

# MANAGING OUR ORGANISATION

## Our fiscal strategy

Treasury's fiscal strategy is a cornerstone of each year's State Budget. It outlines the principles by which the government is able to manage Queensland's finances in a responsible and measured way.

In 2016, we introduced an additional fiscal principle to our strategy to meet the government's commitment to contain growth in the public service. Read more about our strategy in the Fiscal Service Report on pages 31 to 35.

Principle 1	Target ongoing reductions in Queensland's relative debt burden, as measured by the General Government debt-to-revenue ratio.
Principle 2	Target a net operating surplus that ensures any new capital investment is funded primarily through recurrent revenues rather than borrowing.
Principle 3	Manage the capital program to ensure a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging.
Principle 4	Maintain competitive taxation by ensuring that General Government sector own-source revenue remains at or below 8.5 per cent of nominal gross state product, on average, over the forward estimates.
Principle 5	Target full funding of long-term liabilities such as superannuation and WorkCover Queensland in accordance with actuarial advice.
Principle 6	Maintain a sustainable public service by ensuring overall growth in full-time equivalent employees does not exceed population growth from 2017–18.

Each year's budget, mid-year review and end-of-year reports outline the government's achievements against these principles. We take a lead role in strengthening the government's financial accountability by partnering with agencies so they can meet their obligations under the *Financial Accountability Act 2009*.

## Strong governance

Underpinning our commitment to these endeavours are strong corporate governance practices:

- leadership and planning
- internal and external accountability
- mechanisms
- audit and risk management
- corporate support
- rigorous financial controls.

These functions are driven by a number of management committees. Read more on pages 14 to 16.

## Managing our performance

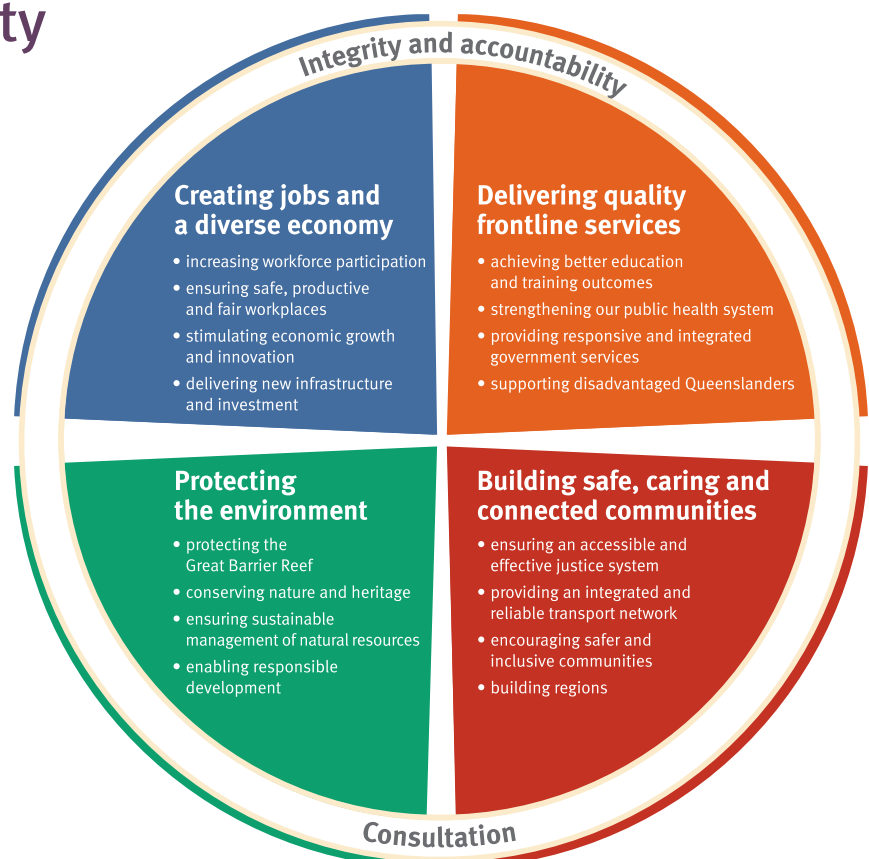
We manage and improve our performance in line with the Queensland Government's Performance Management Framework. This framework helps guide how we identify risks and opportunities for agencies, government and the community, and develop plans to address these. At an organisation-wide level, our Strategic Plan is the roadmap which guides our longer term efforts to deliver our purpose (read more on pages 4 to 5). Annually we translate this into financial year objectives and performance measures for each service area through our Service Delivery Statement, and report against these in our annual report (see our service reports on pages 24 to 61). Our performance is monitored externally through the Parliamentary Estimates Committee process held after each year's State Budget. We are accountable to the

