



THE TREASURY

ANNUAL REPORT
2010-11

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Manager
Communications
The Treasury
Langton Crescent Parkes ACT 2600
Email: medialiasion@treasury.gov.au

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Australian Government

The Treasury

**Dr Martin Parkinson PSM
Secretary**

13 October 2011

The Hon Wayne Swan MP
Deputy Prime Minister and Treasurer
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister and Treasurer

I am pleased to present the annual report of the Treasury for the year ended 30 June 2011.

This report has been prepared in accordance with section 63 of the *Public Service Act 1999*. Subsection 63 (1) of the Act requires that the Secretary to the department is to provide a copy of the report to the agency minister for presentation to the Parliament.

As provided in subsection 63 (2) of the Act, the report has been prepared in accordance with guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit. These guidelines provide that a copy of the annual report is to be laid before each House of the Parliament on or before 31 October.

The report includes the Treasury's audited financial statements as required by section 57 of the *Financial Management and Accountability Act 1997*.

In addition, and as required by the Commonwealth Fraud Control Guidelines, I certify that I am satisfied that the Treasury has in place appropriate fraud control mechanisms that meet the Treasury's needs and that comply with the guidelines applying in 2010-11.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Parkinson'.

Martin Parkinson
Secretary to the Treasury

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INTRODUCTION AND GUIDE TO THE REPORT

The Treasury Annual Report 2010-11 outlines performance against outcomes, programs and performance information contained in the *Portfolio Budget Statements 2010-11* and *Portfolio Additional Estimates Statements 2010-11*.

The 2010-11 annual report includes the reporting requirements and financial accounts for the Australian Government Actuary and the Foreign Investment Review Board. The financial accounts for the Financial Reporting Panel and the Takeovers Panel are included in this report; however, the performance reporting does not extend to the activities of the Financial Reporting Panel or the Takeovers Panel as they publish their own annual reports.

Part 1 includes a summary of significant issues and developments during 2010-11, and an overview of the Treasury's performance. The departmental overview in Part 1 details the Treasury's role and functions, senior management structure, organisational structure and portfolio structure.

Part 2 provides an analysis of performance against the Treasury's policy outcome and programs.

Part 3 reports on management and accountability issues as required under the annual report guidelines.

Part 4 presents the audited financial statements of the Treasury as required under the annual report guidelines.

Part 5 includes other information as required under the annual report guidelines.

The report concludes with a glossary and list of abbreviations and acronyms and an index to the report.

Other sources of information

The Treasury releases information on its activities through many publications, press releases, speeches and other reports, including the annual report. Copies of all the Treasury's publications are available on its website at www.treasury.gov.au.

Contact details

The contact officer for enquiries regarding this report may be directed to:

Mr Tony Murcutt
The Treasury
Langton Crescent
PARKES ACT 2600
Telephone: 02 6263 2111

