

MANAGING OUR ORGANISATION

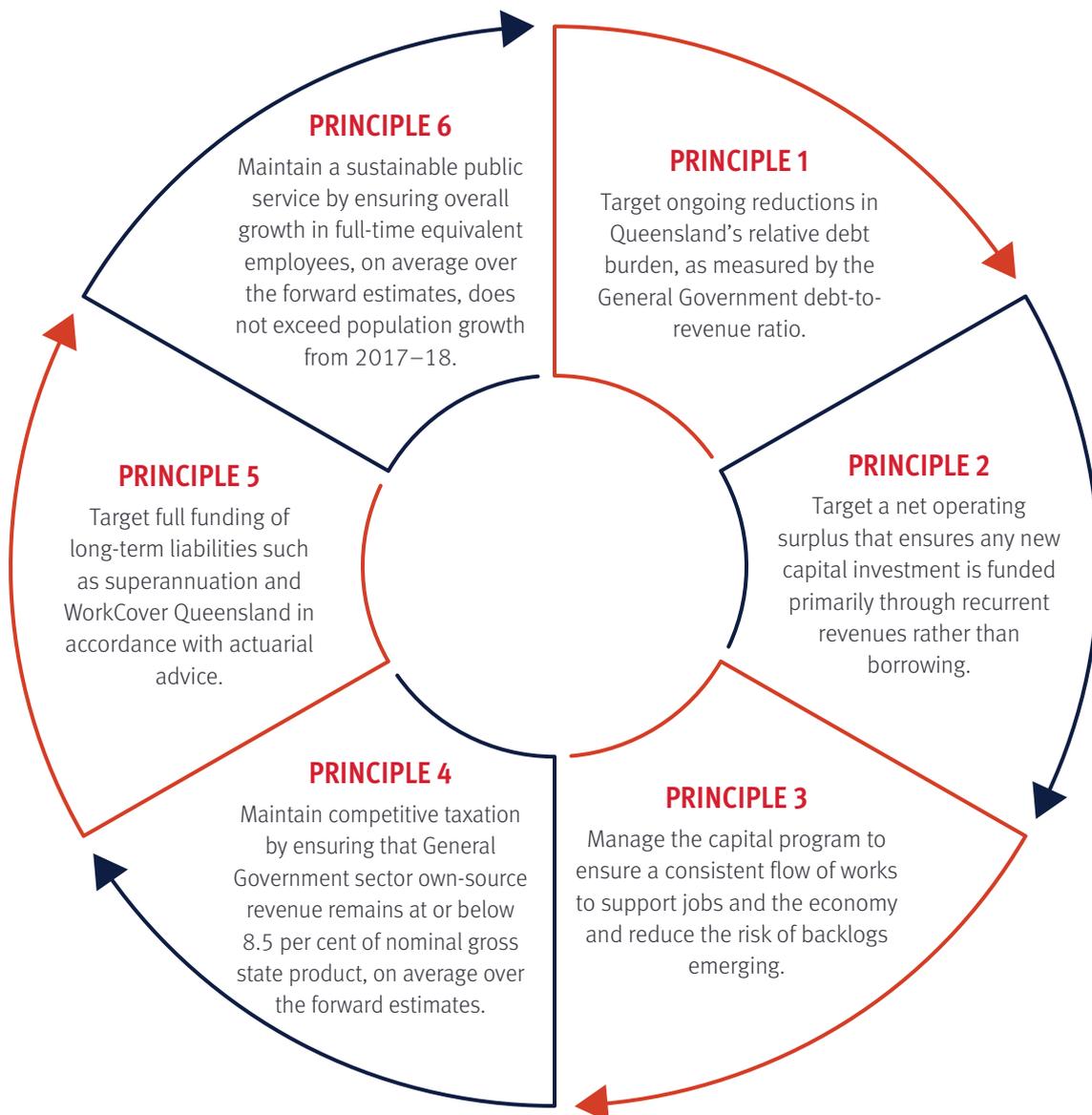
THE GOVERNMENT'S FISCAL STRATEGY

The government's ability to grow the economy and improve the wellbeing of all Queenslanders is supported by a solid, prudent fiscal strategy. It is a cornerstone of each year's Queensland Budget, and

outlines the principles by which the government manages Queensland's finances in a responsible and measured way.