Treasurer and the Minister for Employment and Industrial Relations who each report on our performance against our Service Delivery Statement through this process.

Internally, we cascade our Strategic Plan into annual Operational Plans for each group within Treasury. Each group's operational plan shows a direct link between its priority initiatives and Treasury's strategic objectives. Progress is monitored and reported quarterly to the Resource Governance Committee. The operational plans are updated each year, but as 'living documents' they can also be amended at any time to reflect emerging risks, opportunities and new government priorities. These plans provide a foundation for managers and employees to agree on priority deliverables which are tracked in individual Achievement and Development Plans. Overall, our planning framework aims to provide a clear line of sight from Treasury's vision to employees' day-to-day work.

## The Queensland Government's objectives for the community

Treasury directly supports three of the government's objectives for the community (illustrated at right): creating jobs and a diverse economy, delivering quality frontline services and building safe, caring and connected communities.



## How we supported the objectives in 2015-16

### Creating jobs and a diverse economy

Delivered regional employment forums to support jobs growth. Read more on page 27.

Delivered the Market-Led Proposals initiative to attract private investment. Read more on page 39.

Delivered the annual State Budget including further options to reduce debt. Read more on pages 31 to 35.

### Delivering quality frontline services

Managed the State Budget to maximise services and minimise costs. Read more on pages 31 to 35.

Progressed energy and water sector reforms. Read more on page 30.

Made it easier for clients to meet their tax obligations. Read more on page 47.

### Building safe, caring and connected communities

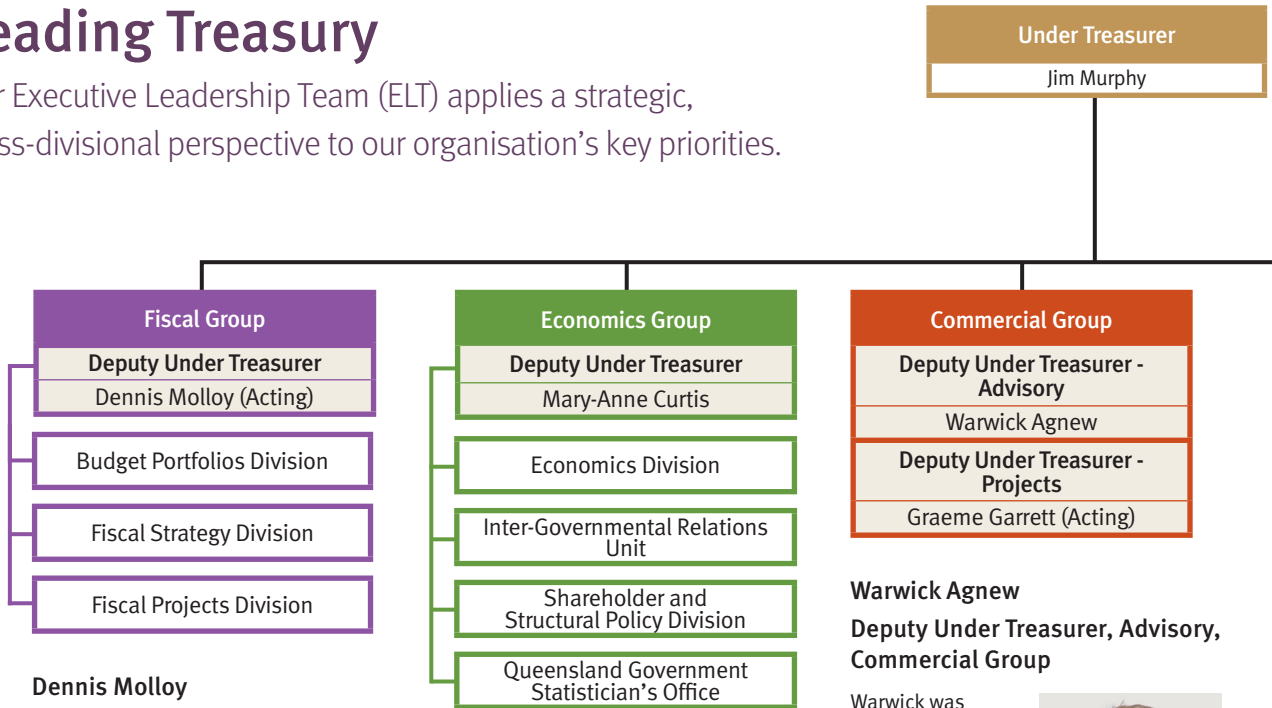
Delivered strategies to keep workplaces safer and healthier. Read more on pages 55 to 59.