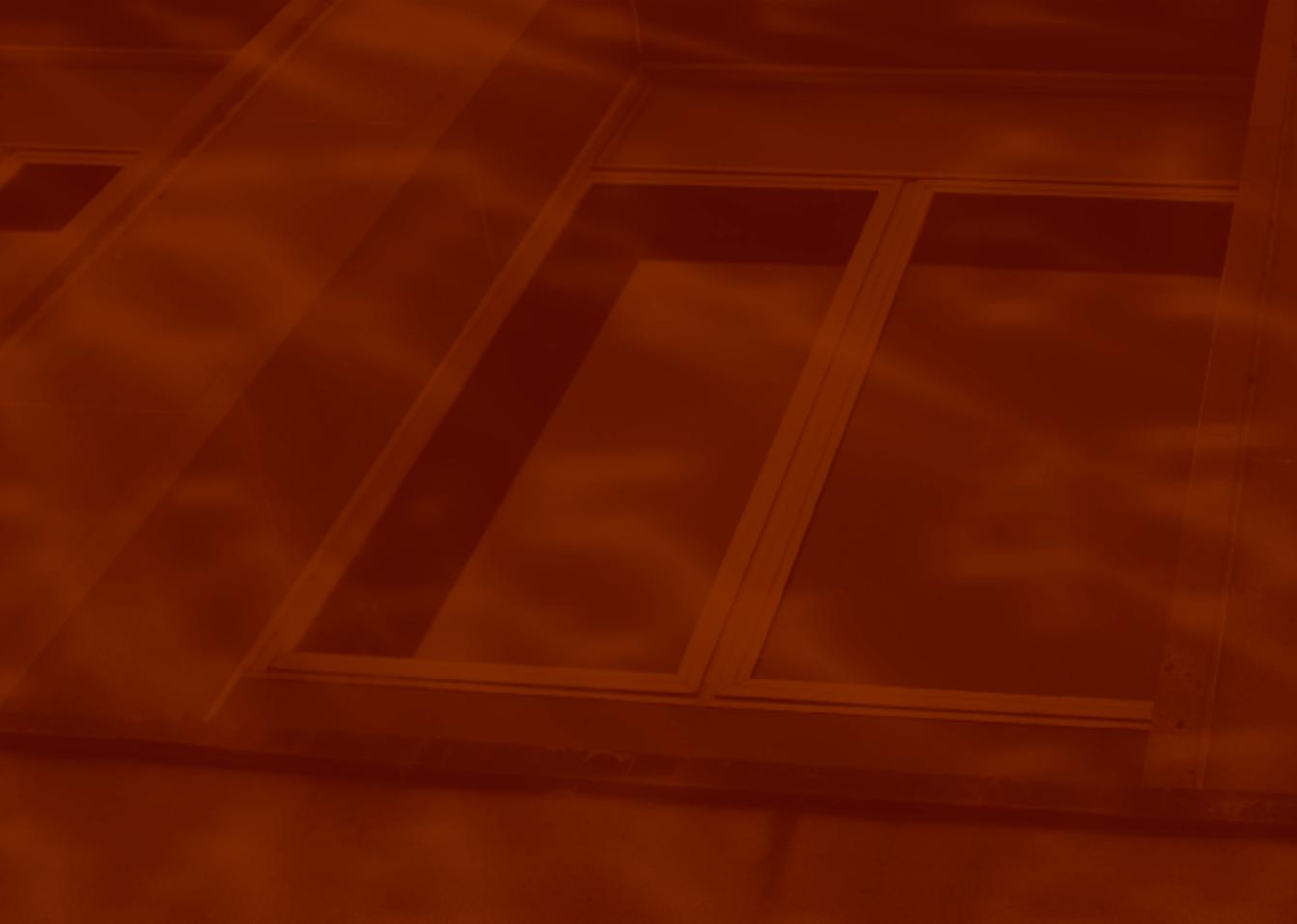
A copy of this document can be located on the Treasury website at www.treasury.gov.au.



PART ONE

OVERVIEW





SECRETARY'S REVIEW



The Treasury has continued to pursue its goal of improving the wellbeing of all Australians through providing quality advice to government and assisting in the implementation of key policy initiatives.

Significant achievements in 2010-11

The Treasury's achievements in the past year include the release of the Pre-Election Economic and Fiscal Outlook report, and assisting the Government in delivering the 2010-11 Mid-Year Economic and Fiscal Outlook and the 2011-12 Budget.

During 2010-11, the Treasury made several substantial contributions to the development of the Clean Energy Future package that was announced in July 2011. The Treasury prepared the *Strong Growth, Low Pollution: Modelling a Carbon Price* report which informed debate on the effects of a carbon price on the economy. The Treasury also contributed to the development of key elements in the package including the design of the carbon price mechanism, the delivery of assistance to households through tax reform and transfer payment increases, and measures to ensure the security of energy supply in the transition to a carbon constrained environment.

Macroeconomic outcomes

The Treasury provided advice on the performance and outlook of the Australian economy in the context of an uncertain international environment. This included advice on the implications for the economy of the devastating natural disasters that hit Australia, Japan and New Zealand in early 2011 and the impact of Australia's high terms of trade and appreciating exchange rate on growth in the mining and non-mining sectors of the economy. In addition to advising on macroeconomic policy to manage demand and ensure stable and sustainable growth, the Treasury continued to provide advice on policies to raise productivity and participation and enhance Australia's medium-term growth potential by expanding the supply side of the economy.

As well as strengthening IMF and World Bank governance and legitimacy, the Treasury worked actively in the G20 to help build a strong, sustainable and balanced global economy, promote Australia's interests and contribute to reforms to global financial architecture which will yield a safer and more resilient global economy. The Treasury was also an active participant in the Financial Stability Board and its efforts to strengthen international regulatory financial arrangements.

Effective government spending arrangements

Effective government spending arrangements are essential to sustaining a strong fiscal outlook, supporting strong sustainable economic growth and improving the wellbeing of Australians.

In early 2010-11, the Treasury, with the Department of Finance and Deregulation, released the Pre-Election Economic and Fiscal Outlook report, consistent with requirements under the *Charter of Budget Honesty Act 1998*.

The Treasury also assisted the Government in delivering the 2011-12 Budget, and the package of measures announced in January 2011 in response to the natural disasters experienced over the 2010-11 summer period. The natural disasters had a significant impact on the Australian economy and the Government's fiscal position, though the Budget still projected a return to surplus in 2012-13.