Each year's Budget, mid-year review and end-of-year reports outline the government's performance against these principles.

Treasury strengthens the government's financial accountability by partnering with agencies so they can meet their obligations under the *Financial Accountability Act 2009*, and make their best possible contribution to the government's priorities for Queenslanders.



MANAGING OUR ORGANISATION

STRONG GOVERNANCE

Underpinning the government's fiscal principles and priorities for the community are strong corporate governance practices in:

- leadership and planning
- internal and external accountability
- corporate support
- rigorous financial controls
- workforce planning, capability and performance
- resource allocation
- information management.

Decisions in these areas are made directly and effectively by Treasury's Executive Leadership Team.

MANAGING OUR PERFORMANCE

Treasury's performance is managed in line with the Queensland Government's Performance Management Framework, which provides the means to:

- strengthen public sector accountability
- identify risks and opportunities for agencies, government and the community
- develop plans to address these.

At an organisation-wide level, the Strategic Plan is the roadmap that guides longer-term efforts to deliver Treasury's purpose.

This is translated into financial year objectives and performance measures for each service area through the Service Delivery Statement, and reported against these in the annual report. Read more in the service reports on pages 23 to 39.

Treasury's performance is monitored externally through the Parliamentary Estimates Committee process held after each year's Queensland Budget. Treasury is accountable to the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships, who reports against the Service Delivery Statement through this process.

Annual Operational Plans for each Treasury business group show a direct link between priority initiatives and Treasury's strategic objectives.

The operational plans are updated each year, but they can also be amended at any time to reflect emerging risks, opportunities and government priorities. These plans provide a foundation for managers and employees to agree on priority deliverables which are tracked in individual Performance Excellence Plans. Overall, this planning framework provides alignment between the government's priorities, Treasury's vision, and its employees' day-to-day work.

THE QUEENSLAND GOVERNMENT'S OBJECTIVES FOR THE COMMUNITY

Throughout the 2017–18 reporting year, the Queensland Government's agenda for meeting Queenslanders' needs was clear:

- Jobs and a diverse economy
- Quality frontline services
- A protected, sustainable environment
- Safe, caring and connected communities.

Treasury's expertise in economic and fiscal management directly supports the economic, service delivery and community objectives of this agenda, and indirectly in the form of support for agencies to make their own unique contributions. Examples of specific contributions to the objectives are outlined overleaf.

OUR SUPPORT FOR THE OBJECTIVES IN 2017–18

Creating jobs and a diverse economy

Delivered the 2018–19 Queensland Budget, which included support for around 38,000 jobs through the government's \$45.8 billion infrastructure program.

Supported the government's revenue base with revenue initiatives such as a land tax surcharge for absentee landowners and a wagering (betting) tax.

Led job-generating infrastructure projects such as Cross River Rail and Brisbane International Cruise Terminal, and worked to maximise the Northern Australia Infrastructure Facility's value to Queensland.

Delivering quality frontline services

Partnered with agencies in initiatives such as social housing, long-term funding for schools and public transport services.

Played a lead role in implementing the Powering Queensland Plan for affordable, secure and sustainable electricity supply.

Advocated for Queensland's interests in Commonwealth-State financial relations, to pursue a fair share of GST revenue for our communities.

Building safe, caring and connected communities

Established the Crime Statistics and Research Unit to better understand the origins and patterns of crime so that agencies and communities can design more effective intervention and prevention strategies.

Introduced work and development orders as an option for people in hardship to resolve their penalty debt.

Protecting the environment

Worked towards strong growth in renewables, including through the Queensland Renewable Energy Target.

Continued large-scale reform to secure proper rehabilitation for legacy mining sites.

