



Part 4: Management and accountability

Corporate governance

External scrutiny

Management of
human resources

Asset management

Procurement

Consultants

Environmental
performance

Corporate governance

This section discusses our support services and governance structures, which provide a framework to ensure accountability and the overall effectiveness of the department.

Key corporate services

The Corporate Services and ICT divisions support the Department of Finance in delivering its programs and services by providing quality, timely services and being responsive to the department's changing priorities and operational needs.

The divisions provide a broad range of corporate services, among them financial management, corporate planning, human resource services, knowledge management, information and communications technology, security and accommodation, communication and public affairs, in-house legal assurance, portfolio coordination and parliamentary liaison.

The governance framework

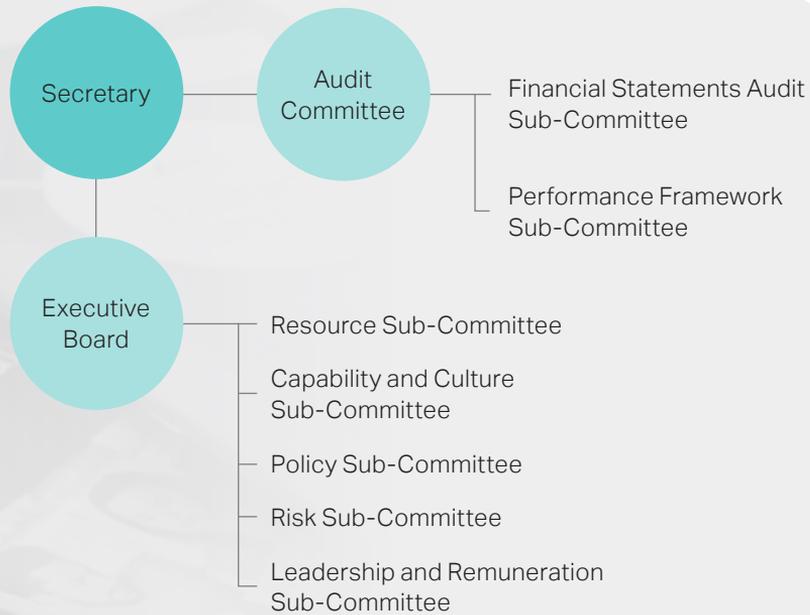
Finance's governance framework promotes the principles of good governance and encourages all staff to be accountable for their actions, focus on performance, and ensure efficient, effective and ethical management of people and resources.

The framework consists of committees, business planning and reporting, performance management, risk management, audit and assurance activities, and awareness of ethical standards. It also supports the Secretary in discharging her duties under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999*.

Figure 4 shows Finance's governance structure in 2016–17; the structure is discussed in more detail in the paragraphs that follow.



Figure 4: Finance’s governance structure at 30 June 2017



New governance arrangements

Following an internal review, new governance arrangements for the department were implemented on 1 July 2016. The changes, which relate mainly to the Executive Board sub-committees, help us better prioritise our work—both specific projects and ongoing business—and facilitate collaboration between sub-committees.

Memberships, terms of reference and charters for the committees and sub-committees were updated to reflect the changes.

The Executive Board

The Executive Board is the chief advisory and decision-making body in the department and supports the Secretary in discharging her duties under the PGPA Act. It provides strategic leadership to ensure the department delivers its programs in keeping with the government’s policy objectives. It also monitors performance and maintains accountability.

In addition to its usual decision-making role, the board structures its business to ensure key strategic discussions are undertaken, emerging risks are considered and regular updates from the chairs of the sub-committees are received.

The Secretary is the chair of the Executive Board and the deputy secretaries are standing members. During 2016–17 additional members were the First Assistant Secretary of the Corporate Services Division, the Chief Information Officer and the Chief Financial Officer.

Staff are kept informed about key decisions of the Executive Board through communications which are published on the department’s intranet.

Executive Board sub-committees

The Executive Board has established the following sub-committees, comprising senior management officers, to assist it in discharging its duties and to allow detailed consideration of complex activities and other matters:

- The Resources Sub-Committee is responsible for providing assurance and advice to the Executive Board on departmental investment, to ensure appropriate alignment with and enablement of business priorities.
- The Capability and Culture Sub-Committee advises the Executive Board on the strategic direction for people management, leadership development and workforce capability within the department.
- The Policy Sub-Committee fosters a coherent policy framework for Finance and advises the Executive Board on the development and implementation of strategic policy priorities for the department.
- The Risk Sub-Committee ensures that the department has an effective (practical and adequate) risk management framework in place, along with the ability to effectively manage its risks.
- The Leadership and Remuneration Sub-Committee oversees and provides advice on the department's remuneration policies, Senior Executive Service recruitment and people management matters.

The Audit Committee

The Audit Committee provides independent advice and assurance to the Secretary on the appropriateness of the department's accountability and control framework—particularly those aspects concerning the system of risk oversight and management, the system of internal controls, performance reporting and financial reporting. It also provides assurance on the adequacy of the Australian Government's Consolidated Financial Statements production and risk planning process.

In 2016–17 the committee was made up of four external members, one of them being the chair, and two departmental members. It met five times, and representatives from the Australian National Audit Office, the chair of the Risk Sub-Committee, the head of Internal Audit, the Chief Financial Officer and the department's internal audit service providers attended as observers.