The global economic transformation currently underway, and reflected in the rapid growth of China, India and other countries in our region, provides Australia with huge opportunities and some challenges. The Budget outlined the adjustments confronting Australia and highlighted the importance of policies that facilitate, rather than resist, that adjustment. This holds true for both those sectors benefitting directly from the growth of Asia, and those forced to adjust to a higher exchange rate and greater competition for skilled labour. The opportunities available to Australia are significant and should underpin strong medium-term growth.

Given the unprecedented mining investment boom, adherence to the fiscal strategy and fiscal consolidation will be important to supporting strong low inflationary growth.

Early in 2011, the Treasury, with the Department of Finance and Deregulation, provided a submission to the Joint Select Committee on the Parliamentary Budget Office. The 2011-12 Budget also provided funding for the establishment of a Parliamentary Budget Office (PBO) and the department has assisted in the development of the establishing legislation and preparing documented methodology to assist the PBO in its operations. The PBO will provide independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of policy proposals.

The Treasury has established a secretariat to support the GST Distribution Review. The Review will consider whether the distribution of the GST and the current form of horizontal fiscal equalisation will ensure that Australia is best placed to respond to long-term trends and structural change in the economy while maintaining confidence in the financial relationships within the Australian Federation.

The Treasury also continues to assist the Government in implementing its agenda in the area of Australia's workforce needs and measures to boost participation, as well as investments in infrastructure, education and the health system.

Effective taxation and retirement income arrangements

In 2010-11, 63 tax and superannuation measures were introduced into the Parliament in 25 bills. These included amendments to tax law to: bring certain alternative fuels used for transport purposes into the fuel taxation regime; remove the eligibility for the low income tax offset on unearned income for minors; phase out the dependent spouse tax offset; and make changes to the statutory formula method used to value car fringe benefits.

The Treasury provided advice on proposals for personal tax reform included in the Clean Energy Future package. It also advised on, and implemented legislation for, the first stage of not-for-profit sector reforms, the superannuation components of the stronger, fairer, simpler tax reform and the Stronger Super reforms.

The Treasury also provided secretariat services and policy advice to the Government's Policy Transition Group responsible for the detailed design of the Minerals Resource Rent Tax and the extension to the Petroleum Resource Rent Tax. Following the Government's acceptance of the Policy Transition Group's recommendation, the Treasury consulted on legislation design and released draft legislation and explanatory materials for the Minerals Resource Rent Tax for public consultation. The Treasury continued to provide policy advice on a range of reforms for small business and trust income including increasing the small business instant asset write-off thresholds and providing policy advice on implementing change to the taxation of trust income following the High Court's decision in the *Commissioner of Taxation v Bamford (2010) 240 CLR 481*.

Achieving well functioning markets

Well functioning markets underpin strong, sustainable economic growth and enhanced living standards. The Treasury supports well functioning markets through providing advice to government on regulatory and competition reforms aimed at improving resource allocation, productivity and international competitiveness.

This includes the implementation of a single national consumer policy framework through the Australian Consumer Law, maintaining the effectiveness of Australia's competition law framework, and promoting the efficient use and development of nationally significant infrastructure, including the National Broadband Network. This work also includes providing advice on the reform of utilities, infrastructure and housing markets, and the regulatory frameworks for securities markets, financial markets, financial advice, corporate governance and consumer credit.

During 2010-11, the Treasury implemented reforms to strengthen the efficiency, competitiveness and stability of Australia's financial sector through the Government's Competitive and Sustainable Banking package and Stronger Super reforms. The Treasury also worked closely with the Foreign Investment Review Board to ensure that the foreign investment screening framework maintains the right balance between protecting Australia's national interest and ensuring that Australia remains an attractive destination for foreign capital.

Another focus in 2010-11 was the delivery of Standard Business Reporting, a multi-agency initiative led by the Treasury to reduce the compliance reporting burden experienced by business in reporting to government. The Treasury also assisted with the transfer of responsibility for the supervision of Australia's domestic licensed financial markets from the Australian Securities Exchange Ltd to the Australian Securities and Investments Commission and the granting of a licence to a new market operator who is expected to commence trading in late 2011.

2011-12 outlook

The Australian economy continues to benefit from strong growth in Asia, and demand for Australia's mineral resources will continue to support growth in the mining and related industries. However, it is expected that conditions in other parts of the economy will continue to be weighed down by the high exchange rate, cautious household spending behaviour and tightened macroeconomic policy settings. The international economic outlook is extremely volatile, with significant public debt challenges in a number of advanced economies, particularly in Europe and the US. Without strong political leadership in key North Atlantic economies, it is likely this volatility will persist for some time. Indeed, in a worst case scenario, failure to comprehensively respond to the underlying competitiveness and structural fiscal problems in the North Atlantic could have significant implications for global economic growth. The Treasury's advice will continue to focus on capitalising on the opportunities presented by strong growth in the Asia region and facilitating associated structural changes taking place in the economy while helping to manage volatility and fallout from the ongoing sovereign debt crisis. The Treasury will also continue to actively pursue Australia's interest in international and regional economic forums.

