	a	Select
HBA Consulting	Provide professional advice on Enterprise Bargaining Agreement	15,107	b, e	Direct engagement

Table 19: List of consultancies over \$10,000 in 2003-04 by output group (continued)

Consultant	Project	Cost \$	Reason	Procurement Method
<b>Royal Australian Mint (continued)</b>				
Virtuoso Media	Provide specialised technical service for the Mint Intranet	59,024	b, e	Direct engagement
Zoo Communications Pty Ltd	Provide specialist promotion services and advice	11,532	e	Direct engagement
<b>Total Royal Australian Mint</b>		<b>464,472</b>		
<b>Total consultancies over \$10,000</b>		<b>18,785,065</b>		

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.

Notes

- 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 Treasury; 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.
- III If a Consultancy is let for Advertising and Market Research that Consultancy will be reported in both the 'Consultancy' and 'Advertising and Market Research' categories.

## Workplace diversity

Treasury endeavours to foster a working environment that attracts, develops, values and retains people from varying cultural backgrounds as well as those of different ages, gender, talents, experiences, perspectives and backgrounds. The Treasury values, one of which is 'value diversity among our people', underpin Treasury's people systems. As part of the Performance Management System, all staff members are appraised twice a year against Treasury values and the behaviours expected of all staff.

In December 2003, the Secretary launched Treasury's Workplace Diversity Programme 2003-06. Other speakers were Ms Pru Goward, Federal Sex Discrimination Commissioner, and Ms Brenda Berkeley, Treasury's Senior Executive responsible for workplace diversity.

Treasury's Workplace Diversity Programme aims to:

- ensure all staff practise and promote workplace diversity principles and objectives
- align Treasury's Workplace Diversity Programme with APS-wide initiatives and Treasury's people management systems
- ensure the recruitment process reflects workplace diversity principles
- promote an environment where all staff are given the opportunity to develop to their full potential
- create an environment where all staff have the opportunity to balance their work and personal life style choices
- encourage and support a safe and healthy working environment.

Treasury performance on objectives will be measured by future staff survey results.

The profile of Treasury's staff at end June 2004 was: 46 per cent women, 22 per cent born overseas, 13 per cent with English as a second language, 0.7 per cent who identify as being Aboriginal or a Torres Strait Islander, and 2 per cent who identify as having a disability. (See Table 20.)

Treasury has a number of family friendly and work/life balance practices, including flexible working arrangements and leave. In 2003-04, 52 employees worked part-time, including five non-ongoing employees.

To help new mothers return to work, Treasury provides breastfeeding facilities. During 2003, the Australian Breastfeeding Association accredited Treasury as a breastfeeding-friendly workplace. Treasury was the first Australian Government department in Canberra to be accredited. The carers' room also provides facilities for staff needing to care for a family member while managing work responsibilities. This facility has been well used, especially by staff caring for children in an emergency situation.

Treasury staff have some access to the Abacus Early Childhood Centre, an on-site childcare centre managed on behalf of the Department of Finance and Administration. Currently 22 children of Treasury staff attend the centre.

During 2004, Treasury conducted a survey on childcare and other work/family issues and held focus groups to identify the issues more clearly.

Staff have access to home-based work through the Home-based Work Policy. Four people have formally accessed this provision which allows them to perform duties from home in particular circumstances, such as a graduated return to work.

Treasury is examining initiatives for developing a flexible employment framework which promotes workforce participation for older workers. In developing these initiatives, Treasury is drawing on the findings of the Intergenerational Report and the Management Advisory Committee report on Organisational Renewal. Using flexible work arrangements, older employees are able to smooth the transition from full-time work into retirement, and this will help address such issues as the loss of corporate knowledge.

Several people continue to maintain their role as Workplace Harassment Contact Officers and their training has been updated. Information on their role and availability to discuss issues is on the intranet.

Treasury continues to participate in the National Indigenous Cadetship Programme and has offered a cadetship in 2004.





