

PART 3

Management and Accountability

Case study: Budget 2015	71
Corporate Governance	73
External Scrutiny	76
Management of Human Resources	80
Assets Management	88
Purchasing	89
Consultants	90
Australian National Audit Office access clauses	91
Exempt Contracts	92
Procurement initiatives to support small business	93

THE TREASURY



BUDGET 2015

The Treasury is best known for producing the Australian Government's annual budget. The Treasury published its first electronic budget in May 1996 and it is still available online today.

Since then the Treasury has produced web versions of the budget printed products. In 2015 the Treasury took a new approach to accessibility with the aim of better explaining the key Budget measures to the Australian public.

With this in mind the Treasury developed a new entry to its traditional budget documentation through:

- mobile responsive design;
- interactive calculators for small businesses;
- cameos outlining existing government funding;
- a tax distribution calculator; and
- animations to explain key budget measures.

The Treasury promoted the Budget website through social media and actively engaged with the media, stakeholders and the Australian community. The Treasury's Twitter account (@Treasury_AU) near dormant since June 2012, sprang to life with rapid take-up.

Treasury used social media during Budget 2015 to raise awareness of the redeveloped budget.gov.au site, trigger conversation and interaction through sharable content and direct people to further information. Tweets were a mix of budget facts, anecdotes and budget information pertinent to Australians.

During Budget week, Treasury tweets received approximately 110 retweets per day and gained almost 1,000 new followers with steady growth ongoing. The top three tweets were:

 **Australian Treasury** @Treasury_AU · May 10
Did you know that at least 6 kilos of M&Ms are consumed by staff in our Budget division in the wks leading up to #Budget2015?
[View Tweet activity](#)

 **Australian Treasury** @Treasury_AU · May 11
If the #Budget2015 papers were piled on top of each other, they would be 500m high! budget.gov.au pic.twitter.com/h2UqYcNwb
[View Tweet activity](#)

 **Australian Treasury** @Treasury_AU · May 12
#Budget2015 is handed down in 1 hour. You can access all budget papers at budget.gov.au pic.twitter.com/vcNa6MRn
[View Tweet activity](#)

Social media activity during Budget 2015 highlighted the importance of and appetite for the Treasury to engage in open, regular dialogue online.

THE TREASURY

Corporate Governance

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

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

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

Strategic and organisational reviews

Capability Review and Capability Action Plan

Following the Capability Review in September 2013, the Treasury developed a Capability Action Plan to address its key findings.

The Action Plan was a combination of new measures and existing initiatives which had arisen from earlier organisational reviews. Initiatives were placed into one of the following four work streams:

- planning, budgeting and measuring;
- innovation and knowledge management;
- stakeholder engagement; and
- leadership and change management.

The Action Plan themes are now embedded into the Treasury's normal business activities through revised governance and organisational arrangements that focus more closely on planning, budgeting and measuring; ongoing capability improvement; risk management; and performance management.

The Treasury provided six-monthly reports to the Australian Public Service Commission (APSC) on progress against the Action Plan and agreed to participate in a Capability Review Health Check to assess improvement.

Capability Review Health Check

The APSC conducted the Treasury Capability Review Health Check between 2 February and 13 March 2015.

The health check was led by the APSC with the assistance of the independent senior reviewer. The health check included an analysis of documentary evidence and a range of targeted interviews and roundtable discussions with key external and internal stakeholders.

The observations and findings of the health check were presented to the Secretary.

Capability Review Health Check Report — Key Themes

The Capability Review Health Check Report found that the Treasury had made significant progress on the Capability Review findings, and that further work was underway. The key themes were:

- Internally — overall, staff were supportive of the Capability Review changes, understood the purpose and held the view that there was a systemic intent that would build capability over the long-term. Most progress had been made on leadership issues, and knowledge management and innovation required further development.
- Externally — stakeholders reported an improvement in engagement and collaboration. There were some concerns about the possibility of capability gaps due to the downsizing that had occurred, however the Treasury retained a key leadership role delivering high quality, trusted advice to government.

Senior management committees

Executive Committee

The Executive Committee (previously the Executive Board) is the Treasury's primary decision-making body and comprises the Secretary and the Deputy Secretaries. The Executive Committee provides support to the Secretary, sets strategic direction for the Treasury and ensures robust and effective governance.