Ensuring that our financial system remains robust, competitive and dynamic is essential to promoting macroeconomic stability and market confidence. The Treasury will continue monitoring prudential frameworks applying to the banking sector, insurers and superannuation funds, and advising on reforms to improve Australia's productivity and competitiveness. The Treasury will also continue supporting the independent Natural Disaster Insurance Review, which is scheduled to report to the Government by 30 September 2011. The Treasury will also participate in the Council of Financial Regulators' work to strengthen Australia's financial market infrastructure.

In 2011-12, the Treasury will assist the Government to implement its Clean Energy Future package, in particular measures to assist the transition of the energy sector and other industries to an emissions-constrained environment.

The Government held a Tax Forum on 4-5 October 2011 bringing together representatives of the community, business, unions and government, as well as academics and other tax experts, to discuss directions for further tax reform. The Forum built on the work done in the Australia's Future Tax System Review and the tax reforms the Government has already announced. Follow up work from the Forum is expected to be an important element of the Treasury's work during 2011-12.

In 2011-12, the Treasury will also be progressing not-for-profit sector reforms including the establishment of an Australian Charities and Not-for-profits Commission, better targeting of not-for-profit tax concessions and the introduction of a statutory definition of charity.

Our organisation

The Treasury is committed to nurturing and strengthening its core organisational capabilities and is constantly seeking better ways of doing business. Our strengths as a department continue to lie in our highly dedicated and professional staff.

In relation to our financial performance, the Treasury ended 2010-11 with a surplus of \$2.4 million, compared to a \$5.5 million surplus in 2009-10. The Treasury received an unqualified audit report on the 2010-11 financial statements from the Australian National Audit Office.

Two scholarships were awarded to Australian National University economics students who demonstrated strong economic skills and an interest in pursuing a career in public policy. The scholarships are promoted widely through the Australian National University's networks to increase awareness of the Treasury as an employer of choice for economics graduates. Internships are offered to Treasury scholarship recipients.

Kenneth Lac from the Australian Prudential Regulation Authority was awarded the Young Leaders Program Scholarship to Japan. The program offers potential public sector leaders the opportunity to develop their knowledge of global, regional and Japanese politics and economies, public administration and policies. Participants in the program are encouraged and supported to develop strong long-lasting relationships and networks with Japan and other countries around the world. Kenneth will commence his 12-month program at the National Graduate Institute for Policy Studies in Japan during 2011.

The Treasury has played an active role in the establishment of the Sir Roland Wilson Foundation Scholarship Program. Recipients of the PhD scholarships will be high performing public servants with a strong commitment to public policy and a career in the Australian Public Service. Studies will be undertaken at the Australian National University on topics of relevance and enduring interest to the APS with recipients receiving a scholarship to support their studies and an associated overseas field trip.

Sharon McCluskey was one of two recipients of the EXPAND Senior Executive Assistant / Personal Assistant award in 2010. The award was presented at the EXPAND 2010 Annual Conference and Awards night and places the spotlight on the contribution that Executive Assistants make in the APS on a daily basis.

Our achievements over the past 12 months demonstrate our ongoing commitment to pursue outcomes that will ensure that the wellbeing of future generations of Australians is at least as high as the wellbeing we enjoy today.

I want to thank all Treasury staff for their continuing professionalism, enthusiasm and adaptability in facing the considerable challenges and opportunities that lie before us.

Finally, I would like to recognise the contribution of my predecessor, Dr Ken Henry AC. Dr Henry ably led the Treasury for a decade, including through the turmoil of the global financial crisis. At all times he ensured the Treasury's focus was on the national interest and on the wellbeing of all Australians.

Martin Parkinson
Secretary to the Treasury

DEPARTMENTAL OVERVIEW

THE TREASURY'S MISSION

The Treasury's mission is to improve the wellbeing of the Australian people by providing sound and timely advice to the Government, based on objective and thorough analysis of options, and by assisting the Treasury ministers in the administration of their responsibilities and the implementation of government decisions.

POLICY OUTCOME

In carrying out its mission, the Treasury has responsibility for the following outcome:

- Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

The Treasury has four policy groups that contribute to achieving this outcome:

- Macroeconomic Group;
- Fiscal Group;
- Revenue Group; and
- Markets Group.

Macroeconomic Group

Macroeconomic Group provides advice on a sound macroeconomic environment that is an essential foundation for strong, sustainable economic growth and the improved wellbeing of Australians.

Macroeconomic Group contributes to a sound macroeconomic environment by providing careful monitoring and analysis of economic conditions in Australia and overseas which forms the basis of quality macroeconomic policy advice to portfolio ministers.