Table 20: Operative and paid inoperative staff by EEO target group

Classification	Female	Born Overseas	ESL	AATSI	Disability
Cadet	0	0	0	1	0
APS1	2	1	0	0	0
APS2	6	4	2	0	0
APS3	50	19	18	0	2
APS4	44	11	11	0	1
APS5	74	38	29	3	2
APS6	75	29	21	1	4
EL1	57	29	10	1	4
EL2	47	32	15	0	3
SESB1	10	11	2	0	1
SESB2	3	4	0	0	0
SESB3	0	0	0	0	0
<b>Total</b>	<b>368</b>	<b>178</b>	<b>108</b>	<b>6</b>	<b>17</b>

Note: For categories other than gender, identification is on a voluntary basis.

## Disability Action Plan

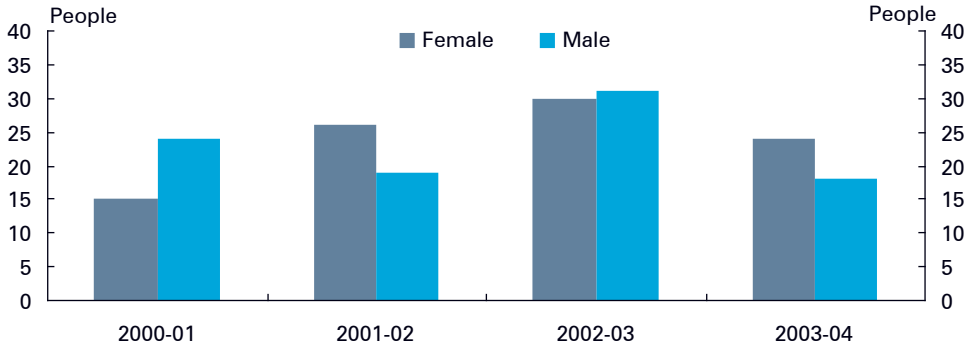
Treasury's Disability Action Plan 2001 was initially developed in consultation with staff, lodged with the Human Rights and Equal Employment Commission and made accessible to the general public through [www.hreoc.gov.au](http://www.hreoc.gov.au). The plan has since been reviewed in line with the Australian Government Disability Strategy and the *Disability Discrimination Act 1992* to eliminate as far as possible, discrimination on the grounds of disability.

Treasury has developed links with Employers Making a Difference, an organisation that facilitates employment for people with disabilities. Suitable vacancies are advertised on the Employers Making a Difference website to encourage applicants with relevant skills to consider Treasury as an employer.

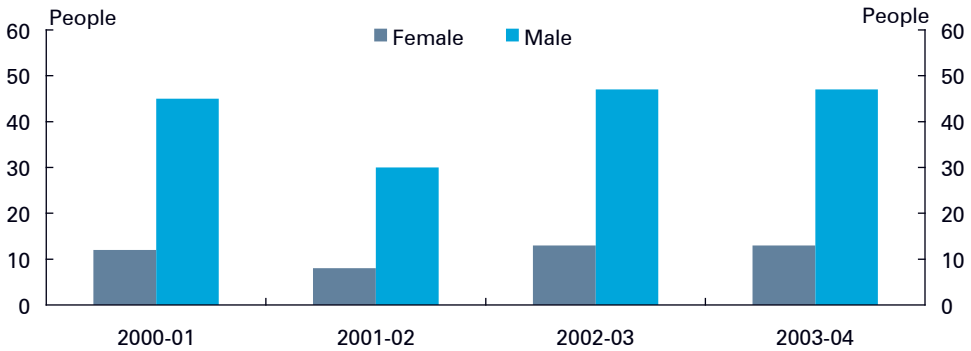
Assistance tailored to the needs of employees with special needs includes coaching, counselling and translators for hearing impaired staff.

The following charts show gender trends within Treasury over the past four financial years.