Delivered strategies to keep homes and communities safe from hazardous materials and electrical harm. Read more on page 53.

Progressed actions to ensure a fair and efficient workers' compensation system. Read more on pages 60 to 61.

## Leading Treasury

Our Executive Leadership Team (ELT) applies a strategic, cross-divisional perspective to our organisation’s key priorities.



**Dennis Molloy**  
Acting Deputy Under Treasurer,  
Fiscal Group

Dennis commenced as Acting Deputy Under Treasurer, Fiscal Group in 2015. He has been closely involved in all Queensland State Budgets since 2010. He also worked as the Executive Director of Economic Policy in the Department of the Premier and Cabinet and took a particular interest in policies that would facilitate growth of the Queensland economy. Dennis started his career as an economist with the Commonwealth Treasury and enjoyed over a decade engaged in economic forecasting, competition policy, Commonwealth – state financial relations, and advising the Commonwealth Treasurer on the health, education, social security and defence portfolios.



**Mary-Anne Curtis**  
Deputy Under Treasurer,  
Economics Group

Mary-Anne was appointed Deputy Under Treasurer, Economics Group in July 2014. Before her appointment, Mary-Anne was the Acting Executive Director of Projects Queensland, where she was responsible for providing governance and strategic direction for the development and delivery of some of Queensland’s major infrastructure and service delivery projects. Before this, Mary-Anne spent more than a decade working on the state’s major commercial transactions.



**Warwick Agnew**  
Deputy Under Treasurer, Advisory,  
Commercial Group

Warwick was appointed Deputy Under Treasurer, Advisory, for Treasury’s Commercial Group in 2015. Before rejoining our organisation in 2014, Warwick was the Executive Manager, Property and Asset Services at Transfield Services. Throughout his career, he has gained valuable experience in social and economic infrastructure projects, financial and commercial procurement, and corporate finance advisory services.