Macroeconomic Group also provides advice to government on a range of international economic policy issues, including strengthening multilateral regimes underpinning open trade and capital flows, supporting developing countries' development aspirations and shaping the evolution of regional economic architecture.

Macroeconomic Group is also responsible for payments to international financial institutions as outlined in Program 1.2 on pages 87 and 88.

Fiscal Group

Fiscal Group provides advice on effective government spending arrangements that contribute to the overall fiscal outcome, influence strong sustainable economic growth and improve the wellbeing of Australians.

Effective spending measures should meet their stated objectives, minimise behavioural distortions and deliver significant economic and other benefits compared with costs.

Fiscal Group provides policy advice to portfolio ministers to promote government decisions that further these objectives.

Fiscal Group takes a whole-of-government and whole-of-economy perspective in developing its advice on the fiscal strategy and spending arrangements across and within portfolios.

Fiscal Group is also responsible for the efficient payment of general revenue assistance, National Specific Purpose Payments and National Partnership Payments to the States and Territories as outlined in programs 1.4 to 1.10 on pages 91 to 104.

Revenue Group

Revenue Group provides advice on effective tax and retirement income arrangements that contribute to the overall fiscal outcome, influence strong sustainable economic growth and lead to the improved wellbeing of Australians.

Tax measures should meet revenue or other public policy objectives and meet the principles of economic efficiency, horizontal and vertical equity, and transparency whilst minimising compliance and administrative costs. By meeting these objectives, tax measures contribute to wellbeing, either directly or by providing the revenue base to finance government services.

Revenue Group provides policy advice to government to promote government decisions that further these objectives.

Revenue Group takes a whole-of-government and whole-of-economy perspective in developing its tax and retirement income policies.

Markets Group

Markets Group provides advice on well functioning markets that contribute to improving national productivity and promoting stronger economic growth, thereby enhancing the living standards of all Australians.

Well functioning markets enable the most efficient use of resources and maximise consumer confidence in markets, thereby enhancing community benefits from economic activity.

Markets Group provides advice on policies that promote competitive, efficient markets that work to enhance consumer wellbeing, a secure financial system and sound corporate practices, and foreign investment consistent with Australia's national interest.

Markets Group also maintains the operations of the Australian Government Actuary, the Financial Reporting Panel and the Takeovers Panel, and provides business management for Standard Business Reporting.

Markets Group is also responsible for payments to support markets and business as outlined in Program 1.3 on pages 89 and 90.

Treasury support services

To support the Treasury's policy outcomes, Corporate Services Group and the Organisational Strategy Unit provide key services to assist with systems and facilities which provide essential support and organisational backup to the groups.

Corporate Services Group is responsible for providing corporate services, products and advice including accommodation and facilities management; management of administrative support; financial management; human resource management, training and development; information management and technology services; media management and monitoring; ministerial and parliamentary support; procurement; print and web publishing; internal and external communications; security; travel and managing freedom of information requests.

The Organisational Strategy Unit functions include facilitating high level policy coordination and whole-of-department corporate strategy; providing support to the Secretary, the Executive Board and the Audit Committee, including oversight of departmental structures and systems; designing and facilitating whole-of-department policy discussions; coordinating organisational strategy initiatives; overseeing the risk management framework; and undertaking and assisting with departmental reviews.

TREASURY PEOPLE VALUES

Treasury people are skilled professionals, committed to providing quality advice, thinking analytically and strategically, and striving to achieve long-term benefits for all Australians. We uphold the important values and behaviours that shape the Treasury culture. These values influence all aspects of the way we work.

Treasury people:

- strive for excellence;
- value teamwork, consultation and sharing of ideas;
- value diversity among our people;
- treat everyone with respect;

- exhibit honesty in all our dealings; and
- treat colleagues with fairness.

Treasury people management principles are:

- open, two-way communications at all levels;
- clearly define accountabilities;
- work performance is the basis for remuneration, which is determined by fair and transparent processes; and
- facilitation of an appropriate work and private life balance.

THE TREASURY'S ROLE AND CAPABILITIES

The Treasury's mission statement reflects the breadth of its ministers' responsibilities and underscores the key importance for the Treasury of a strong relationship with its ministers, built on trust and effective advice. As a central policy agency, the Treasury is expected to anticipate and analyse policy issues with a whole-of-economy perspective, understand government and stakeholder circumstances, and respond rapidly to changing events and directions. As such, the Treasury's interests are broad and diverse.

The Treasury is engaged in a wide range of issues that affect the lives of Australians, from macroeconomic policy settings to micro-economic reform, climate change to social policy, as well as tax policy and international agreements and forums. The Treasury has a program delivery role in supporting markets and business, and providing Commonwealth payments to the State and Territory governments.

