

The background of the cover is a photograph of a modern building facade, likely the Treasury building. The building features a grid of windows and a prominent stone crest or sculpture on the left side. The image is overlaid with a semi-transparent blue and white geometric design consisting of overlapping shapes. The text is centered in the upper half of the image.

Treasury  
**Annual Report**  
**2016-17**

© Commonwealth of Australia 2017

ISSN 0728-9405

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, the Treasury logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Treasury material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Treasury endorses you or your use of the work).

## Treasury material used 'as supplied'

Provided you have not modified or transformed Treasury material in any way including, for example, by changing the Treasury text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Treasury statistics — then Treasury prefers the following attribution:

Source: *The Treasury*

## Derivative material

If you have modified or transformed Treasury material, or derived new material from those of the Treasury in any way, then Treasury prefers the following attribution:

*Based on Treasury data*

## Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the It's an Honour website (see [www.itsanhonour.gov.au](http://www.itsanhonour.gov.au)).

## Other Uses

Enquiries regarding this licence and any other use of this document are welcome at:

Manager  
Communications  
The Treasury  
Langton Crescent  
Parkes ACT 2600  
Email: [medialiaison@treasury.gov.au](mailto:medialiaison@treasury.gov.au)

A copy of this document and other Treasury information appears on the Treasury website.  
The Treasury website address is: [www.treasury.gov.au](http://www.treasury.gov.au).

Printed by Canprint Communications Pty Ltd



## Australian Government

### The Treasury

---

The Hon Scott Morrison MP  
Treasurer  
Parliament House  
CANBERRA ACT 2600

Dear Treasurer

I present the annual report of the Treasury for the year ended 30 June 2017.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The guidelines approved on behalf of the Parliament by the Joint Committee of the Public Accounts and Audit 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, prepared under section 42 of the PGPA Act.

In addition, as required by the Commonwealth Fraud Control Framework, I certify that I am satisfied that the Treasury has in place appropriate fraud control mechanisms that meet the Treasury's need and that comply with the guidance applying in 2016-17.

Yours sincerely

A handwritten signature in black ink, reading 'John A. Fraser'.

John A. Fraser  
Secretary  
12 October 2017



# Contents

Introduction and guide to the report	ix
Other sources of information	ix
Contact details	ix
<b>Departmental overview</b>	<b>1</b>
Secretary's review	3
Departmental overview	5
Purpose	5
Outcome responsibility	5
<b>Report on performance</b>	<b>11</b>
Introductory statement	13
Treasury's purposes	14
Promoting fiscal sustainability	14
Increasing productivity and workforce participation	14
Securing the benefits of global economic integration	14
Performance results by purpose	15
Promoting fiscal sustainability	15
Increasing productivity and workforce participation	20
Securing the benefits of global economic integration	27
All purposes and Organisational Capability	30
Case study: Implementing the Critical Infrastructure Centre	35
Case study: Supporting the Government's housing affordability plan	36
<b>Management and performance</b>	<b>37</b>
Corporate governance	39
Governance committees	39
Fraud prevention and control	40
Internal Audit arrangements	40
Ethical standards	41
SES remuneration	41
Significant non-compliance issues with relevant finance laws	41
External scrutiny	42
Functional and Efficiency Review	42
External Audit	42
Management of human resources	43
Overview	43
Key outcomes	43
Workplace diversity	48

Assets management	50
Purchasing	51
Consultants	52
<b>Financial statements</b>	<b>53</b>
Independent Auditor's Report	55
Statement by the Departmental Secretary and Chief Financial Officer	59
Statement of Comprehensive Income	61
Statement of Financial Position	62
Statement of Changes in Equity	63
Cash Flow Statement	64
Administered Schedule of Comprehensive Income	65
Administered Schedule of Assets and Liabilities	66
Administered Reconciliation Schedule	67
Administered Cash Flow Statement	68
Notes to and forming part of the financial statements	69
<b>Appendices</b>	<b>121</b>
Work health and safety	123
Advertising and market research	125
Ecologically sustainable development and environmental performance	127
Carer support	129
Grants	130
Information publication scheme	131
Australia and the international financial institutions	132
Australia and the International Monetary Fund	132
Australia and the World Bank Group	137
Australia's cooperation with the World Bank Group	139
Operational evaluation	140
Australian Small Business and Family Enterprise Ombudsman	141
Advocacy	141
Assistance	143
Disability reporting	145
Resource tables	146
List of requirements	148
Abbreviations and acronyms	153
Glossary	155
Index	157

## List of tables

Table 1: Staff by classification and gender as at 30 June 2017 (headcount)	46
Table 2: Remuneration – SES Employees	48
Table 3: Remuneration – non-APS Employees	48
Table 4: Advertising Agencies (creative advertising agencies which have developed advertising campaigns)	125
Table 5: Market Research Organisations	125
Table 6: Media Advertising (Dentsu Mitchell Media Australia – the master media agency for all Commonwealth Government advertising)	126
Table 7: Australian Governor’s votes on IMF 2016-17 resolutions	133
Table 8: Transactions with the IMF in 2016-17 (cash basis)	135
Table 9: Australia’s reserve tranche position in the IMF, 2016-17	136
Table 10: Australia’s NAB Transactions for 2016-17	136
Table 11: Australian shareholdings at the World Bank Group as at 30 June 2017	138
Table 12: Australia’s shareholding and voting power in the World Bank Group	138
Table 13: Australian Governor’s votes on World Bank Group resolutions in 2016-17	139
Table 14: Resolution of disputes	143
Table 15: Resourcing for Outcome 1	146

## List of figures and charts

Figure 1: Treasury Group senior management as at 30 June 2017	6
Figure 2: Treasury outcome and program structure as at 30 June 2017	7
Figure 3: Treasury portfolio outcome and program structure	8
Figure 4: Location of Treasury’s operative staff	47
Figure 5: Workplace diversity	49



# Introduction and guide to the report

The Treasury Annual Report 2016-17 outlines performance against outcomes, program and performance information contained in the *Portfolio Budget Statements 2016-17* and *Portfolio Additional Estimates Statements 2016-17*.

This report includes the reporting requirements and financial accounts for the Australian Government Actuary. The financial accounts for the Foreign Investment Review Board and Takeovers Panel are also included in this report, along with limited performance reporting. More comprehensive performance reporting may be found in their respective annual reports.

- 01** Includes a summary of significant issues and developments during 2016-17, and an overview of the Treasury's performance. The Departmental Overview in part 01 details the Treasury's role, functions, senior management structure, organisational structure and portfolio structure.
- 02** Provides an analysis of performance against the Treasury's policy outcome and program.
- 03** Reports on management and accountability issues as required under the annual report guidelines.
- 04** Presents the audited financial statements of the Treasury as required under the annual report guidelines.
- 05** Includes other information as required under the annual report guidelines. This report concludes with a glossary, a list of abbreviations and acronyms and an index of the report.

## Other sources of information

The Treasury releases information on its activities through publications, press releases, speeches, reports and the annual report. Copies of all the Treasury's publications are available on its website: [www.treasury.gov.au](http://www.treasury.gov.au).

## Contact details

The contact officer for enquiries regarding this report is:

Division Head  
Communications and Parliamentary Division  
Treasury  
Langton Crescent  
Parkes ACT 2600

Email: [medialiaison@treasury.gov.au](mailto:medialiaison@treasury.gov.au)