**Graeme Garrett**  
Acting Deputy Under Treasurer,  
Projects, Commercial Group

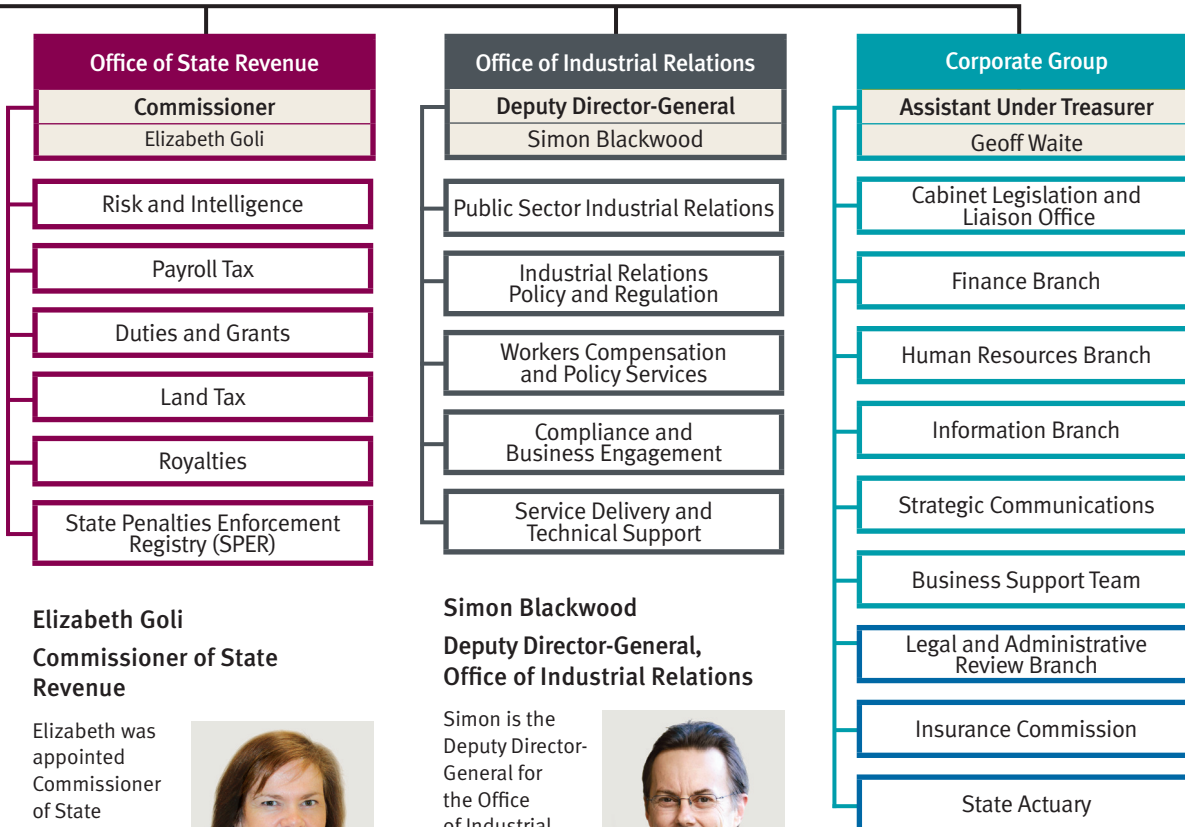
Graeme was appointed acting Deputy Under Treasurer, Projects, for Treasury’s Commercial Group in 2015. Before this, he was a foundation director of Commercial Group’s predecessor, Projects Queensland. Graeme has provided governance and strategic direction for the development and procurement of some of the state’s major infrastructure and service delivery projects. Originally a solicitor with a major national law firm, Graeme undertook various senior roles with Queensland Treasury Corporation.



Current as at 30 June 2016

**Jim Murphy**  
Under Treasurer

Jim Murphy became Under Treasurer in 2015. Formerly a senior executive with ANZ, Jim was Deputy Secretary in the federal Treasury and also held executive positions in the federal departments of Attorney-General and Finance. His career includes a role as an advisor with the International Monetary Fund in Washington and a short period as Chief of Staff in the Office of the Prime Minister. Jim received a Public Service Medal for his strategic economic advice for the Australian Government’s response to the global financial crisis.



**Elizabeth Goli**  
Commissioner of State Revenue

Elizabeth was appointed Commissioner of State Revenue in February 2014. She was previously Senior Assistant Commissioner,



Indirect Tax at the Australian Taxation Office in Brisbane, and has held senior and executive leadership roles in tax administration. Elizabeth has international tax experience with the Organisation for Economic Cooperation and Development in Paris. She worked in the Office of State Revenue from 1997 to 2001 in a leading role rewriting Queensland’s duties legislation.

**Simon Blackwood**  
Deputy Director-General, Office of Industrial Relations

Simon is the Deputy Director-General for the Office of Industrial Relations (OIR), which joined our team in July 2015. Under Simon’s



leadership, OIR is responsible for regulatory frameworks and services to improve workplace health and safety and electrical safety; regulatory responsibility and policy advice on workers’ compensation matters; and supporting a productive industrial relations framework for Queensland’s public sectors. Simon’s previous roles include Executive Director of Workplace Health and Safety Queensland and General Manager of Private Sector Industrial Relations. He holds a PhD in sociology from the University of Queensland.