The Audit Committee has established two sub-committees, chaired by external members, to support it in performing its functions:

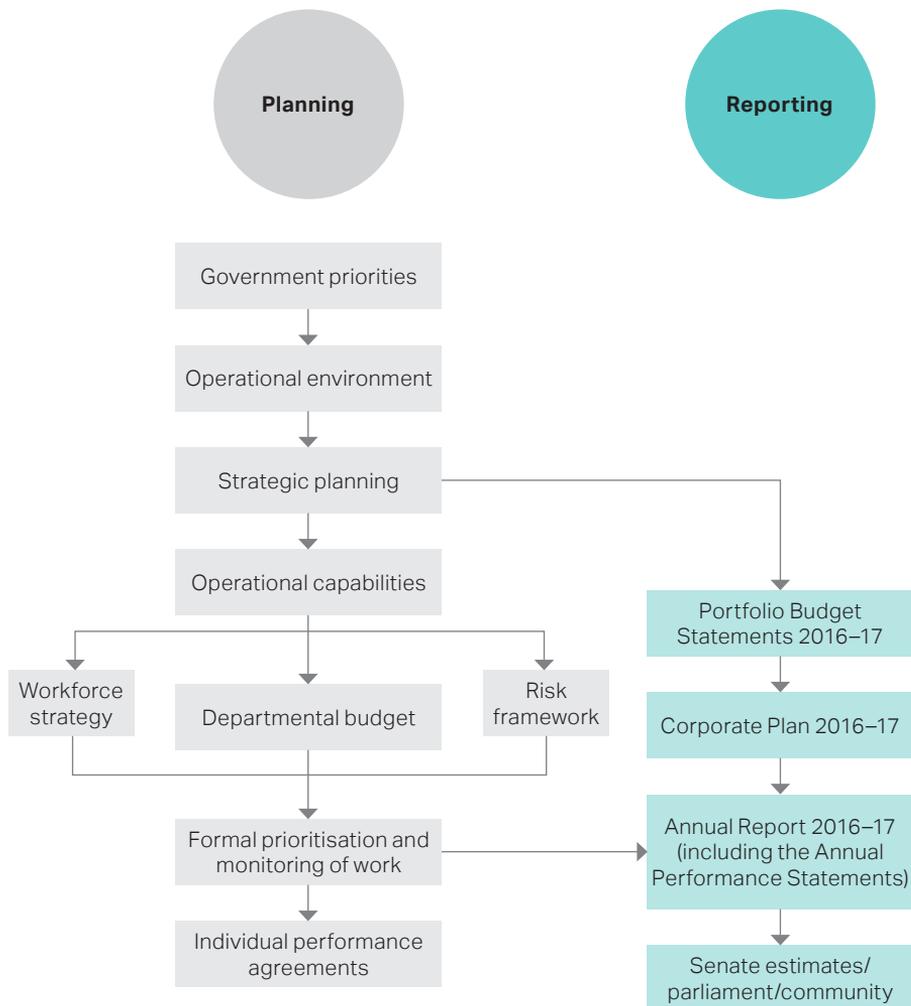
- The Financial Statements Audit Sub-Committee maintains an ongoing review of the process for preparing the department's annual financial statements.
- The Performance Framework Sub-Committee assists the Audit Committee in meeting its responsibilities under the PGPA Act in relation to performance reporting.

The planning and performance reporting framework

The premise of the planning and performance reporting framework is that, where there is a shared understanding of the department’s purposes and priorities—and resources and activities are properly organised and aligned—we will achieve high standards of performance.

The operating model allows Finance to adjust its activities and resourcing to align with government priorities as expressed in the department’s corporate plan and measured through the annual performance statement. Figure 5 illustrates Finance’s approach to planning and reporting.

Figure 5: Finance’s approach to planning and reporting



Managing risk

The Risk Sub-Committee, reporting to the Executive Board, oversees the department's risk management framework, which aligns with the principles of the PGPA Act and the Commonwealth Risk Management Policy.

The framework provides a sound foundation for ensuring a consistent approach to the identification, treatment and monitoring of risks by all staff on an ongoing basis. The Enterprise Risk Management Plan provides appropriate visibility of key risks to the Risk Sub-Committee and the Executive Board and assists with actively managing risks at all levels in the department.

During 2016–17 the department embedded its risk appetite and tolerance levels into the framework to help guide day-to-day decision-making. Our risk appetite and tolerance levels reflect a flexible and proportionate approach to the way we identify and manage risk. This is informed by the likelihood of the risk occurring and the consequences if it does. Managing risk in a more considered way influences our business processes including:

- driving greater staff capability as staff have more authority to make decisions
- promoting a positive risk culture, accepting that sometimes things will go wrong and—if they do—learning and responding in a thoughtful, measured way.

Business continuity management

Business continuity management is integral to the department's risk management arrangements. It entails careful planning to enable the continuation or timely resumption of critical functions and eventual restoration to normal operations following a business interruption.

In the event of a business interruption, a central control team is convened by the Deputy Secretary of Business Enabling Services. The team serves as the central point of communications and coordination for the department's response and recovery.

Internal audit arrangements

Primary responsibility for the department's internal audit activities rests with the head of Internal Audit, who provides to the Secretary—through the Audit Committee—-independent assurance that internal controls designed to manage organisational risks and achieve the department's objectives are operating in an efficient, effective and ethical manner. The head of Internal Audit also implements the annual internal audit plan and manages liaison with the Australian National Audit Office.