The Executive Committee, as at 30 June 2015, comprised:

- Mr John Fraser, Secretary
- Mr Rob Heferen, Deputy Secretary, Revenue Group
- Mr John Lonsdale, Chief Operating Officer
- Mr Nigel Ray, Deputy Secretary, Fiscal Group
- Ms Jenny Wilkinson, Acting Deputy Secretary, Macroeconomic Group (Domestic)
- Mr Michael Willcock, Acting Deputy Secretary, Markets Group
- Ms HK Yu, Acting Deputy Secretary, Macroeconomic Group (International).

Audit Committee

The Audit Committee assists the Secretary by independently reviewing and considering the Treasury's operations, its risk management framework and the integrity of its financial accounts. The Audit Committee:

- reviews and provides advice on the risk, control, compliance and performance framework;
- provides assurance on published financial information;
- monitors, reviews and reports on compliance; and
- assists the Secretary to comply with all legislative and other obligations.

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

The Audit Committee met seven times during 2014-15. At 30 June 2015, the Audit Committee comprised an independent external chair, an external member and four internal members. External observers at Audit Committee meetings included representatives from the ANAO and the Treasury's internal auditor, KPMG. From 1 July 2015, the Audit Committee will comprise three external members and one internal member.

Other Committees

Deputy secretaries chair the following committees:

- Inclusive Workplace Committee;
- People Committee;
- Resource Committee;
- Executive Remuneration Committee; and
- Risk and Performance Committee.

Fraud prevention and control

The Treasury Fraud Control Plan accords with the Commonwealth Fraud Control Framework and the ANAO Better Practice Guide on Fraud Control in Australian Government Entities.

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

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

External Scrutiny

Audit

The Audit Committee met seven times during 2014-15. Its work included review of the Treasury's financial statements and a range of internal and external audit reports.

The Audit Committee's Financial Statements Sub-Committee (FSSC) met four times. Three meetings related to the 2013-14 financial statements and one related to the 2014-15 financial statements. The FSSC comprised members of the Treasury, the Australian National Audit Office (ANAO), the Treasury's internal auditor, KPMG, and an external representative of the Audit Committee. The FSSC monitored production of the financial statements and helped to resolve issues.

KPMG's internal audit services included developing internal audit programs, conducting various internal audit reviews and working with the Audit Committee to ensure internal audit recommendations were implemented effectively.

Internal audits

The Treasury completed nine internal audits and reviews during 2014-15.

PGPA Act Implementation Health Check

This review considered the progress and preparedness of the Treasury to meet its requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The review found that the Treasury had completed or commenced a range of activities for the implementation of the PGPA Act on 1 July 2014 and identified a framework of additional PGPA implementation activities for Treasury to complete during 2015-16.

Foreign Investment Screening Process

This review examined the process used to prioritise and manage foreign investment applications. Its report made four recommendations for business processes and efficiency improvements to address technical, functional and business processes related to the Foreign Investment Management System Version 2 (FIMS2). Further recommendations related to standardising and aligning business processes, adopting templates and reconsidering the call centre operating model.

Review of Ministerial Documentation Processes

This review documented the end-to-end business process with regard to ministerial documentation and examined the needs and expectations of ministers' offices in terms of quality and timeliness. The review report identified a number of areas for process and practice improvements and made a central recommendation that the Treasury establish a working group to consider and implement the proposals in the report and adopt an appropriate governance structure.

Fundamental Accounting Controls Assessment

This review assessed the design, operation and implementation of key financial accounting controls for credit cards, accounts receivable, travel, monthly reconciliations, procurements, accounts payable, appropriations, and delegations. The review tested a sample of transactions and identified that workflows had been adhered to by staff and that control execution elements were effective. The review concluded that core legislative requirements, including the PGPA Act, had been incorporated into workflows, processes and practices and that the Treasury had effective fundamental accounting controls in terms of design and execution. There were no recommendations.

In-flight Review of the Global Infrastructure Hub

The review provided ongoing advice to the Treasury on establishing the Global Infrastructure Hub (GIH) under Australian law as a company limited by guarantee. It considered the recruitment of a CEO, establishment of a permanent Board and an office in Sydney. The review considered financial arrangements and articulated the risks and associated mitigations.