A review of the Treasury's wellbeing framework was undertaken during 2010-11. A key objective of the review was to further develop the department's understanding of wellbeing and thereby build capacity to deliver its mission.

In undertaking its mission, the Treasury takes a broad view of wellbeing as primarily reflecting a person's substantive freedom to lead a life they have reason to value.

This view encompasses more than is directly captured by commonly used measures of economic activity. It gives prominence to respecting the informed preferences of individuals, while allowing scope for broader social actions and choices. It is open to both subjective and objective notions of wellbeing, and to concerns for outcomes and consequences as well as for rights and liberties.

The Treasury brings a whole-of-economy approach to providing advice to government based on an objective and thorough analysis of options. To facilitate that analysis, we have identified five dimensions that directly or indirectly have important implications for wellbeing and are particularly relevant to the Treasury. These dimensions are:

- The set of opportunities available to people. This includes not only the level of goods and services that can be consumed, but good health and environmental amenity, leisure and

intangibles such as personal and social activities, community participation and political rights and freedoms.

- The distribution of those opportunities across the Australian people. In particular, that all Australians have the opportunity to lead a fulfilling life and participate meaningfully in society.
- The sustainability of those opportunities available over time. In particular, consideration of whether the productive base needed to generate opportunities (the total stock of capital, including human, physical, social and natural assets) is maintained or enhanced for current and future generations.
- The overall level and allocation of risk borne by individuals and the community. This includes a concern for the ability, and inability, of individuals to manage the level and nature of the risks they face.
- The complexity of the choices facing individuals and the community. Our concerns include the costs of dealing with unwanted complexity, the transparency of government and the ability of individuals and the community to make choices and trade-offs that better match their preferences.

These dimensions reinforce our conviction that trade-offs matter deeply, both between and within dimensions. The dimensions do not provide a simple checklist: rather their consideration provides the broad context for the use of the best available economic and other analytical frameworks, evidence and measures.

The Treasury utilises and develops its technical expertise, knowledge base and support systems to deliver on our priorities. To maximise our potential, we nurture and strengthen our core organisational capabilities and consistently seek better ways to do business.

Our organisational capabilities are:

- Deep understanding: understanding our mission, the economic and policy environment, and the views of our stakeholders.
- Collaboration: collaborating with internal and external stakeholders to develop effective policy.
- Proactivity and vision: anticipating policy, implementation and organisational issues.
- Influence and reputation: building trust with the Government and other stakeholders, and influencing the policy agenda.
- Improvement and adaptability: being flexible, adaptable and innovative.
- Efficiency and productivity: managing costs, allocating resources and enabling efficiencies.

FINANCIAL PERFORMANCE

The Treasury received an unqualified audit report on the 2010-11 financial statements from the Australian National Audit Office. These statements can be found in Part 4 on pages 149 to 262.

Departmental

The Treasury ended 2010-11 with an attributable surplus of \$2.4 million, compared to a \$5.5 million surplus in 2009-10. Employee expenses increased by \$0.9 million from 2009-10, which was associated with a small staffing increase.

The Treasury's net asset position decreased by \$1.7 million in 2010-11, mainly due to a small reduction in other payables.

The Treasury has sufficient cash reserves to fund liabilities as and when they fall due.

Administered

The Treasury incurred \$87 billion in administered expenses in 2010-11 compared to \$89 billion in 2009-10. The \$2 billion decrease relates to a small reduction in grants paid to the States and Territories that the Treasury provides under the *Intergovernmental Agreement on Federal Financial Relations*.

The Treasury's administered net assets reduced by \$10 billion in 2010-11. This is mainly due to a decrease in the value of financial assets and a decrease in payables.

Figure 1: Treasury senior management structure (as at 30 June 2011)