Internal audits are either commissioned by the Audit Committee under the annual internal audit plan or initiated by management. A management-initiated review can be conducted in response to a newly identified risk or another matter on which management requires additional assurance. The department currently contracts KPMG to provide its internal audit services. During 2016–17 the internal audit program was delivered in line with the annual internal audit plan endorsed by the Audit Committee and approved by the Executive Board. In addition, internal audit services supported the transfer and establishment of the Service Delivery Office from the Department of Employment and the Department of Education and Training to Finance.

How we manage fraud

The department has a fraud control framework that aligns with the Commonwealth Fraud Control Framework. The department's framework is overseen by the Risk Sub-Committee and establishes the systems and processes for prevention, detection, monitoring, evaluation and reporting of, and responses to, fraud within the organisation. We regularly review our fraud prevention and control measures, including our fraud risk assessment and fraud control plan.

There were five fraud matters reported for the 2016–17 financial year, with a total estimated loss of \$4,650 and a proven loss of \$2,500. Four of the matters were finalised because they were unable to be substantiated and one matter, relating to the theft of a defibrillator, was proven. Following consideration of the matter, no responsible party was identified.

Significant non-compliance with finance law

The department did not report any significant matters relating to non-compliance with finance law to the Finance Minister under section 19(1)(e) of the PGPA Act in 2016–17.

External scrutiny

The department's operations are subject to scrutiny from a number of external bodies, among them the Australian National Audit Office, the Commonwealth Ombudsman, the Australian Information Commissioner, various parliamentary committees and the courts. This section reports on audits, reviews, inquiries and legal actions relevant to Finance in 2016–17.

Reports by the Australian National Audit Office

In 2016–17, the Australian National Audit Office tabled in parliament 10 reports, covering six performance audits, three financial statement audits and one assurance review involving the department:

- Report No. 3, 2016–17: *Machinery of government changes*, tabled 31 August 2016
- Report No. 6, 2016–17: *Corporate planning in the Australian public sector*, tabled 31 August 2016 (completed during 2015–16, with tabling delayed until 2016–17 due to the timing of the 2016 federal election)
- Report No. 7, 2016–17: *Interim phase of the audits of the financial statements of major general government sector entities for the year ending 30 June 2016*, tabled 31 August 2016
- Report No. 22, 2016–17: *Government advertising: March 2013 to June 2015*, tabled 19 October 2016
- Report No. 33, 2016–17: *Audits of the financial statements of Australian government entities for the period ended 30 June 2016*, tabled 23 January 2017
- Report No. 46, 2016–17: *Conduct of the OneSKY tender*, tabled 10 April 2017
- Report No. 54, 2016–17: *Corporate planning in the Australian public sector*, tabled 1 June 2017

- Report No. 58, 2016–17: *Implementation of the annual performance statements requirements 2015–16* tabled 26 June 2017
- Report No. 60, 2016–17: *Interim report on key financial controls of major entities*, tabled 28 June 2017
- Report No. 62, 2016–17: *Malabar Headland: 2016 lease between the Commonwealth of Australia and the New South Wales Rifle Association*, tabled 30 June 2017.

Details of the Auditor-General's reports, including the department's response to any audits it was directly involved in, are available on the [Australian National Audit Office](#) website.

Reports by the Commonwealth Ombudsman

The Commonwealth Ombudsman did not release any reports during 2016–17 that involved the department or that had, or might have, a significant impact on the department's operations.

Decisions by the Australian Information Commissioner

There were no decisions by the Australian Information Commissioner during 2016–17 that involved the department or that had, or might have, a significant impact on the department's operations.

Parliamentary committees

The Senate Standing Committee on Finance and Public Administration

The Senate Standing Committee on Finance and Public Administration covers the Prime Minister and Cabinet and Finance portfolios. Its work is divided between two committees—the Legislation Committee and the References Committee.

The Legislation Committee

- Finance appeared before the Legislation Committee at its Senate Estimates hearings on 18 October 2016, 28 February 2017 and 24–25 May 2017.
- On 5 May 2017 Finance presented a submission to the Inquiry into the Parliamentary Business Resources Bill 2017 [Provisions] and Parliamentary Business Resources (Consequential and Transitional Provisions) Bill 2017 [Provisions].

The References Committee

- On 6 March 2017 Finance presented a submission to the Inquiry into the Operation, Effectiveness and Consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016. It attended the inquiry on 11 April 2017.
- On 14 March 2017 Finance attended the Inquiry into the Operation of the Administrative Arrangements Order.

The Joint Committee of Public Accounts and Audit

The *Public Accounts and Audit Committee Act 1951* constitutes the Joint Committee of Public Accounts and Audit. The committee initiates inquiries into public administration matters and can conduct inquiries into matters referred to it by either house of parliament. During 2016–17 Finance had the following engagement with the committee:

- On 11 November 2016 Finance presented a submission to the Commonwealth Performance Framework inquiry based on Auditor-General's reports 6 (2016–17) and 31 (2015–16). It attended the hearing on 23 November 2016.
- In February 2017 Finance tabled the Australian government response to recommendations 1, 2, 3 and 5 of *Report 454: Early Years Quality Fund: Review of Auditor-General's Report No. 23 (2014–15)*.
- On 16 and 24 February, 30 March and 5 June 2017 Finance presented submissions on *Report 457: Development of the Commonwealth Performance Framework—Second Report*. It attended the hearing on 26 February 2017.
- On 22 March 2017 Finance attended the hearing of the Commonwealth Financial Statements Inquiry based on *Auditor-General's report 33 (2016–17)*.