OUR FUTURE STATE: ADVANCING QUEENSLAND'S PRIORITIES

In mid-2018, the government announced its priorities for the major challenges facing Queensland:

- Create jobs in a strong economy
 - creating jobs, increasing private sector investment, engaging more young Queenslanders in education, training or work.
- Give all children a great start
 - increasing the number of babies born healthier, increasing childhood immunisation rates, improving wellbeing prior to school.

- Keep Queenslanders healthy
 - increasing the number of Queenslanders with a healthy body weight, reducing suicides.
- Keep communities safe – reducing the rate of crime victims, reducing rates of youth reoffending.
- Protect the Great Barrier Reef – reducing Queensland's contribution to climate change, improving water quality.
- Be a responsive government – making Queensland Government services easy to use.

As a central agency, Treasury works across government to prioritise funding to deliver against these priorities. It will continue this support during 2018–19 via a roadmap for achieving targets under the Creating Jobs in a Strong Economy outcome.

MANAGING OUR ORGANISATION

OUR LEADERS

Jim Murphy Under Treasurer

Jim is an outstanding senior policy executive and government leader. He commenced as Under Treasurer on 1 June 2015.

Formerly, Jim was a senior executive with the ANZ Bank. He was Deputy Secretary in the (Australian) Treasury for more than a decade and held senior executive positions in the Commonwealth Departments of Treasury, Attorney General and Finance.

His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC and, for a short period, Chief of Staff in the Office of the Prime Minister.

Jim was awarded a Public Service Medal for his strategic economic advice, which formed the Australian Government's response to the global financial crisis.

Jim attained a Bachelor of Arts (Economics and History) from the University of New South Wales, a Bachelor of Laws from the University of Sydney and a Master of Public Law from the Australian National University.

Maryanne Kelly Acting Deputy Under Treasurer, Agency Performance

Maryanne commenced as Acting Deputy Under Treasurer of the Agency Performance Group in December 2017.

In this role, Maryanne is responsible for advice and analysis on public policy, fiscal and economic issues, particularly for the health, education, communities, justice, Indigenous policy and housing portfolios.

Previously Maryanne was Assistant Under Treasurer for Treasury's Economics Strategy division. In this role, she was responsible for employment and economic policy including overseeing the implementation of the government's Back to Work program and the production of Budget forecasts and the Budget Economic Framework.

Maryanne has more than 20 years' experience in leadership roles in the Queensland, Australian and United Kingdom governments. Her senior management roles in Queensland Government agencies include Treasury; Department of Communities, Child Safety and Disability Services; and Queensland Reconstruction Authority.

She has a Bachelor of Commerce and a Master of Social Planning and Development from the University of Queensland, and a Graduate Diploma of Business with a major in accounting.

Luan Sadikaj Acting Deputy Under Treasurer, Agency Performance and Investment

Luan was appointed Acting Deputy Under Treasurer of the Agency Performance and Investment Group in May 2018.

In his current role, Luan is responsible for commercial, fiscal and economic advice on the state's economic portfolios and Treasury's investment policy and attraction programs. He represents Treasury on the Long Term Assets Advisory Board, a board of Queensland Treasury Corporation which manages certain superannuation and other long-term assets.

Prior to this current appointment, Luan held a senior executive role within Queensland Treasury's Agency Performance Group. In this role, he worked closely with Queensland Health, Justice and the Attorney-General and public safety agencies to develop, fund and implement public policy. Luan has been involved in the development of the Queensland Budget since 2008.

Luan has a Bachelor of Business with a major in finance and has completed his professional accreditation with CPA Australia.

Alison Rayner Deputy Under Treasurer, Economics and Fiscal Coordination

Alison was appointed Deputy Under Treasurer of the Economic and Fiscal Coordination Group in September 2017.

She is responsible for providing economic and fiscal advice, analysis and guidance to government on matters of significance to the economic and fiscal performance of Queensland, particularly for the Queensland Budget, fiscal efficiency, economic policy, forecasting and reporting.

More recently, Alison has been in a senior executive management role working closely with Treasury's partner agencies to develop, fund and implement public policy, and has been involved in the development of the Queensland Budget since 2013–14.