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



**Chart 2: Number of SES staff members**



**Chart 3: Treasury staff levels**

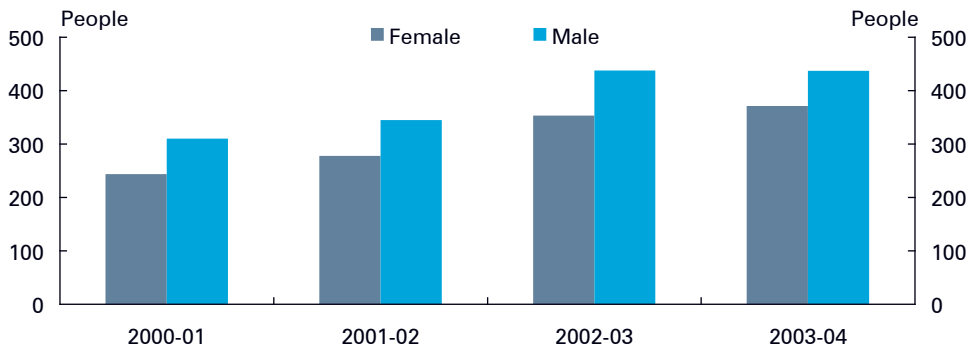




Table 21: EEO in appointments to boards (or equivalent) of statutory and non-statutory bodies (as at 30 June 2004)<sup>a</sup>

	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	10	3	3	0
Australian Competition and Consumer Commission	17	4	6	1
Australian Competition Tribunal	12	2	5	0
Australian Prudential Regulation Authority	3	0	3	0
Australian Reinsurance Pool Corporation	5	2	5	2
Australian Securities and Investments Commission	3	1	2	0
Australian Statistics Advisory Council	18	5	2	0
Board of Taxation	10	1	3	0
Business Regulation Advisory Group	9	5	0	0
Commonwealth Consumer Advisory Council	8	3	1	0
Companies Auditors and Liquidators Disciplinary Board	6	0	4	0
Corporations and Markets Advisory Committee	14	7	1	0
E-Commerce Expert Group	11	2	0	0
Financial Reporting Council	20	3	0	0
Financial Sector Advisory Council	9	0	3	0
Foreign Investment Review Board	3	1	1	0
HIH Assistance Review Panel	3	2	3	2
Health Services Advisory Committee	10	2	10	2
Inspector-General of Taxation	1	0	1	0
Legal Sub-Committee of the Corporations and Markets Advisory Committee	12	5	5	0
Life Insurance and Actuarial Standards Board	7	0	6	0
National Competition Council	5	2	5	2
Payments System Board	7	1	5	1
Productivity Commission	8	2	2	0
Reserve Bank of Australia Board	9	1	1	0
Shareholders and Investors Advisory Council	10	4	10	4
Superannuation Complaints Tribunal	22	11	4	1
Takeovers Panel	42	17	5	0
Tax Agents' Boards	19	2	2	0
<b>Total</b>	<b>313</b>	<b>88</b>	<b>98</b>	<b>15</b>

<sup>a</sup> In this table, the only EEO target group notified was women.

## Workplace diversity — the Mint

The Mint respects and appreciates the cultural diversity of its workforce, half of which comprises employees from countries where English is not the spoken language.

The Workplace Diversity Programme was reviewed in 2003-04 and the programme continues to formalise the Mint's commitment to ensuring employees in identified groups have fair access to recruitment, training and promotion opportunities.

To assist employees in balancing work, family and other caring responsibilities effectively, the Agency Agreement leave conditions allow employees to use their personal leave entitlements to care for an immediate family member who is sick. Applications for part-time work are looked on favourably. Flexible working hours are available to fit in with family commitments. Executive level employees are able to make use of flexible working hours in the same way as all other Mint employees. The 2004-05 Agency Agreement also now provides that entitlement to paid maternity leave qualifies employees to an additional 2 weeks' paid leave. The maternity leave and the additional leave may be taken at half pay.

The results of a staff attitude survey conducted in October 2003 showed that employees strongly agreed that they were 'usually able to balance the demands of work and personal/family life'.



Table 22: The Mint operative and paid inoperative staff by EEO target group

Classification	Female	Born Overseas	ESL	AATSI	Disability
Apprentice	0	1	0	0	0
APS1	5	5	5	0	0
APS2	16	27	26	0	1
APS3	1	5	4	0	1
APS4	9	10	6	0	0
APS5	1	2	2	0	0
APS6	2	5	4	0	0
EL1	1	6	4	0	0
EL2	1	1	1	0	0
SESB1	0	0	0	0	0
SESB2	1	1	0	0	0
SESB3	0	0	0	0	0
<b>Total</b>	<b>37</b>	<b>63</b>	<b>52</b>	<b>0</b>	<b>2</b>