Other committees

Finance attended hearings or provided submissions to the following other committees during 2016–17:

- the Joint Committee on Publications—inquiry into printing standards for documents presented to parliament (attended 22 June 2017)
- the Joint Standing Committee on Treaties—inquiry into the Trans Pacific Partnership Agreement (attended 7 November 2016); inquiry into the agreement to amend the Singapore–Australia Free Trade Agreement (attended 19 June 2017)
- the Senate Standing Committee on Foreign Affairs, Defence and Trade References Committee—input into the Department of Defence's management of credit and other transaction cards (attended 7 March 2017)
- the Parliamentary Standing Committee on Public Works—joint written submission with the Department of Immigration and Border Protection about the Villawood Immigration Detention Facility Redevelopment Project (provided 23 November 2016).

Finance's submissions and the transcripts of committee hearings are available on the Parliament of Australia website.

In addition to attending scheduled hearings, Finance also participated in a number of private briefings with parliamentary committees during the reporting period.

Substantial legal actions

Commonwealth of Australia v Davis Samuel Pty Ltd & Ors

This matter was first reported in Finance's 2001–02 annual report and has been reported in every annual report since then. The department continues to pursue the funds defrauded by Mr David Muir, which he distributed to a number of parties. All criminal proceedings were completed in 2006.

The civil proceedings, to recover the \$8.725 million fraudulently transferred, were commenced in 1999 in the ACT Supreme Court and were heard over nine weeks in 2008. They were complex and involved multiple parties. Final written submissions were provided to the court in March 2009.

On 1 August 2013, Justice Refshauge delivered his decision on liability (*Commonwealth of Australia v Davis Samuel Pty Ltd & Ors* (No. 7) [2013] ACTSC 146).

The Commonwealth was successful in its claims against 13 defendants. The \$4.3 billion counterclaim by certain of those defendants against the Commonwealth was dismissed.

On 21 November 2014, Justice Refshauge delivered his decision on final orders in the civil proceedings. Those orders included judgement against the 13 defendants for amounts between \$121,087.92 and \$18.63 million, the transfer of certain property to the Commonwealth, and costs orders against the 13 defendants.

Two appeals were made against the final orders. One appeal was settled in November 2015. The remaining appeal was struck out by the ACT Court of Appeal on 30 June 2016 for want of prosecution. The department continues to take steps to enforce the judgement debts and realise various interests conferred on it by the final orders.

Cunningham and Ors v Commonwealth of Australia and Anor

On 21 July 2015 four former parliamentarians filed a writ of summons in the High Court to test the constitutional validity of allowing the Remuneration Tribunal to determine the base salary and office allowances of parliamentarians for the purposes of superannuation. They also sought to test the validity of closing the Life Gold Pass Scheme to new members of parliament and reducing the number of flights for existing members.

On 12 October 2016 the High Court ruled in favour of the Commonwealth and affirmed the validity of the retiring allowance amendments, the determinations, and the enactment of amendments relating to the Life Gold Pass.

Liverpool City Council and Canterbury–Bankstown City Council v Commonwealth of Australia

On 8 February 2017 Liverpool City Council and Canterbury–Bankstown City Council commenced proceedings in the NSW Supreme Court listing the Commonwealth as the defendant in relation to a dispute involving the Voyager Point footbridge.

The project concerned the demolition of an existing footbridge across the Georges River from East Hills to Voyager Point and the design and construction of a new pedestrian footbridge to replace the existing footbridge. On completion, responsibility for the new footbridge was to be transferred to Liverpool City Council and Bankstown City Council.

The councils brought a proceeding against the Commonwealth alleging that the six handover conditions, as contained within a Heads of Agreement dated 11 March 2003 between the Commonwealth and the councils, had not been satisfied and, accordingly, the new footbridge remains the responsibility of the Commonwealth.

The proceeding is being defended and directions have been made for various interlocutory steps.

Management of human resources

Finance is leading transformation across the Australian Public Service and is committed to improving the way the department works to deliver on government priorities. Building a highly capable and committed workforce that is agile, flexible and able to work in complex policy areas is central to meeting this commitment.

We recognise that, along with challenging and interesting work, a positive culture, supportive leadership and a flexible workplace are key to attracting, developing and retaining talented staff.

Finance continues to employ its 'surge' model to assist priority business areas experiencing peak demand. In 2016–17 this included assisting with the federal Budget, the general election, and the Central Budget Management System redevelopment project. Over 50 people registered to assist with these priorities and 31 were mobilised as part of the surge response teams. The 'surge' model enables Finance to build on its capabilities as well as providing staff the opportunity to experience different work within the department.

Through our 'test labs', staff have an opportunity to collaborate and be involved in creating innovative solutions and approaches to some of our products, processes, services and strategy. For more information about test labs, see the case study on [page 75](#).

Employment performance

At 30 June 2017 Finance had 1,736 staff employed on an ongoing, non-ongoing and casual basis. Table 8 provides an overview of the department's employment profile in 2015–16 and 2016–17. Information about our workforce and salary ranges is provided in [Appendix 1](#).