During 20 years in government, Alison has held key roles in developing and implementing the government's budget and reporting system, and its financial accountability framework.

She has been responsible for providing advice to government and agencies on financial management and complex commercial transactions. Alison is a chartered accountant who started her career in the private sector, initially working in the business and tax advisory services industry, followed by several years in commercial banking, before joining government in 1998 with the Department of Education. She joined Queensland Treasury during the period the government was transitioning to accrual based budgeting.

Robert Fleming
Acting Deputy Under Treasurer,
Commercial

Robert is an economist with a background in government policy and project management within a career built in the public sector.

He began his career in policy and budget development, working predominantly in social justice and transport portfolios.

During his 20 years in government, Robert has been responsible for advising on some of the state's largest infrastructure projects in Queensland Treasury Corporation and Queensland Treasury. He has led teams which have developed business cases and procured key infrastructure projects including the Toowoomba Second Range Crossing, Herston Quarter redevelopment, Gold Coast Light Rail, Cross River Rail, and market-led proposals such as the Logan Motorway Enhancement Project.

Geoff Waite
Executive General Manager,
Risk and Intelligence

Geoff first joined Treasury in 1984 to work on joint Commonwealth/State employment programs.

He worked in a number of budget portfolio roles until his appointment as Treasury's Director of Finance in 1995. He then headed Treasury's corporate services function as Assistant Under Treasurer until 2001, and followed this with various roles including Assistant Under Treasurer, Budget Division and Executive Director of the Office of Government-Owned Corporations.

In 2007, Geoff started his own business consulting to state and local governments in Queensland. He returned to Treasury in 2012 and worked on internal reviews before heading the Office of the Under Treasurer, Corporate Group and then establishing the Risk and Intelligence role.

Geoff also has statutory appointments as the Independent Board Member on the Public Safety Business Agency Board of Management, and as the Government Superannuation Officer.

He has a Bachelor of Arts from the University of Queensland, a Bachelor of Business from Queensland University of Technology, and is a Fellow of the Australian Institute of Management, and a Graduate of the Australian Institute of Company Directors.

Liz Goli
Commissioner,
Office of State Revenue

Liz was appointed Commissioner of the Office of State Revenue (OSR) in February 2014.

Prior to her appointment, Liz was Senior Assistant Commissioner, Indirect Tax at the Australian Taxation Office (ATO), and has held senior and executive management roles in tax administration since 1997.

Liz has international tax experience with the Organisation for Economic Cooperation and Development (OECD) in Paris, and previously worked in OSR from 1997 to 2001, where she had a leading role in rewriting of the state duties legislation. She began her career as a graduate with the ATO in 1984.

Angela Wilke
Executive General Manager,
Operations and Change

As Executive General Manager, Operations and Change, Angela leads Treasury's corporate enabling functions of finance, HR, ICT delivery, strategic communications and corporate strategy and governance.