Secretary: Dr Martin Parkinson	
Executive Director (Policy Coordination and Governance): Mr Richard Murray	
<p>Corporate Services Group Group General Manager: Mr Steve French</p> <p>Financial and Facilities Management Division General Manager: Mr Rob Donelly</p> <p>Ministerial and Communications Division General Manager: Ms Mary Balzary</p>	<p>Human Resources Division General Manager: Ms Pamela Henderson</p> <p>Information Management and Technology Services Division General Manager: Mr Peter Alexander</p>
Macroeconomic Group: Executive Director (Domestic), Dr David Gruen	
Macroeconomic Group: Executive Director (International/Special Envoy), Mr Mike Callaghan	
<p>Domestic Economy Division General Manager: Dr Steve Morling</p> <p>Macroeconomic Policy Division General Manager: Mr Tony McDonald</p> <p>Macroeconomic Modelling Division General Manager: Ms Meghan Quinn</p> <p>International and G20 Division General Manager: Mr Bill Brummitt</p> <p>International Finance and Development Division General Manager: Mr Patrick Colmer</p> <p>Overseas Posts</p> <p>Washington Mr David Pearl</p>	<p>Paris Mr Matthew Flavel</p> <p>London Ms Kerstin Wijeyewardene</p> <p>Tokyo Ms HK Holdaway</p> <p>Beijing Mr Adam McKissack</p> <p>Jakarta Mr Neil Richardson</p> <p>New Delhi Mr Matt Crooke</p>
Fiscal Group: Executive Director, Mr Nigel Ray	
<p>Budget Policy Division General Manager: Ms Jan Harris</p> <p>Commonwealth-State Relations Division General Manager: Mr Peter Robinson</p>	<p>Industry, Environment and Defence Division General Manager: Ms Luise McCulloch</p> <p>Social Policy Division General Manager: Mr Chris Foster (A/g)</p>
Revenue Group: Executive Director, Mr Rob Heferen	
<p>International Tax and Treaties Division General Manager: Mr Mike Rawstron</p> <p>Tax Analysis Division General Manager: Ms Maryanne Mrakovcic</p> <p>Business Tax Division General Manager: Mr Paul McCullough</p> <p>Tax System Division General Manager: Mr Gerry Antioch</p>	<p>Personal and Retirement Income Division General Manager: Mr Martin Jacobs (A/g)</p> <p>Indirect Tax Division General Manager: Ms Brenda Berkeley</p> <p>Board of Taxation Secretariat Secretary: Mr Roger Paul</p>
Markets Group: Executive Director, Mr Jim Murphy	
<p>Foreign Investment and Trade Policy Division General Manager: Ms Deidre Gerathy</p> <p>Financial System Division General Manager: Mr John Lonsdale</p> <p>Infrastructure, Competition and Consumer Policy Division General Manager: Mr Paul McBride (A/g)</p> <p>Corporations and Capital Markets Division General Manager: Mr James Chisholm</p>	<p>Retail Investor Division General Manager: Ms Sue Vroombout</p> <p>Standard Business Reporting General Manager: Mr Greg Divall</p> <p>Australian Government Actuary General Manager: Mr Peter Martin</p> <p>Takeovers Panel Director: Mr Allan Bulman</p>

Figure 2: Treasury outcome and program structure (as at 30 June 2011)

Outcome 1:	Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations
Program 1.1: Department of the Treasury	
Macroeconomic Group	Domestic Economy Division Macroeconomic Policy Division Macroeconomic Modelling Division International and G20 Division International Finance and Development Division Overseas Posts
Fiscal Group	Budget Policy Division Commonwealth-State Relations Division Industry, Environment and Defence Division Social Policy Division
Revenue Group	Business Tax Division Indirect Tax Division International Tax and Treaties Division Personal and Retirement Income Division Tax Analysis Division Tax System Division Board of Taxation Secretariat
Markets Group	Foreign Investment and Trade Policy Division Financial System Division Infrastructure, Competition and Consumer Policy Division Corporations and Capital Markets Division Retail Investor Division Standard Business Reporting Australian Government Actuary Takeovers Panel
Treasury support services	Corporate Services Group Organisational Strategy Unit
Program 1.2: Payments to International Financial Institutions	
Macroeconomic Group: International Finance and Development Division	
Program 1.3: Support for Markets and Business	
Markets Group: Financial System Division	
Program 1.4: General Revenue Assistance	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.5: Assistance to the States for Healthcare Services	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.6: Assistance to the States for Government Schools	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.7: Assistance to the States for Skills and Workforce Development	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.8: Assistance to the States for Disabilities Services	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.9: Assistance to the States for Affordable Housing	
Fiscal Group: Commonwealth-State Relations Division	
Program 1.10: National Partnership Payments to the States	
Fiscal Group: Commonwealth-State Relations Division	

Figure 3: Treasury portfolio outcome and program structure (as at 30 June 2011)