Table 8: Employment performance, 2015–16 and 2016–17

Indicator	2015–16	2016–17
Total number of staff employed (headcount)	1,812	1,736
Number of staff employed (headcount, excluding casuals)	1,469	1,433
Total employee expenditure ^a	\$170,358,000	\$168,618,000
Diversity of the workforce (as identified)—excluding casuals		
Women (proportion of total workforce)	55.4%	54.9%
People with disability (proportion of total workforce)	3.0%	3.6%
Aboriginal and Torres Strait Islander (proportion of total workforce)	1.6%	2.2%
People with English as a second language (proportion of total workforce)	9.6%	9.1%
Training and education		
Number of staff undertaking supported studies	144	90

^a Does not include staff employed under the *Members of Parliament (Staff) Act 1984*, COMCAR drivers, and staff whose costs are met from administered operations.

Machinery-of-government changes

During 2016–17 a number of machinery-of-government changes affected the department:

- 84 ongoing and six non-ongoing employees joined Finance from the Australian Government Shared Services Centre.
- 91 employees moved from Finance to the Digital Transformation Agency
- 41 employees moved from Finance to the Independent Parliamentary Expenses Authority.



CASE STUDY

Transforming with 'test labs'

Consultation, collaboration and co-design are important cultural aspects of how we are becoming a more modern and transformative organisation. We are committed to providing opportunities for all our staff to be involved in thinking differently about how we work and contributing to the design and review of the solutions we are implementing. Test labs are one of our main tools for this and are an essential ingredient of our 'Build-Test-Refine' approach.

Test labs are interactive co-design workshops where staff work together, along with a facilitator, to define problems and develop solutions. Test labs use the 'Design Thinking' methodology developed by the Stanford School of Design.

The methodology is well suited to exploring topics with a diverse group of people to identify problems, explore and refine options, and develop solutions through

collaborative processes. Usually a graphic facilitator is also present to help capture and record the conversations in 'real time', allowing the final design to also be presented in a visual form.

Test labs build our collective capacity to innovate, engage appropriately with risk and to cooperatively problem-solve. Test labs are an invaluable part of our transformation because they draw together a broad range of views, experience and expertise, and provide an environment for open and honest discussion. And by co-designing the solution, staff feel greater ownership for the outcomes.

Around 600 staff have participated in test labs since the program commenced.

Workforce diversity

During 2016–17 the department developed and launched Diversity@Finance, a diversity strategy and action plan setting out clear actions to support a diverse and inclusive workplace. We also developed a gender equality action plan in response to the Australian Public Service Gender Equality Strategy 2016–19, the Australian Public Service Disability Employment Strategy 2016–19, and the Commonwealth Aboriginal and Torres Strait Islander Employment Strategy. Employees from throughout the department collaborated to develop the strategies through a series of workshops, which identified the following themes:

- Community and Culture—*working together and our stories*
- Celebration and Awareness—*events and promoting our celebrations*
- Attraction and Retention—*our profile and what we can offer at Finance*
- Our Leadership—*we are all responsible for change.*

The department launched its fourth reconciliation action plan (RAP) in 2016, with endorsement by Reconciliation Australia. This Innovate Level RAP builds on the achievements of our earlier reconciliation action plans. The department’s Aboriginal and Torres Strait Islander staff played an important role in identifying meaningful actions that advance our reconciliation goals.

The department’s diversity networks conducted a range of events throughout 2016–17, providing opportunities for all staff to be involved in diversity activities and build awareness

The following initiatives supported improved diversity outcomes in 2016–17:

- events to raise awareness of equal opportunity and diversity matters, for example, National Reconciliation Week, NAIDOC Week, International Day of People with Disability, International Women’s Day, Harmony Day and International Day Against Homophobia, Biphobia and Transphobia
- participation in committees and working groups to progress cross-agency and whole-of-government diversity initiatives
- drawing on the resources and expertise offered through memberships with the Australian Network on Disability, the Diversity Council of Australia and Pride in Diversity to develop and refine the department’s approach to diversity and inclusion.

Disability reporting mechanisms

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s *State of the Service* reports and the *APS Statistical Bulletin*. (These publications are available on the [APSC](#) website.) Since 2010–11 entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework for improving the lives of people with disability, promoting participation and creating a more inclusive society. A high-level two-yearly report tracks progress against each of the six outcome areas of the strategy and presents a picture of how people with disability are faring. The first of these reports was published in 2014 and is available on the [Department of Social Services](#) website.

Recruitment—entry-level programs

During the reporting year Finance continued to focus on recruiting talented graduates and school leavers into customised entry-level programs. We also participated in several whole-of-government entry-level programs. Table 9 shows entry-level recruitment figures for 2016–17.

Table 9: Entry-level programs, 2016–17

Program	Australian Public Service classification	Number of officers
Finance programs		
Finance Graduate Program	APS 3	18
Finance Career Starter Program	APS 1	21
Papua New Guinea Graduate Program	APS 3 (equivalent)	2
Whole-of-government programs		
ICT Australian Government Graduate Program	APS 3	3
APS Indigenous Apprenticeship Program	APS 2	3
Indigenous Australian Government Development Program	APS 3	5

Remuneration and employment conditions

The Finance Enterprise Agreement 2015–2018 came into effect on 27 January 2016 with a nominal expiry date of 19 January 2019. The agreement provides non-SES staff with competitive remuneration and employment conditions.