**Geoff Waite**  
Assistant Under Treasurer, Corporate Group

Geoff was appointed Assistant Under Treasurer, Corporate Group in 2015. He first joined Treasury in 1984 to work on Commonwealth – state employment programs. He



followed his appointment as Director of Finance in 1995 with executive roles in corporate services, Budget Division and the Office of Government-Owned Corporations. After operating his own management consultancy, Geoff returned to Treasury in 2012 and worked on several internal reviews before heading up the Office of the Under Treasurer.

## Our management committees

Our corporate governance is strengthened by Executive Leadership Team (ELT) sub-committees that adhere to the *Public Sector Ethics Act 1994* and the *Financial and Performance Management Standard 2009*.

These committees oversee specific accountabilities and functions of our business.

### Resource Governance Committee

The Resource Governance Committee (RGC) helps our Under Treasurer and Chief Finance Officer discharge their duties under the *Financial Accountability Act 2009* by:

- monitoring our use of financial resources
- providing advice and direction on corporate governance and resource management
- approving submissions and proposals with resource implications
- reviewing workforce data and providing direction on risks, issues and trends
- reviewing compliance with whole-of-government financial management requirements
- reviewing and approving proposals for new financial systems, processes and tools
- monitoring fee-for-service arrangements with financial service providers.

**Chair:** Under Treasurer

**Members:** Assistant Under Treasurer, Corporate Group  
Deputy Under Treasurer, Fiscal Group  
Deputy Under Treasurer, Economics Group  
Commissioner of State Revenue  
Deputy Under Treasurer, Commercial Group  
Chief Finance Officer, Corporate Group  
Deputy Director-General,  
Office of Industrial Relations

### Achievements in 2015–16

Modernising our financial management systems was a key focus for the RGC during the year.

Our modernised system also included new self-service, end-to-end processes for corporate cards, CabCharge and expense claims, reducing the need for paper-based transactions.

Our investment in this space has brought us a modern and sustainable finance platform that improves how we can manage transactions and reporting across Treasury.

### Information Steering Committee

Our information technology and information management programs offer great scope for innovation in our business practices. The Information Steering Committee (ISC) allows us to achieve maximum benefit from these programs by:

- leading information management and information and communication technology (ICT) strategic planning
- developing and implementing ICT policies, architectures and investment proposals
- reviewing and monitoring major information management and ICT projects



- identifying and addressing risks to productivity and service delivery
- ensuring Treasury is up to speed with emerging trends and technologies.

## Representation

Information Branch

Motor Accident Insurance Commission

Office of State Revenue

Fiscal Strategy Division

Government Statistician's Office

## Achievements in 2015–16

One of the ISC's key achievements during the year was the development of an Information Strategic Plan for Treasury.

The disparate nature of our information systems serving revenue, debt, records, budget and statistical programs, presented a risk to information governance, security and sustainability. The new plan allows an integrated, whole-of-portfolio view, which will allow us to make the most efficient use of taxpayer-funded resources.

Read more about our information management achievements on page 17.

## Workforce Capability and Performance Committee

Our Workforce Capability and Performance Committee (WCAP) was formed in 2013 to prioritise workforce improvement initiatives and ensure that our people were able to become leaders in shaping policy and services for Queensland.

## Achievements in 2015-16

WCAP's guidance allowed us to meet the government's requirement to contain growth in full-time equivalent employees to population growth. In the first half of the year, WCAP also provided guidance for our twice-yearly graduate intakes and our Great Leaders Program.

In 2016, WCAP's accountabilities were reallocated directly to our Executive Leadership Team and Resource Governance Committee as we began streamlining and strengthening our governance processes as part of the One Treasury's Agency Excellence Reform Program. Read more about this program in the Our People report on page 18.

## Audit and Risk Management Committee

Our Audit and Risk Management Committee helps our accountable officer – Under Treasurer Jim Murphy – to meet his responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and other prescribed requirements. It does this by:

- considering audit outcomes and related findings
- assessing and enhancing Treasury's corporate governance processes such as internal controls
- evaluating and facilitating internal audit functions, particularly in planning, monitoring and reporting
- overseeing and appraising our financial and operational reporting
- reviewing our risk management, control and compliance framework and strategies
- considering our external accountability responsibilities and integrity framework.