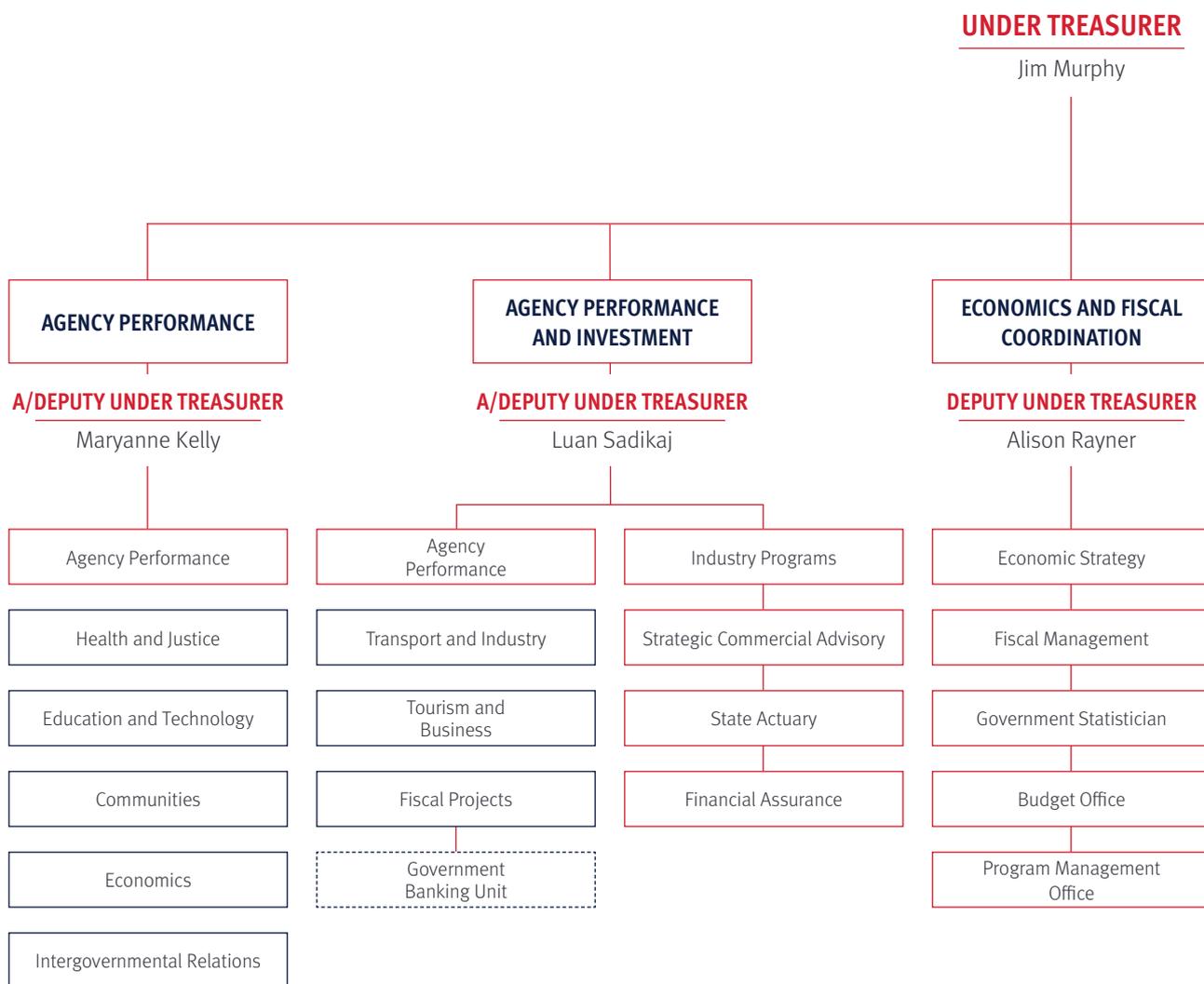
With a broad industry background in the public and private sectors, Angela has effectively led corporate functions to deliver complex operational and cultural reform agendas. Among her notable achievements are the design and delivery of significant transformation programs in Queensland Health, Stanwell Corporation and currently Queensland Treasury.

A specialist in strategic human resources management (HRM), industrial/employee relations, and culture and capability development, Angela also holds a Bachelor of Business (HRM) from QUT and a Master of Employment Law from Griffith University.