In-flight Review of the Ministerial Documentation Processes Project (Phase 1 and Phase 2)

This review looked at the Ministerial Documentation Processes Project's Implementation Plan including assessing its implementation and its capacity to deliver the planned outcomes within the timeframe. Phase one of the review considered potential implementation risks and identified mitigation strategies. The review found that planned progress had been achieved, but noted delivery against the plan was contingent on stakeholders.

Phase two of the review assessed progress against the plan and advised on the ongoing management of the enhanced Ministerial Documentation Processes Framework. The review concluded that significant progress had been made and that there was close monitoring and management of documents. It found no areas for concern in the project delivery.

HR Controls Review

This review assessed the Treasury's HR processes and tested the effectiveness of key controls to adequately safeguard the privacy, integrity and security of employee information. The review made three findings and recommended process improvements to the control design and its timely operation.

Australian National Audit Office reports

The ANAO did not conduct any performance audits that related to the Treasury's operations.

Other audit reports

Other ANAO reports relevant to the Treasury in 2014-15 were:

Report No. 1	Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2013 Compliance) (Tabled 18 September 2014)
Report No. 3	Fraud Control Arrangements (tabled 30 October 2014)
Report No. 5	Annual Compliance Arrangements with Large Corporate Taxpayers (tabled 6 November 2014)
Report No. 6	Business Continuity Management (tabled 6 November 2014)
Report No. 7	Administration of Contact Centres (tabled 26 November 2014)
Report No. 16	Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2014 (tabled 18 December 2014)
Report No. 34	Administration of the Natural Disaster Relief and Recovery Arrangements by Emergency Management Australia
Report No. 44	Interim Phase of the Audits of the Financial Statements of Major General Government Sector Entities for the year ending 30 June 2015

Parliamentary committees

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

Officials from the Treasury appeared before the following parliamentary committees:

- 2 July 2014 — Senate Economics Legislation Committee: Inquiry into Fuel Indexation (Road Funding) Bill 2014 and related bills.
- 15 July 2014 — Joint Select Committee on Northern Australia, Public Hearing.
- 16 July 2014 — House of Representatives Standing Committee on Tax and Revenue.
- 30 July 2014 — Economics References Committee on Affordable Housing.
- 28 August 2014 — Senate Select Committee on Health.
- 29 August 2014 — House of Representatives Standing Committee on Economics, Inquiry into Foreign Investment in Residential Real Estate.
- 2 October 2014 — Senate Economics Legislation Committee: Inquiry into Competition and Consumer Amendment (Misuse of Market Power) Bill 2014.
- 8 October 2014 — Senate Select Committee on Health.
- 13 October 2014 — Parliamentary Joint Committee on Corporations and Financial Services; Inquiry into Professional Standards in the Financial Services Industry.

- 22 and 31 October 2014 — Senate Economics Legislation Committee, Budget Supplementary Estimates.
- 17 November 2014 — Community Affairs References Committee on the Extent of Income Inequality in Australia.
- 26 November 2014 — House of Representatives Standing Committee on Tax and Revenue: Inquiry into Tax Disputes.
- 5 February 2015 — Senate Select Committee on Health.
- 13 February 2015 — Economics References Committee on Retail Leasing Arrangements.
- 18 February 2015 — Economics References Committee on Privatisation of State and Territory Assets and Recycling of the Proceeds into New Infrastructure.
- 25-26 February 2015 — Senate Economics Legislation Committee, Additional Estimates.
- 4 March 2015 — Economics References Committee on Digital Currency.
- 16 March 2015 — Joint Standing Committee on Treaties.
- 18 March 2015 — Economics Legislation Committee: Inquiry into Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013.
- 18 March 2015 — Senate Committee into the Abbott Government's Budget Cuts.
- 9 April 2015 — Economics References Committee on Corporate Tax Avoidance.
- 21 April 2015 — Senate Standing Committees on Economics: *Inquiry into Competition and Consumer Act 2010, Competition and Consumer (Industry Codes—Food and Grocery) Regulation 2015*.
- 1-3 June 2015 — Senate Economics Legislation Committee, Budget Estimates.

