



Part 1: Overview



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The portfolio

The following details provide an overview of the Finance portfolio and a summary of changes that occurred within the portfolio in 2017–18.

Portfolio ministers

These ministers were responsible for the Finance portfolio and its agencies during the reporting period 2017–18:

Senator the Hon Mathias Cormann

Minister for Finance (since 18 September 2013)
Special Minister of State (from 20 December 2017)

Senator the Hon Scott Ryan

Special Minister of State (19 July 2016 – 13 November 2017)¹

The Hon David Coleman MP

Assistant Minister for Finance (from 20 December 2017)

(Changes to the portfolio are a result of the then Prime Minister's announcement of changes to the ministry on 19 December 2017.)

¹ Senator Cormann assumed the duties of Special Minister of State immediately following Senator Ryan's appointment as President of the Senate on 13 November 2017, prior to the ministerial reshuffle announced on 19 December 2017.



Portfolio structure 30 June 2018

The portfolio structure at 30 June 2018 was as follows:

Department of State

Department of Finance

Secretary: Rosemary Huxtable PSM

Non-corporate Commonwealth entities

Australian Electoral Commission

Electoral Commissioner: Tom Rogers

Future Fund Management Agency

Chair: The Hon Peter Costello AC

Chief Executive Officer: David Neal

Independent Parliamentary Expenses Authority

Chair: Jillian Segal AM

Chief Executive Officer: Annwyn Godwin

Corporate Commonwealth entity

Commonwealth Superannuation Corporation

Chair: Patricia Cross

Chief Executive Officer: Peter Carrigy-Ryan

Commonwealth companies

ASC Pty Ltd

Chair: Bruce Carter

Chief Executive Officer: Stuart Whiley

Australian Naval Infrastructure Pty Ltd

Chair: Lucio Di Bartolomeo

Chief Executive Officer: David Knox

Changes to the portfolio in 2017–18

On 1 July 2017, the Independent Parliamentary Expenses Authority was established as a non-corporate Commonwealth entity in the Finance portfolio. The authority had been operating in an interim capacity as an executive agency since 3 April 2017.

Following its establishment as a Commonwealth company in March 2017, Australian Naval Infrastructure Pty Ltd was prescribed as a government business enterprise on 1 July 2017.

The ICT centralised procurement function was transferred to the Digital Transformation Agency on 1 July 2017.

Role and functions

As a central agency of the Australian Government, the Department of Finance (Finance) plays a key role in assisting the government to shape and deliver its priorities, particularly to ensure public expenditure programs are sustainable and reflect best value to government and the Australian community.

Throughout 2017–18, Finance delivered an array of support and services, including:

- providing policy and financial advice to the Minister for Finance, senior ministers and Cabinet’s Expenditure Review Committee on government expenditure
- supporting the government in its budget preparation, delivery and ongoing management through the budget process
- advising on strategic priorities, such as advancing public sector reform through the Public Service Modernisation Fund
- fostering leading public sector practice through the public sector resource management, governance and accountability frameworks
- providing advice to the government on optimal arrangements for the management and ownership of public assets, including the sale of assets
- administering the government’s general insurance fund, investment funds and superannuation schemes
- managing the government’s shareholdings in a number of government business enterprises and other public non-financial corporations
- providing a range of facilities and services to parliamentarians, their staff and former Senators and Members
- delivering whole-of-government information and communications technology services
- developing and maintaining the Australian Government’s procurement policy framework
- managing the Australian Government’s special claims, insurance and risk management operations
- administering discretionary compensation mechanisms.

Purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation, and delivering efficient, cost-effective services to, and for, government.

Values

Underpinning our work and our interactions are the Australian Public Service Values:

- Impartial
- Committed to service
- Accountable
- Respectful
- Ethical

Operating environment

As a central agency, Finance strives to deliver advice from a whole-of-government perspective in a complex and continually changing environment. In particular, Finance's ability to look broadly at policy proposals, distil key information from a range of stakeholders, assess impacts and risks, and provide high-quality advice is key to informing the government's decision-making processes.

The environment in which Finance operates is uncertain. Our role is to assist government decision-making, particularly to support meeting fiscal and policy objectives. This occurs in an evolving environment where many factors impact this advice, including:

- the growing demands on government
- Australia's changing demographics
- shifting relationships between citizens and governments at all levels
- evolving and advancing technology
- meeting the government's fiscal policy objectives
- policy debates subject to strong political and public opinion.

