

Part 01

Overview





Secretary's review

It has been a productive year for Treasury. This report highlights our work in supporting and implementing policies for the good of the Australian people, consistent with achieving strong, sustainable economic growth and fiscal outcomes.

An early focus in the year was briefing a new Treasurer and portfolio ministers in August 2018. In conjunction with the Department of Finance, we also prepared the *Mid-Year Economic and Fiscal Outlook* which was released in December.

During 2018, we provided information papers and submissions to the financial services Royal Commission on several key issues including consumer lending, small business lending, financial advice, insurance, effectiveness of the regulatory framework and superannuation. We also assisted the Government prepare its response to the Royal Commission in February, within a week of receiving the Commissioner's report.

Treasury's attention on population issues intensified in 2019. We supported the production of the Government's paper — *Planning for Australia's Future Population* — released in March following the first Treasurers' Forum on Population in February. The department has established the Centre for Population which will, for the first time, provide a single focal point for all government work on population, including interaction with the states.

In another highlight, Treasury advised and supported the Government through the passage of significant superannuation legislation especially with regard to member protections. This included the *Protecting Your Superannuation Package Act* in March and the *Improving Accountability and Member Outcomes in Superannuation Measures No. 1 Act* in April 2019.

This reporting year, the Treasurer delivered the 2019-20 Budget on 2 April — five weeks earlier than usual. I pay tribute to the dedicated Treasury staff who ensured a smooth Budget production process and delivered a polished outcome notwithstanding the accelerated timetable.

Treasury and the Australian Taxation Office also contributed extensive advice on the Budget's personal tax measures. The measures incorporate an initial targeted focus on low and middle income earners together with longer term measures to lessen the income tax burden.

Later in the year, Treasury worked again with the Department of Finance to publish a *Pre-election Economic and Fiscal Outlook*, as required by the *Charter of Budget Honesty Act 1998*.

After the Federal Election in May 2019, we provided the Treasurer and ministers with the Incoming Government Brief — another document that requires input from across the department.



Philip Gaetjens
Secretary

Throughout the year the department progressed work on the Consumer Data Right (CDR). The CDR was developed in 2017-18 to benefit the Australian consumer in getting better deals and while legislation was not passed prior to the election it was again presented to the Parliament and was passed in August 2019.

The foundation for Treasury's contributions to the public policy measures outlined in this report relies on the dedication and capability of our people. It is essential that we continue to support our staff and that was a key focus during the past 12 months.

Fundamental to this was the finalisation of our *Enterprise Agreement 2018-21* which staff overwhelmingly endorsed in August 2018. This agreement reaffirmed Treasury's commitment to investing in the professional growth and development of its employees.

In May, we launched Treasury's 2019-2021 Innovate Reconciliation Action Plan (RAP). The RAP committee worked over many months to refine and finalise the plan in consultation with Reconciliation Australia.

More recently, I was delighted to launch Treasury's first Inclusion and Diversity Strategy 2019-21. This strategy rests on five pillars of diversity and articulates a vision of a supportive and discrimination free environment for all staff.

The year also saw Treasury continue to contribute to important public debate via the Treasury Research Institute. We published papers in the key areas of productivity, revenue costing and nowcasting Australia's GDP, publicising research done by Sir Roland Wilson scholars and other Treasury staff.

Since joining Treasury as Secretary in August 2018, I have led a highly-engaged and motivated organisation, as evidenced by its 2018 APS Employee Census results. It was a privilege to undertake this role and with our 2019 census results showing further consolidation and improvement, I take great pride in handing over the leadership mantle to Dr Steven Kennedy.



Philip Gaetjens
Secretary to the Treasury
August 2018 – August 2019

Departmental overview

Treasury is the Government's pre-eminent economic adviser.

As a relatively small department with broad responsibilities, Treasury takes enormous pride in our role in providing advice to the Government to support the effective management of the Australian economy.

The Treasury Portfolio Budget Statements 2018-19 outcome is:

Supporting and implementing informed decisions on policies for the good of the Australian people, including achieving strong sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury's functions.