Ombudsman comments, court, administrative tribunal and Information Commissioner Decisions

Judicial and Administrative Appeals Tribunal Decisions

There were no judicial or Administrative Appeals Tribunal decisions that had, or may have, a significant impact on the operations of the Treasury in 2014-15.

Commonwealth Ombudsman

The Commonwealth Ombudsman did not issue any reports on the operations of the Treasury in 2014-15.

Australian Information Commissioner

The Treasury was the subject of one merits review decision under the *Freedom of Information Act 1982*. On 27 November 2014 the Privacy Commissioner set aside the Treasury's decision not to release documents in *The Age and Department of the Treasury* [2014] AICmr 141. Treasury complied with the decision and released additional documents on 19 December 2014.

Management of Human Resources

Overview

The People and Organisational Strategy Division, part of Corporate Strategy and Services, has primary responsibility for the Treasury's people management and organisational capabilities. The division helps the Treasury set and deliver its strategic direction and provide a work environment that enables staff to be productive. It provides advice and delivers organisational strategies, change management, workforce planning, organisational development and wellbeing, performance management, recruitment, people strategies and policies, governance and audit, and learning and development.

Outcomes

- Invested in workforce planning to continue to attract, retain and develop a targeted, skilled and diverse workforce within an environment of reducing resources.
- Finalised a strategic staffing process to meet the operating budget over the forward estimates.
- Strengthened the Performance Management System by incorporating the Integrated Leadership System clusters.
- Managed the Enterprise Bargaining process.
- Continued to review the Graduate Development Program to improve workforce capability and strengthen talent management.
- Created a Business Services Division to deliver more efficient corporate services and support.
- Established a Sydney office to attract specialist skills and experience to complement the Treasury's current capabilities and to increase contact with key stakeholders.

Workforce planning

Following voluntary redundancy and SES incentive to retire processes between 2012 and 2014, an involuntary redundancy process was finalised in August 2014. Through these processes the Treasury has reduced staff numbers from a peak average staffing level (ASL) of 1,018 in 2010-11 to an estimated ASL of 815 in 2014-15. This occurred despite the Treasury absorbing an additional 52 staff following machinery of government changes in December 2013.

The Treasury is now well placed to meet its operating budget out to 2017-18.

Performance management systems

The Treasury's Performance Management System was introduced in 1999. Since then the performance of APS-EL staff has been assessed biannually against set criteria contained in the Work Value Matrix, a capability framework developed specifically for the Treasury. In 2014-15 the Integrated Leadership System (ILS) clusters were introduced as the basis for assessing APS-EL staff performance.

The implementation of the ILS clusters was accompanied by information and training sessions, including staff focus groups hosted by deputy secretaries and workshops for all managers.

The first formal performance appraisals using the ILS clusters were in March and April 2015, after a rigorous benchmarking process for all classifications at the division, group and department level. Greater accuracy and consistency of ratings have increased staff confidence in performance management processes and the sophistication of the ILS framework has helped managers give more detailed and constructive feedback to staff.

SES officers continue to be assessed against the Senior Executive Leadership Capability Framework, with one SES appraisal round held in October 2014. SES potential was also assessed, using the three criteria of ability, aspiration and engagement.

Workplace relations

The nominal expiry date of the *Treasury Workplace Agreement 2011-14* was 30 June 2014 requiring the Treasury to negotiate a new agreement during the year. The Workplace Agreement operates in conjunction with Commonwealth legislation and Treasury policies and guidelines to define the terms and conditions of employment for staff.

On 14 May 2014 the Secretary announced the Treasury's intention to bargain with employees on a new enterprise agreement. Bargaining continued through 2014-15 and an offer was formally presented to staff on 1 May 2015. The ballot was open from 30 June through to 2 July 2015. Of the 823 staff eligible to vote, 557 staff participated in the ballot. Fifty-eight per cent of staff voted in support of the proposed *Treasury Enterprise Agreement 2015-18*.

Recruitment and secondments

The Treasury's recruitment activity in 2014-15 was limited to filling critical roles in line with the APSC Interim Recruitment Arrangements.

A campaign for APS5 and APS6 policy officers was advertised to ongoing APS employees in December 2014, resulting in a small number of lateral recruits into the department.