The department's remuneration offer was a 6 per cent increase over three years (2 per cent on commencement of the agreement and in each of the following two years). Staff allowances also increased by 6 per cent over three years.

Employment conditions for SES staff are set out in individual determinations made under section 24(1) of the Public Service Act. Many of these conditions are aligned with the department's enterprise agreement. Table 10 provides a breakdown of staff under the department's employment instruments.

Table 10: Staff coverage under employment instruments, 30 June 2017

Number of employees covered by the Enterprise Agreement	Number of employees covered by a section 24(1) determination	Number of employees with an individual flexibility agreement in place
1,660 ^a	76 ^b	25 ^b

a Includes ongoing, non-ongoing and casual staff.

b All employees are covered by either the Enterprise Agreement or a section 24(1) determination. Employees covered by the Enterprise Agreement may also have an individual flexibility agreement in operation.

Performance pay

Finance does not provide performance pay.

Non-salary benefits

The department offers staff a number of additional benefits that are not included under the provisions of the Enterprise Agreement:

- annual influenza immunisation
- a quit-smoking assistance program
- mentoring and coaching programs
- in-house capability development programs
- a free, confidential employee assistance program for employees and their immediate families
- access to a serious illness register
- study assistance to eligible employees
- access to flexible working arrangements
- contributions to relevant professional memberships
- a gymnasium.

Employees can also make use of a range of salary sacrifice benefits, including additional superannuation, leased motor vehicles, laptop computers, mobile telephones and airline lounge memberships.

Performance management

In 2016–17 the department re-launched a revised Performance and Capability Framework to support a culture of engagement. The Human Resources Branch incorporated feedback into the revised policy and framework resulting from consultation processes such as co-design workshops known as ‘test labs’ (see [case study](#) on page 75,) the Staff Consultative Group and previous Performance and Capability Sub-Committee meetings.

The key elements of the new framework support the following:

- regular and meaningful conversations, owned jointly by employees and managers, to encourage high performance with a focus on the future
- mobility and encouraging staff to build their capabilities
- integration of a discussion on individual capabilities and development interests, which would occur, as a minimum, every four months, aligned with the department’s priority-setting cycle
- working with employees to define the skills, capabilities, knowledge and behaviour they need to have or develop in order to perform and progress their career in Finance
- the ability to seek and document performance feedback from more than one manager and from team members, supporting a more holistic view of performance.

Learning and development

Coaching

During the reporting year 58 staff participated in one-on-one coaching sessions through the department's career coaching and planning program. The program helps staff improve their performance, productivity and skills. The assigned coach uses a tailored approach to suit the individual needs of the staff member.

Formal training and development

Finance continued its focus on training and development to support a culture of learning and innovation. Since the implementation of APS LearnHub in 2016, Finance staff have had access to a number of electronic training platforms—such as Lynda.com (online training and videos, including TED talks), Good Practice (leadership and management training and resources) and Skillsoft (IT and business skills certification). Other training opportunities included formal in-house programs, a range of leadership and management programs and learning centre events. In partnership with the University of Canberra, the inaugural Graduate Certificate in Public Policy and Finance was also introduced.

During 2016–17 Finance's training focus was to equip staff in maximising the use of technology associated with its Electronic Work Environment and to build capabilities to support effective performance conversations between staff and managers.

Professional Development Coordinators

Finance has a team of around 220 staff who are able to move flexibly to work on different priority projects as they emerge. To support these staff the Professional Development Coordinator role has been fundamental to creating an environment in which staff working with different managers and on different projects are provided with regular feedback, support and career planning guidance. This enables them to perform effectively and reach their full potential. Where required, Professional Development Coordinators collaborate with project managers and supervisors to ensure consistent, timely and quality performance feedback is provided to staff deployed to work on projects.

Professional Development Coordinators are staff members who undertake the role in addition to the responsibilities they already have in leadership, performance coaching, and supporting staff in their career development.

Study assistance

Finance provided 90 staff with financial assistance and study leave to participate in external study as part of the department's overall commitment to developing employees' skills and strengthening organisational capability.

Work health and safety

Finance recognises that, as part of its aspiration to be a leader in the public sector, it must exemplify good work health and safety (WHS) practices. In 2016–17 we completed a major review of WHS management, including the work groups, worker representation and the role of the Work Health and Safety Committee. All policies, processes and procedures were reviewed and redrafted into a Safety Management System and a Rehabilitation Management System. These systems were designed to support new ways of working and are expected to support better management of WHS risk by recognising that good WHS is good for business.

Initiatives

Finance employees

In 2016–17 Finance undertook the following activities to meet its obligations under the *Work Health and Safety Act 2011* (WHS Act):

- consulting with staff as part of the major review of WHS management
- providing WHS training and information
- conducting hazard inspections, WHS risk assessments and workstation assessments
- providing a confidential counselling service through the employee assistance program
- promoting a healthy lifestyle by offering access to on-site gymnasium facilities and influenza vaccinations.

MOP(S) Act employees

Finance and parliamentarians share duties under the WHS Act for health and safety in parliamentarians' workplaces. This includes duties to staff employed under the *Members of Parliament (Staff) Act 1984* (MOP(S) Act). Other Commonwealth agencies may also have duties in relation to the health and safety of MOP(S) Act employees.