While challenging, these factors create opportunities for Finance to provide innovative solutions, balancing policy and financial priorities to assist government in achieving its objectives.

Outcomes and programs

Part 2 of this report details the department's achievements during the year, based on the three outcomes outlined in Finance's Portfolio Budget Statements 2017–18. Figure 1 shows our outcome and program structure at 30 June 2018.

Figure 1: Outcome and program structure, 2017–18

Outcomes

1

Support sustainable Australian Government finances through providing high-quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.

Program

1.1

Budget and financial management

Contributing business areas:

Budget and Financial Reporting, Governance and APS Transformation

2

Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery.

Programs

2.1

Public sector governance

2.5

Technology and procurement services

2.2

Transforming government

2.6

Service Delivery Office

2.3

Property and construction

2.7

Public Sector superannuation

2.4

Insurance and risk management

2.8

Australian Government investment funds

Contributing business areas:

Business Enabling Services, Commercial and Government Services, Governance and APS Transformation

3

Support for parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted programs.

Program

3.1

Ministerial and parliamentary services

Contributing business area:

Business Enabling Services

Finance executive

The Department of Finance is led by the Secretary, Rosemary Huxtable PSM, supported by four deputy secretaries, each with responsibility for one business area. Further information about the operations of the Executive Board is provided under 'Corporate governance' (see page 58). The department's organisational structure at 30 June 2018 is shown at Figure 2 on page 10.

Secretary Rosemary Huxtable PSM

Rosemary Huxtable was appointed Secretary of the Department of Finance in February 2017. As Secretary, Rosemary is responsible for all functions and services delivered by the department, including supporting the delivery of the Australian Government Budget, overseeing the financial framework of Australian Government agencies, shareholder oversight of government business enterprises, managing the Australian Government's non-Defence domestic property portfolio, key asset sales, aspects of public sector modernisation, and provision of a range of facilities and services to current parliamentarians and their staff (approximately 1,850), and to former members of parliament.



Rosemary joined Finance in June 2013 as Deputy Secretary of Budget and Financial Reporting. Prior to that, she was a Deputy Secretary in the Department of Health and Ageing and was a key player in significant health reforms, particularly in the areas of Medicare, the Pharmaceutical Benefits Scheme and hospital financing.

Rosemary has worked extensively in the areas of budget management, health and community services across both public and private sectors, including working in ministerial offices and managing a private consulting business in Western Australia. Rosemary has more than 25 years' experience in Commonwealth administration.

Rosemary received a Public Service Medal for her work on the Medicare program in 2005.



Deputy
Secretary
David
Fredericks

David Fredericks was appointed Deputy Secretary of Budget and Financial Reporting in February 2017. He had previously been Deputy Secretary of Business Enabling Services. Before moving to Finance, David was a Deputy Secretary at the Attorney-General's Department for more than four years, first in the Civil Justice and Legal Services Group and then as the Chief Operating Officer.

Budget and Financial Reporting

Budget and Financial Reporting provides policy and financial advice on government expenditure and non-taxation revenue matters to the Minister for Finance, other senior ministers and the Expenditure Review Committee of Cabinet.

Budget and Financial Reporting supports the government in its preparation, delivery and ongoing management of the Budget and assists agencies in meeting their financial management and reporting obligations. It aims to ensure that the analysis, policy advice and costing information provided to government supports informed decision-making and that economic updates are delivered within required timeframes and meet their legislative requirements.



Deputy
Secretary
Stein
Helgeby

Stein Helgeby was appointed Deputy Secretary of Governance and APS Transformation in October 2015. He joined the department in February 2010 as the Deputy Secretary of the former Financial Management Group. Prior to this, Stein enjoyed a lengthy period in the Victorian Department of Treasury and Finance, where he was responsible for budget and financial management, long-term policy research, taxation, business tax reform and intergovernmental relations.

Governance and APS Transformation

Governance and APS Transformation develops policy and advises on the resource management and governance frameworks for public sector agencies, accounting policy, the government's investment funds, and superannuation arrangements for members of parliament and Commonwealth employees. It also advises on and coordinates government information and advertising campaigns.

Additionally, Governance and APS Transformation consolidates budget updates, contributes to preparation of the budget statements and prepares the Commonwealth's monthly and annual consolidated financial statements. It also provides policy and program leadership on initiatives aimed at modernising and increasing the public sector's productivity, including shared and common services for back-office functions and grants administration.