In September 2014 expressions of interest for a formal departmental transfer round were advertised, with 52 movements in December 2014. A further round was advertised in May 2015, with 45 movements in September 2015.

THE TREASURY

The Treasury graduate program is a key recruitment initiative, with 22 graduates commencing in February 2015.

The Treasury secondment program facilitates a structured exchange of staff which enables mobility, encourages information sharing, promotes innovation, deepens understanding of the practices of other industries and organisations and creates wider networks. The secondment program is an important mechanism to assist the Treasury to deliver on its strategic capabilities.

The program builds organisational leadership and drives positive cultural change through the connection and exposure of Treasury staff to new ideas, alternative leadership styles, a diversity of approaches to policy-making and the challenges and practicalities of implementing policy decisions.

At 30 June 2015 there were 42 secondments into Treasury — 38 government and four non-government staff. Twenty-four Treasury employees were seconded to 22 government and two non-government organisations.

Learning and development

The Treasury is committed to providing career and professional development opportunities to increase the capability of individual staff and the overall capacity of the department. The Treasury's future investment in learning and development will be guided by a learning and development strategy and operational plan, endorsed by the Treasury's People Committee in June 2015.

During 2014-15, the Treasury delivered a number of targeted and strategic development opportunities to increase workforce capability. Programs offered included:

- *The Management Development Program* for new and emerging managers;
- *Talking Performance* workshops for staff in both managerial and non-managerial roles;
- *ILS workshops* for staff in managerial roles;
- *Targeted Individual Development* courses for graduates;
- *Inclusive Workplace Committee Leadership Seminar Series* with guest speakers from a wide range of industry and public sector backgrounds;
- *Executive coaching*; and
- *Introduction to Economics*, for APS and EL staff without economics training.

The Treasury also supported staff development by providing scholarships and awards for postgraduate study in 2014-15.

- Five Treasury staff were undertaking PhD research at the Australian National University through the Sir Roland Wilson Foundation PhD Scholarship program.
- Treasury Post Graduate Study Awards assisted three staff to study at the Australian National University, Columbia University and the University of Michigan.
- One Treasury employee received a scholarship from the Ministry of Education, Culture, Sports, Science and Technology, Japan, to undertake a Master of Public Policy at the National Graduate Institute for Policy Studies, Tokyo.

Study assistance was provided to 141 staff undertaking study during semester two 2014 and semester one 2015. The most common fields of study in 2014-15 included Economics, Law (including the Graduate Diploma of Legal Practice), Accounting, Public Policy and Taxation.

Wellbeing

The Treasury promotes a workplace culture that values and supports the health and wellbeing of staff, and measures and monitors staff wellbeing through the State of the Service survey, exit survey reports and human resource data. The People and Organisational Strategy Division provides staff and the Executive Committee with regular wellbeing information including the Treasury's performance benchmarked against the broader APS.

During 2014-15, the Treasury:

- revised the department's Rehabilitation Management System to streamline and make information easier to access;
- promoted wellbeing initiatives including Mental Health Week and a Wellbeing Expo and offered several health and wellbeing activities. See Part 5 Appendices Work Health and Safety for more information; and
- provide an Employee Assistance Program (EAP). The program provides Treasury staff, their immediate family members and other people they share a close relationship with, access to a free professional and confidential counselling service to assist with both work and personal issues. The employee assistance service collects generic data that provides guidance for departmental wellbeing strategies.

Staffing information

At 30 June 2015 there were 835 staff (800.3 FTE) employed at the Treasury (excluding unpaid inoperative staff), a drop of 12 per cent from 951 (920.8 FTE) staff at 30 June 2014.

The majority of the Treasury's operative staff were employed on an ongoing basis (97.2 per cent) and 14.8 per cent worked part-time (at 30 June 2015). The part-time rate increased from 12.3 per cent since 30 June 2014.

Women made up 51.5 per cent of the Treasury's workforce at 30 June 2015, an increase from 50.6 per cent a year ago. At the same time, women made up 28.6 per cent of Treasury's Senior Executive Service, down from 33.3 per cent at 30 June 2014.