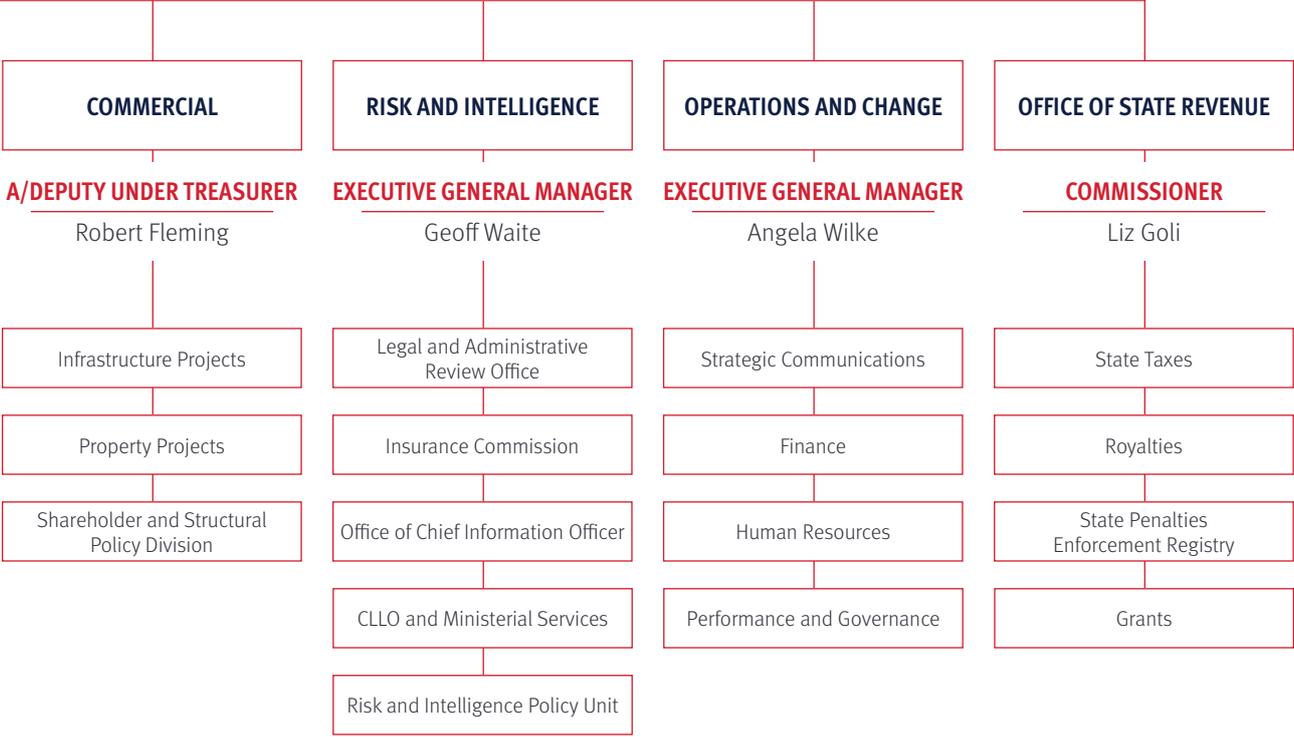
MANAGING OUR ORGANISATION

LEADING TREASURY

As at 30 June 2018



Our Executive Leadership Team applies a strategic, cross-divisional perspective to our organisation's key priorities.



MANAGING OUR ORGANISATION

AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Committee helps the Under-Treasurer to meet his responsibilities under the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and other prescribed requirements. Its business is concerned with overseeing our key financial, risk and performance management activities, including:

- reviewing the appropriateness of accounting policies and financial performance
- annually reviewing the risk management framework, including processes for identifying, monitoring and managing significant business risks
- integrity and preventing misconduct – quarterly reporting of misconduct issues and trends, prevention strategies and areas for improvement reviewing, with the assistance of internal and external audit functions, the adequacy of internal controls, including IT security
- internal and external audit:
 - reviewing and approving an Internal Audit Plan
 - consulting with External Audit on a proposed audit strategy
 - considering audit findings and recommendations to ensure key risks are considered and mitigated.

The committee also performs these functions for the following related entities in our broader portfolio who prepare independent financial statements:

- Motor Accident Insurance Commission
- Nominal Defendant
- National Injury Insurance Scheme Queensland Agency.