In 2016–17 Finance's key WHS activities for MOP(S) Act employees were as follows:

- consulting with health and safety representatives through the Work Health and Safety Committee
- providing WHS information and training through the Ministerial and Parliamentary Services website and face-to-face training sessions delivered by Comcare
- providing a confidential counselling service through the employee assistance program
- conducting workstation and worksite assessments
- administering a work health and safety site officer program to support hazard and incident notification and access to first aid in parliamentarians' workplaces.

The Comcare premium

Finance's 2016–17 workers' compensation premium accounted for 0.77 per cent of its payroll (for both Finance and MOP(S) Act employees), a decrease from the 1.05 per cent of its payroll in the previous year.

Notifiable incidents

Finance employees

Between 1 July 2016 and 30 June 2017 Finance reported two incidents involving Finance employees to Comcare under section 38 of WHS Act. Both of these were classified as dangerous incidents under the Act.

MOP(S) Act employees

Between 1 July 2016 and 30 June 2017 Finance reported 13 incidents involving MOP(S) Act employees to Comcare under section 38 of the WHS Act. Twelve of the reported incidents were classified as dangerous incidents under the Act and one involved a serious injury.

Investigations and notices

Finance-managed workplaces

Under the WHS Act the department is required to provide statistics for any investigations or notices given at the workplaces it manages. No investigations were conducted and no notices were given during 2016–17.

MOP(S) Act employees

Between 1 July 2016 and 30 June 2017 three inspections were carried out by Comcare following notifiable incidents in parliamentarians' offices. These inspections concerned relatively minor building matters and were resolved following the provision of additional information to Comcare. Finance did not receive any notices issued by Comcare under section 155 of the WHS Act requesting information in connection with MOP(S) Act employees.

Asset management

Finance manages the government's non-Defence domestic property portfolio of some 100 properties, with a value of approximately \$1.8 billion (at 30 June 2017). Finance, with its private sector partner, manages these assets strategically to ensure that they are efficient and able to meet the government's needs.

In 2016–17, investment in major buildings was focused on improving the quality and amenity of the buildings in line with modern workforce standards. This follows the agreement of new long-term leases, increasing whole-of-government efficiency through full utilisation of major assets.

Performance measures for the management of the domestic property portfolio are included in the annual performance statements in Part 3 ([pages 47–57](#)).

Procurement

The department's approach to procuring goods and services, including consultancies, is consistent with, and reflects the principles of, the Commonwealth Procurement Rules. These rules are applied to activities through the department's accountable authority instructions, supporting operational guidelines and procurement framework.

Information on significant procurements expected to be undertaken in 2017–18 is in the department's annual procurement plan, available from the [AusTender](#) website.

Australian National Audit Office access clauses

No contracts of \$100,000 or more (inclusive of GST) were let during 2016–17 that did not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

No contracts in excess of \$10,000 (inclusive of GST or standing offers) were exempted by the Secretary from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Initiatives to support small business and indigenous business

The department supports small business participation in the Australian Government procurement market. Participation statistics for small and medium enterprises and small enterprises are available on the department's website.

The department recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury website.

The department's support for small business includes using the Commonwealth contracting suite for low-risk procurements valued under \$200,000.

The department supports the goals of the Indigenous Procurement Policy. Its successful achievement of its 2016–17 target is reflected on the [Department of the Prime Minister and Cabinet](#) website.

Consultants

The department engages consultants when it requires specialist expertise or when independent research, review or assessment is required. Decisions to engage consultants during 2016–17 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

During 2016–17, the department entered into 188 new consultancy contracts involving total actual expenditure of \$12.0 million. In addition, 124 ongoing consultancy contracts were active during 2016–17, involving total actual expenditure of \$14.2 million (see Table 11).

Annual reports contain information about actual expenditure on contracts for consultants. Information on the value of contracts and consultancies is available on the [AusTender](#) website.

Table 11: Expenditure on consultancy contracts, 2014–15 to 2016–17

	2014–15 \$ million	2015–16 \$ million	2016–17 \$ million
Total actual consultancy expenditure	33.4	30.9	26.2

Environmental performance

Departmental activities

This section describes the department’s environmental performance, in accordance with government policy. Environmental impacts are managed by engineering and administrative controls. The department also uses a range of signage, intranet messages and induction content to support employees in mitigating environmental impacts.

Office energy use

The department minimises its consumption of office energy wherever possible, including using automated light switching and the power management features of ICT equipment. In Finance’s primary tenancy, One Canberra Avenue, Forrest, we use 10 per cent Greenpower, sourced through a cooperative government arrangement.

Transport

Finance employees are authorised to travel only when there is a demonstrated business need and when alternative communication tools, such as teleconferencing and videoconferencing, are an ineffective option. The Finance vehicle fleet is made up of departmental pool vehicles and executive vehicles. A subscription to Greenfleet offsets the associated vehicle emissions.

Resource efficiency and waste

Finance provides a number of recycling streams (including co-mingled, cardboard and paper recycling) in all of its tenancies.

Organic waste bins were introduced to the department's ACT tenancies in November 2016. Thus far this initiative has diverted 3.16 tonnes of general waste from landfill. The organic waste is collected by a worm-farming company to be recycled into organic fertiliser.