Table 2: Operative and paid inoperative staff by classification and gender as at 30 June 2015 based on actual headcount

Classification	Men	Women	Total
APS2	0	1	1
APS3	15	14	29
APS4	26	41	67
APS5	34	61	95
APS6	102	110	212
EL1	92	101	193
EL2	80	80	160
SES Band 1	33	13	46
SES Band 2	16	6	22
SES Band 3*	6	3	9
Secretary	1	0	1
Total	405	430	835

Note: excludes unpaid inoperative staff

* SES Band 3 figures as at 30 June 2015 are inflated as a result of a number of temporary acting arrangements. The number of deputy secretary positions at 30 June 2015 was six, however there were three acting arrangements in place resulting in nine individuals at the SES Band 3 level at this date.

The majority of the Treasury staff are based in Canberra. The Treasury's work requires some staff to work interstate and overseas, as listed on the next page.

Figure 4: Treasury staff at interstate and overseas locations**Overseas Posts:**

Beijing (2)	Paris (1)
New Delhi (1)	Tokyo (1)
Jakarta (1)	Washington (1)
London (1)	



* As at 30 June 2015 the Treasury was working towards 30 staff in the Sydney office by late 2015.

The Treasury's Sydney office was established in 2014-15. In 2015-16, additional staff will commence in Sydney, including staff movements from Canberra and secondments from other organisations moving to an operational level of 25-30.

Senior Executive Services remuneration

Senior Executive Service (SES) remuneration and conditions are determined under section 24(1) determinations (with some residual Australian Workplace Agreements), supported by a remuneration model that determines pay levels within each SES level, based on performance (Table). The Treasury does not offer performance pay. There were no changes to SES remuneration in 2014-15.

Table 3: Senior Executive Services remuneration

Classification	September 2014		September 2013	
	Minimum	Maximum	Minimum	Maximum
	\$	\$	\$	\$
SES Band 1	189,757	220,540	189,757	220,540
SES Band 2	232,573	272,215	232,573	272,215
SES Band3	301,399	352,984	301,399	352,984

Remuneration — non-SES employees

There were no changes to APS-EL remuneration in 2014-15.

Table 4: Remuneration – non-SES employees

Classification	July 2014		July 2013	
	Minimum	Maximum	Minimum	Maximum
	\$	\$	\$	\$
APS1	43,147	46,855	43,147	46,855
APS2	49,734	53,026	49,734	53,026
APS3	56,318	59,608	56,318	59,608
APS4	62,902	66,193	62,902	66,193
APS5	70,722	75,250	70,722	75,250
APS6	79,777	96,651	79,777	96,651
EL1	104,060	119,369	104,060	119,369
EL2	127,106	145,874	127,106	145,874

Workplace diversity

The Treasury is committed to a workplace culture that supports and promotes diversity. The Treasury's Inclusivity and Diversity Strategy is made up of four key streams of work: the Progressing Women initiative, Agency Multicultural Plan 2013-15, Reconciliation Action Plan 2014-16, and Disability Action Plan 2014-18.

The Inclusive Workplace Committee (IWC) oversees the implementation of the Progressing Women initiative, including with regard to policies, programs, actions and procedures. Each group reports annually to the IWC on its Progressing Women achievements. The Performance Management System incorporates a gender-based analysis of ratings which is monitored by the IWC. This data enables emerging trends to be identified and addressed.

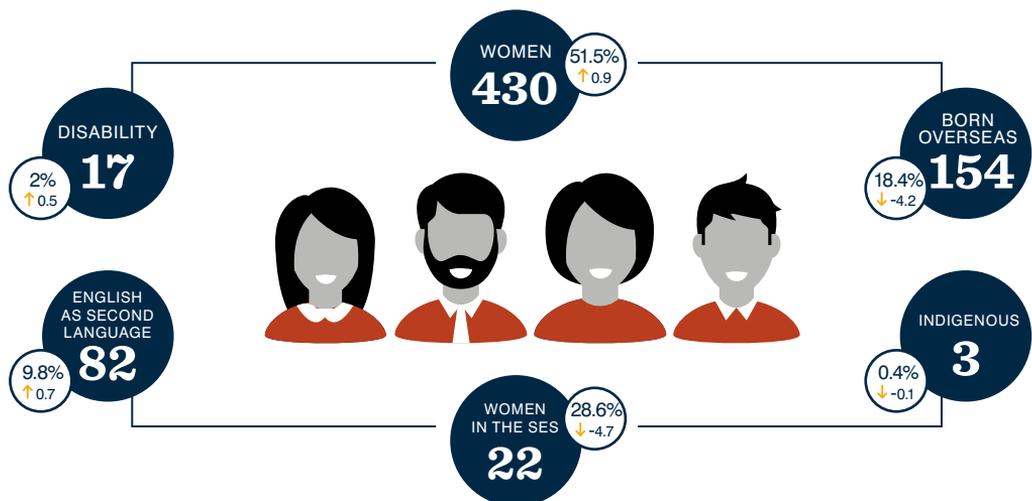
The Learning and Development program prioritises the inclusivity agenda. The leadership, management and graduate development programs incorporate elements of working inclusively, and workshops on the Integrated Leadership System (ILS) clusters include unconscious bias as a topic.