2017–18 Audit and Risk Management Committee membership (as at May 2018)

Chair:

Executive General Manager, Risk and Intelligence

Members:

Deputy Under Treasurer, Economics and Fiscal Coordination
Insurance Commissioner
Commissioner, Office of State Revenue
Don Licastro – independent member

Standing invitations:

Under Treasurer
Chief Finance Officer
Queensland Audit Office (QAO)
Internal Audit

2017–18 achievements

The committee met five times during the year and fulfilled its responsibilities in accordance with its charter and an approved work plan, which included:

- reviewing the 2016–17 Financial Statements for Queensland Treasury, Motor Accident Insurance Commission and Nominal Defendant

- reviewing the outcomes of 2017–18 Internal Audit activity and endorsement of 2018–19 Internal Audit Plan
- considering issues raised by QAO including recommendations from performance audits
- considering Treasury-related QAO reports to Parliament.

A robust risk management framework is integrated into all Treasury business activities and systems. Employees from across the organisation were appointed as risk officers in 2017–18 to champion active compliance and risk management activities aimed at embedding the Treasury Risk Management strategy, and enhancing the risk skills of Treasury staff.

These officers update risk registers and identify risk mitigation strategies to be undertaken by business areas. Emerging and high-rated business area risks are reported to our Executive Leadership Team via the Annual Risk Report and agency risk profile. This report is also used to inform strategic and business planning, and the targeting of relevant assurance activity.

Internal Audit

Internal Audit supports the Audit and Risk Management Committee by evaluating financial and operational systems, reporting processes and activities.

PwC undertakes this function as an independent and objective internal audit service in accordance with Treasury's Internal Audit Charter and ethical standards.

Internal Audit regularly liaises with QAO to ensure appropriate assurance services are provided to Treasury. In 2017–18, Internal Audit delivered a program of work for Treasury’s three-year Internal Audit Plan (approved by the Audit and Risk Management Committee). Its work comprised 23 reviews, including:

- QGrants Systems and First Home Owners’ Grant Review
- reviews of revenue management activities and systems, including State Penalties Enforcement Registry (SPER) operational processes
- reviews of selected agency and frontline service delivery functions including National Injury Insurance Scheme Queensland Agency and whole-of-government financial assurance
- security reviews, including cyber security, information security and building security
- business process improvement and business intelligence reviews including monitoring of data controls, data analysis and reporting, and contract management.

This plan aligned with Treasury’s key risk areas, operations, and strategic objectives, and drew on additional specialist expertise as needed.

VALUING AND PROTECTING OUR INFORMATION ASSETS

Treasury’s information security and information management practices support its role as the government’s trusted financial and economic advisor.

With the constant evolution of technology and the rise of large, complex data sets, Treasury seeks to improve how it creates, uses, finds, manages and secures information.

Through effectively managing and leveraging information assets, Treasury has been able to integrate and streamline processes, improve services and compliance, enable easier access to information, to make more informed decisions.

Over 2017–18, major achievements included:

- commencing the Information Security Program to mitigate Treasury’s cyber security risk profile, and to establish a trusted environment to position Treasury for digital and strategic data initiatives
 - delivering an updated information security management system that aligns to the Queensland Government’s Chief Information Officer’s policy directive
 - settling a digital strategy to focus on digital by default, recognising data as a strategic asset, providing client-centric digital experiences and developing a digital culture
 - providing assurance services for strategic activities
 - providing advice, guidance and support to business area applications to ensure they meet whole-of-government data security requirements
- developing an automated infrastructure platform to host the Queensland Budget website and allow seamless transition to 2018–19 content on Budget Day
 - collaborating with Treasury’s Government Banking Unit to develop and implement an analytics solution to review credit card transaction data across government
 - improving the digital workplace with Windows 10 and piloting new products available in the Microsoft Office 365 roadmap
 - delivering a new Treasury retention and disposal schedule
 - redeveloping Treasury’s corporate space to include a new Governance Centre, a central repository for corporate policies, procedures and guidelines, and a delegations app, making it easier for employees to find information relevant to the approval authority of particular positions
 - embedding the electronic records management system to improve records management and compliance activities, increase business process efficiencies with automated workflows, and automate sentencing and disposal processes
 - developing a new SharePoint Strategy and Roadmap, which will integrate the existing business platform with a range of cloud-based, new generation Office 365 tools and applications. This will enable employees to work and collaborate from any device, anywhere.