Under the Treasury Corporate Plan 2018-19, we achieve our purpose and our outcome by providing advice, analysis and legislation to the Government that aims to support the effective management of the Australian economy by:

- Promoting a sound macroeconomic environment.
- Promoting effective government spending arrangements that contribute to overall fiscal outcomes and influence strong, sustainable economic growth.
- Developing effective taxation and retirement income arrangements consistent with the Government's policy priorities.
- Developing well-functioning markets that encourage consumer and investor confidence.
- Supporting effective and sustainable structural reform.

Figure 1: Treasury Group senior management as at 30 June 2019

SECRETARY: PHILIP GAETJENS									
 FISCAL GROUP	<p>Deputy Secretary: Vicki Wilkinson A/g</p> <p>Budget Policy Division — Division Head: Jonathan Rollings Commonwealth-State Relations Division — Division Head: Kate Phipps Retirement Income Policy Division — Division Head: Robert Jeremenko Social Policy Division — Division Head: Joanne Evans A/g Structural Reform Division — Division Head: Hamish McDonald</p>								
 MACROECONOMIC GROUP	<p>Deputy Secretary: Meghan Quinn</p> <p>Macroeconomic Conditions Division — Division Head: Angelia Grant Macroeconomic Modelling and Policy Division — Division Head: Ian Beckett A/g International Policy and Engagement Division — Division Head: Lisa Elliston</p> <p>Overseas operations</p> <table border="0"> <tr> <td>Beijing: Rachel Thompson</td> <td>New Delhi: Ashley Bell</td> </tr> <tr> <td>Indonesia: Bede Moore</td> <td>OECD (Paris): Brendan McKenna</td> </tr> <tr> <td>Jakarta: Katherine Tuck</td> <td>Tokyo: David Lowe</td> </tr> <tr> <td>London: Emily Martin</td> <td>Washington DC: Marty Robinson</td> </tr> </table>	Beijing: Rachel Thompson	New Delhi: Ashley Bell	Indonesia: Bede Moore	OECD (Paris): Brendan McKenna	Jakarta: Katherine Tuck	Tokyo: David Lowe	London: Emily Martin	Washington DC: Marty Robinson
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Jakarta: Katherine Tuck	Tokyo: David Lowe								
London: Emily Martin	Washington DC: Marty Robinson								
 MARKETS GROUP	<p>Deputy Secretary: Paul Verschuer</p> <p>Australian Government Actuary — Manager: Guy Thorburn Consumer and Corporations Policy Division — Division Head: Christine Barron Financial Services Reform Taskforce Division — Division Head: James Kelly Financial System Division — Division Head: Russell Campbell A/g Foreign Investment Division — Division Head: Roger Brake Takeovers Panel — Director: Allan Bulman</p>								
 REVENUE GROUP	<p>Deputy Secretary: Maryanne Mrakovcic</p> <p>Black Economy Division — Division Head: Patrick Boneham Board of Taxation Secretariat — Chief Executive Officer: Lynn Kelly Corporate and International Tax Division — Division Head: Paul McCullough Individuals and Indirect Tax Division — Division Head: Marisa Purvis-Smith Law Design Office — Division Head: Simon Writer Tax Analysis Division — Division Head: Matthew Brine Tax Framework Division — Division Head: Graeme Davis A/g</p>								
 CORPORATE SERVICES AND BUSINESS STRATEGY GROUP	<p>Deputy Secretary: Matt Flavel</p> <p>Chief Financial Officer Division — Division Head: Robert Twomey Communications and Parliamentary Division — Division Head: Shannon Kenna Information Services Division — Division Head: Mike Webb People and Organisational Strategy Division — Division Head: Cristy England A/g</p> <p>Sydney Office — Head: Tim Baird Melbourne Office — Head: Michelle Dowdell Perth Office — Head: Chris Stavrianou</p>								

Figure 2: Treasury outcome and program structure

Outcome 1: Supporting and implementing informed decisions on policies for the good of the Australian people, including for achieving strong, sustainable economic growth, through the provision of advice to Treasury Ministers and the efficient administration of Treasury's functions.

Program 1.1: Department of the Treasury

Program 1.2: Payments to International Financial Institutions

Program 1.3: Support for Markets and Business

Program 1.4: General Revenue Assistance

Program 1.5: Assistance to the States for Healthcare Services

Program 1.6: Assistance to the States for Skills and Workforce Development

Program 1.7: Assistance to the States for Disability Services

Program 1.8: Assistance to the States for Affordable Housing

Program 1.9: National Partnership Payments to the States