**Chair:** Deputy Under Treasurer, Fiscal

**Members:** Under Treasurer

Deputy Under Treasurer, Economics

Insurance Commissioner

General Manager Finance, Queensland  
Treasury Corporation

**Standing invitations:**

Deputy Under Treasurer, Commercial Group

Chief Finance Officer

Queensland Audit Office (QAO)

Internal Audit

## Achievements in 2015–16

In 2015–16, the committee met five times and fulfilled its responsibilities in accordance with its charter and an approved work plan. During the year, the committee reviewed:

- 2015–16 internal audit plan
- 2014–15 Financial Statements for Queensland Treasury, Motor Accident Insurance Commission and Nominal Defendant
- QAO reports to Parliament as they related to Treasury
- issues raised by QAO including recommendations from performance audits
- issues raised by Internal Audit
- activities of other Treasury committees.

QAO reports that relate to Treasury are summarised in External Scrutiny on pages 138 to 140.

## Risk management

Everyone in Treasury is responsible for managing risk and a robust risk management framework is integrated into all of our business activities and systems. During the year we continued to enhance our risk management capabilities and conducted a program of workshops and stakeholder engagement activities. The risk management function facilitates a reporting process where it works with business areas to update their risk registers and consolidates a quarterly risk management report. The report is presented to the ELT and provides a snapshot of risks across business areas, risk rating changes and an overview of current and emerging risks and opportunities. In 2015-16, the risk management team also worked closely with the OIR to support them in adopting Treasury's risk framework and including OIR in risk reporting.

## Internal Audit

Internal Audit supports the Audit and Risk Management Committee and our organisation by evaluating Treasury's financial and operational systems, reporting processes and activities.

PwC provides an independent and objective Internal Audit service and operates in accordance with our Internal Audit Charter and ethical standards. Although independent, Internal Audit liaises with QAO regularly to ensure appropriate assurance services are provided to Treasury.

In 2015–16, Internal Audit delivered a program of work for Treasury's three-year internal audit plan (approved by the Audit and Risk Management Committee in June 2015). This plan is aligned to our key risk areas, operations, and strategic objectives and draws on additional specialist expertise as needed.

The plan comprised a suite of reviews over the year, including, but not limited to, program reviews over key initiatives; reviews over revenue management activities and systems; and reviews of select agency and front line service delivery functions.



## Making the most of our information

Information is central to our role as Queensland's financial and economic advisor. With the constant evolution of technology and the rise of large, complex data sets, we are always looking for ways to improve how we create, use, find, manage and secure our information.

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

Over 2015–16, our major achievements included:

- migrating our data centres to an externally hosted IT infrastructure as-a-service arrangement
- implementing a new SharePoint-based enterprise content management solution, integrating our corporate intranet, collaboration tools, and document and records management functions into one
- building a stable solution to pilot upgrades to Windows 10, Internet Explorer 11 and Office 2016
- reducing the amount of information stored on our network drives to move these assets to an appropriate place where they can be better managed
- embedding our electronic records management system to improve records management and compliance activities and automate our sentencing and disposal processes
- developing and piloting new digitisation and disposal techniques for temporary low-risk records, reducing our reliance on physical storage, shrinking our physical footprint, and improving instant access to information
- building an extranet to enhance collaboration with outside organisations, reduce paper and increase control over documents leaving our organisation.

## Solutions for an evolving workforce

During the year, our people invested considerable energy in preparing for the relocation to 1 William Street in late 2016. This has involved implementing cutting-edge technologies, together with work spaces aimed at improving flexibility, mobility, collaboration, productivity and wellness within the organisation.

Key initiatives driven by our people throughout 2015–16 included:

- reducing the amount of information stored on our network drives
- providing teams with the tools and techniques to reduce their dependency on paper documents
- supporting and facilitating flexible working arrangements, including mobility, by providing reliable access to corporate information anywhere with a reliable WiFi connection
- building staff capabilities with the new technologies and work spaces, so that utilisation upon relocation is optimal
- rolling out new collaboration technologies at the new building following extensive testing.

This program of work has allowed us to remain on track for a seamless, streamlined move into our new accommodation.