<p>Portfolio Minister — Deputy Prime Minister and Treasurer The Hon Wayne Swan MP</p> <p>Assistant Treasurer and Minister for Financial Services and Superannuation The Hon Bill Shorten MP</p> <p>Parliamentary Secretary to the Treasurer The Hon David Bradbury MP</p>	
<p>Department of the Treasury Secretary: Dr Martin Parkinson</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p> <p>Program 1.2:</p> <p>Program 1.3:</p> <p>Program 1.4:</p> <p>Program 1.5:</p> <p>Program 1.6:</p> <p>Program 1.7:</p> <p>Program 1.8:</p> <p>Program 1.9:</p> <p>Program 1.10:</p>	<p>Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations</p> <p>Department of the Treasury</p> <p>Payments to International Financial Institutions</p> <p>Support for Markets and Business</p> <p>General Revenue Assistance</p> <p>Assistance to the States for Healthcare Services</p> <p>Assistance to the States for Schools</p> <p>Assistance to the States for Skills and Workforce Development</p> <p>Assistance to the States for Disabilities Services</p> <p>Assistance to the States for Affordable Housing</p> <p>National Partnership Payments to the States</p>
<p>Australian Bureau of Statistics Statistician: Mr Brian Pink</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>Informed decisions, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information</p> <p>Australian Bureau of Statistics</p>
<p>Australian Competition and Consumer Commission Chairman: Mr Graeme Samuel AC</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>Lawful competition, consumer protection, and regulated national infrastructure markets and services through regulation, including enforcement, education, price monitoring and determining the terms of access to infrastructure services</p> <p>Australian Competition and Consumer Commission</p>
<p>Australian Office of Financial Management Chief Executive Officer: Mr Robert Nicholl</p>	
<p>Outcome 1:</p> <p>Program 1.1:</p>	<p>The advancement of macroeconomic growth and stability, and the effective operation of financial markets, through issuing debt, investing in financial assets and managing debt, investments and cash for the Australian Government</p> <p>Australian Office of Financial Management</p>

Figure 3: Treasury portfolio outcome and program structure (continued)

Australian Prudential Regulation Authority	
Chairman: Dr John Laker AO	
Outcome 1:	Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality
Program 1.1:	Australian Prudential Regulation Authority
Australian Securities and Investments Commission	
Chairman: Mr Greg Medcraft	
Outcome 1:	Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks
Program 1.1:	Research, policy, compliance, education and information initiatives
Program 1.2:	Enforcement/deterrence
Outcome 2:	Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services
Program 2.1:	Legal infrastructure for companies and financial services providers
Program 2.2:	Banking Act and Life Insurance Act, unclaimed moneys and special accounts
Australian Taxation Office	
Commissioner: Mr Michael D'Ascenzo AO	
Outcome 1:	Confidence in the administration of aspects of Australia's taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing noncompliance with the law
Program 1.1:	Australian Taxation Office
Program 1.2:	Tax Practitioners Board
Program 1.3:	Australian Business Register
Program 1.4:	Australian Valuation Office
Program 1.5:	Product Stewardship Waste (Oil) Scheme
Program 1.6:	Cleaner Fuels Grant Scheme
Program 1.7:	Australian Screen Production Incentive
Program 1.8:	Research and Development Tax Offset
Program 1.9:	Private Health Insurance Rebate
Program 1.10:	Superannuation Coordination Scheme
Program 1.11:	Superannuation Guarantee Scheme
Program 1.12:	Fuel Tax Credits Scheme
Program 1.13:	Education Tax Refund
Program 1.14:	National Urban Water and Desalination Plan
Program 1.15:	National Rental Affordability Scheme
Program 1.16:	First Home Saver Accounts
Program 1.17:	Baby Bonus
Program 1.18:	Interest on Overpayment and Early Payments of Tax
Program 1.19:	Bad and Doubtful Debts and Remissions
Program 1.20:	Other Administered
Commonwealth Grants Commission	
Secretary: Mr John Spasojevic	
Outcome 1:	Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue and health care grants
Program 1.1:	Commonwealth Grants Commission

Figure 3: Treasury portfolio outcome and program structure (continued)

Corporations and Markets Advisory Committee	
Convenor: Ms Joanne Rees	
Outcome 1:	Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice
Program 1.1:	Corporations and Markets Advisory Committee
Inspector-General of Taxation	
Inspector-General: Mr Ali Noroozi	
Outcome 1:	Improved tax administration through community consultation, review and independent advice to Government
Program 1.1:	Inspector-General of Taxation
National Competition Council	
President: Mr David Crawford	
Outcome 1:	Competition in markets that are dependent on access to nationally significant monopoly infrastructure, through recommendations and decisions promoting the efficient operation of, use of and investment in infrastructure
Program 1.1:	National Competition Council
Office of the Auditing and Assurance Standards Board	
Chairman: Ms Merran Kelsall	
Outcome 1:	The formulation and making of auditing and assurance standards that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements
Program 1.1:	Auditing and Assurance Standards Board
Office of the Australian Accounting Standards Board	
Chairman: Mr Kevin Stevenson	
Outcome 1:	The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions
Program 1.1:	Australian Accounting Standards Board
Productivity Commission	
Chairman: Mr Gary Banks AO	
Outcome 1:	Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective
Program 1.1:	Productivity Commission
Royal Australian Mint	
Chief Executive Officer: Mr Ross MacDiarmid	
Outcome 1:	The coinage needs of the Australian economy, collectors and foreign countries are met through the manufacture and sale of circulating coins, collector coins and other minted like products
Program 1.1:	Royal Australian Mint