Deputy
Secretary
Katherine
Jones PSM

Katherine Jones was appointed Deputy Secretary of Business Enabling Services in October 2017. Prior to her position at Finance, Katherine was a Deputy Secretary in the Attorney-General's Department, where she led the National Security and Emergency Management Group. In 2017, Katherine received a Public Service Medal for her outstanding contribution in this role.

Business Enabling Services

Business Enabling Services provides corporate and ICT services to the department to facilitate Finance's role in supporting the government. It also provides innovative whole-of-government ICT services. It includes Ministerial and Parliamentary Services, providing a range of services and support to current parliamentarians and their staff and to former members of parliament. Through the Service Delivery Office, it provides services to client entities, as part of the whole-of-government Shared Services Program.



Deputy
Secretary
(Acting)
Andrew
Jagers

Andrew Jagers was appointed Acting Deputy Secretary of Commercial and Government Services in May 2018. In this role, Andrew is responsible for managing the Commonwealth's non-Defence property portfolio, whole-of-government procurement policy and the relationships with a number of government business enterprises.

Prior to moving into this role, Andrew spent a number of years as First Assistant Secretary of the Commercial Division with the Department of Finance, and First Assistant Secretary of the Infrastructure Investment Division at the Department of Infrastructure and Regional Development, where he was responsible for leading the governance, oversight and implementation of a number of large-scale and high-profile government infrastructure projects.

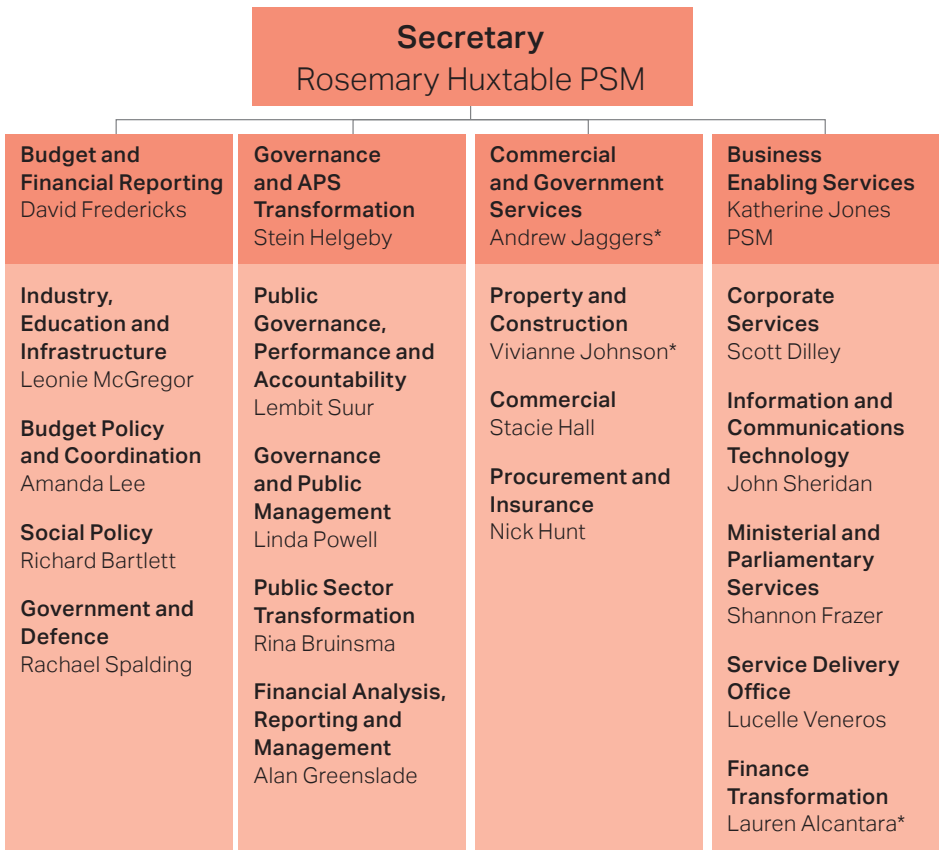
Commercial and Government Services

Commercial and Government Services provides advice on government business enterprises and commercial entities, manages the domestic non-Defence property portfolio and undertakes the review and reform of these assets, including divestment where relevant. It is also responsible for developing and maintaining the Australian Government's procurement policy framework and managing the Australian Government's special claims, insurance and risk management operations.

Organisational structure

Figure 2 shows the department's organisational structure at 30 June 2018.

Figure 2: Organisational structure, at 30 June 2018



* Denotes acting.