The Finance printing system is designed to purge print jobs that are not completed within a set timeframe. Print jobs totalling 299,233 pages were automatically purged in 2016–17. The printer fleet's default settings automatically print in grayscale on both sides of the page and all spent printer cartridges are recycled.

Depending on site requirements, Finance uses a mix of different types of flow-restriction and water-efficient dual-flush toilets to minimise water use in its tenancies.

The non-Defence domestic property portfolio

Finance manages a diverse portfolio of some 90 non-Defence Commonwealth-owned properties in Australia, including office buildings, law courts and other special-purpose facilities, heritage assets, vacant land and contaminated sites. This portfolio is managed in accordance with the legislative framework for environment and heritage matters, including the *Environment Protection and Biodiversity Conservation Act 1999*. Management is in accordance with the principles of environmentally sustainable development, and Finance considers potential environmental and heritage impacts when making decisions about each property, including maintenance, retention and divestment.

To improve the environmental performance of the portfolio and in accordance with relevant asset management plans, Finance targets energy efficiency works in the buildings it manages. We carry out works to improve environmental performance—including upgrades to heating, ventilation and air-conditioning systems, building management systems, and lighting controls in various buildings.

Table 12 summarises the department's environmental performance in 2016–17 as compared with 2015–16.

Table 12: Environmental performance summary, 2015–16 and 2016–17

Indicator	2015–16	2016–17
Office energy use		
Total office tenant light and power energy consumption (kWh)	1,870,210	1,527,860
Total office tenant light and power energy consumption (MJ)	6,732,756	5,500,294
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	4,391	3,521
Office tenant light and power use per square metre (MJ/m ²)	244	236
Base/central building energy consumption (MJ)	46,045,104	45,567,809
Base/central building energy consumption per square metre (MJ/m ²)	450	449
Greenhouse emissions attributed to office tenant light and power and base/central building energy use (tonnes CO ₂ -e)	9,787	9,240

Table 12: Environmental performance summary, 2015–16 and 2016–17 (continued)

Indicator	2015–16	2016–17
Green power purchased (kWh)	877,347	837,186
Non-office energy use		
Greenhouse emissions attributed to non-office energy use (computer centres, other properties and uses) (tonnes CO ² -e)	1,832	1,411
Vehicle fleet^{a, b}		
Total number of fleet vehicles	31	33
Total fuel purchased (litres)	34,907	24,283
Total distance travelled (kilometres) ^c	327,938	236,226
Average fuel consumption of fleet vehicles (litres/100 kilometres) ^c	10.6	10.3
Total direct greenhouse emissions of fleet (tonnes CO ² -e)	82.4	57.3
Greenhouse emissions		
Total greenhouse emissions (tonnes CO ² -e)	11,702	10,708
Total greenhouse emissions per full-time equivalent (tonnes CO ² -e/FTE)	7.6	6.9
Air travel^b		
Total number of flights	4,986	4,157
Total distance of flights (kilometres)	4,850,176	4,112,248
Potable water consumption^d		
Total potable water use (kilolitres)	16,377	12,068
Potable water use per full-time equivalent (kilolitres/FTE)	10.682	7.73
Potable water use per square metre (kilolitres/m ²)	0.593	0.49
Resource efficiency and waste		
Total office paper purchased by full-time equivalent (A4 reams/FTE)	8.5	8.7
Percentage of office paper purchased with recycled content	86.1%	83.6%
Office paper recycled (tonnes)	99.8	38.7
Total waste produced (tonnes)	254.6	166.91
Total waste produced per full-time equivalent (kilograms/FTE)	166.0	106.9
Percentage of waste diverted from landfill	50.9%	49.5%

kWh = kilowatt hour; MJ = megajoule; CO²-e = carbon dioxide equivalent.

a Finance vehicle fleet only (excludes the COMCAR fleet).

b The fleet and air travel data are for the period 1 April to 31 March in each year.

c The kilometre data includes estimates for vehicles where the data was considered unreliable. Vehicles with reliable kilometre data were utilised to develop figures for departmental average litres per 100 kilometres, and this average was used for each reporting period to estimate kilometres travelled for vehicles with unreliable data.

d The water consumption reported applies to Finance-occupied office buildings only. Tenancy-specific water metering is not available in shared buildings, resulting in the use of estimates based on pro rata calculations. The water data is adjusted on a pro rata basis to account for the unavailable information.

Cross-government activities

Finance contributes to the environmental outcomes of a number of additional areas in line with government policy and relevant legislation. This includes managing the COMCAR vehicle fleet and providing electorate office accommodation for parliamentarians. These activities are additional to those listed in Table 12.

COMCAR

In 2016–17 COMCAR continued to deliver on its strategy of ensuring an environmentally responsible fleet of vehicles. At 30 June 2017 COMCAR had 104 LPG and 44 petrol-powered sedans in its fleet of 159 vehicles. The LPG vehicles burn fuel more efficiently, improving fuel consumption and contributing to reductions in carbon dioxide output of up to 15 per cent per vehicle. All COMCAR petrol-powered vehicles employ variable cylinder technology, further reducing fuel consumption. Where possible, COMCAR uses E10 fuel for its petrol-powered sedans.

More than 60 per cent of the COMCAR fleet is regularly washed using harvested rainwater, which helps minimise the use of potable water.