The Treasury is committed to attracting, supporting and retaining Indigenous staff, encouraging them to develop to their full potential and to celebrate important cultural events. The Treasury supports multicultural access and equity and aims to provide advice that is culturally sensitive.

The Treasury is committed to supporting staff with a disability by providing tailored reasonable adjustments such as adaptive technologies and other practical support.

The Treasury workforce at 30 June 2015 is shown below by Equal Employment Opportunity target group with the percentage point variance from 30 June 2014 in parenthesis.

Figure 5: Treasury workforce by Equal Employment Opportunity target



At 30 June 2015, 14.8 per cent of Treasury staff worked part-time, with 23.9 per cent of female staff and 5.4 per cent of male staff working part-time.

Assets Management

The Treasury has an asset management framework that includes:

- an asset register that records details of all assets held by the Treasury. Assets on the Treasury's register are subject to an annual stocktake to keep records accurate and up-to-date;
- an asset management guide that sets out the Treasury's policies and asset management guidelines for the day-to-day care and custody of assets. The guide is incorporated into the Treasury's Accountable Authority Instructions. Further details on the Treasury's asset policies are in notes 1.18 to 1.20 of the Treasury's Financial Statements; and
- a capital management plan that sets out the Treasury's longer term asset requirements and funding sources for ongoing asset replacement and investment. The Treasury's capital budget process is integrated with strategic planning and occurs before the beginning of each financial year, in conjunction with the Treasury's annual operating budget process.

Purchasing

The Treasury's purchasing activities are consistent with requirements set out in the Commonwealth Procurement Rules (CPRs). The Treasury applies the CPRs to all procurement activities through Accountable Authority Instructions and Procurement Operational Guidelines.

All Treasury contracts awarded with a value of \$10,000 or more are published on the AusTender website at www.tenders.gov.au. Information on procurements expected to be undertaken in 2015-16 are included in the Treasury's Annual Procurement Plan on AusTender.

Consultants

The Treasury engages consultants where specialist skills are not available in-house. The engagements generally relate to individuals, partnerships or corporations providing professional, independent and expert advice or services.

The decision to engage a consultant is made in accordance with the *Public Governance, Performance and Accountability Act 2013*, Commonwealth Procurement Rules and relevant internal policies.

During 2014-15, 57 new consultancy contracts were entered into involving total actual expenditure of \$10,099,276.14. Four ongoing consultancy contracts were active, involving total actual expenditure of \$43,138.17.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is on the AusTender website www.tenders.gov.au.

Australian National Audit Office access clauses

The Treasury is required to provide details of any contract let during 2014-15 of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises. The Treasury must include the name of the contract, the purpose and value of the contract, and the reason for not including standard clauses in the contract.

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

Exempt Contracts

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

The Treasury had six contracts exempt from publication on AusTender.

Procurement initiatives to support small business

The Treasury supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website: www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

The Treasury recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au/PublicationsAndMedia/Publications/2014/sml-bus-performance-report.

Consistent with paragraph 5.4 of the Commonwealth Procurement Rules, the Treasury's procurement practices provide appropriate opportunities for SMEs to compete and ensure that SMEs are not unfairly discriminated against. For example, the Treasury uses the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000. Many small businesses do not have the sufficient scale, skills or resources to prepare complex tender documents. Using this suite, which has simple and consistent contract terms and insurance requirements, simplifies this process and makes it easier for SMEs to bid for work with the Treasury.