Audit report of the 2023–24 annual performance statements

Department of the Treasury

INDEPENDENT AUDITOR'S REPORT on the 2023-24 Annual Performance Statements of the Department of the Treasury

To the Minister for Finance

Conclusion

In my opinion the 2023-24 Annual Performance Statements of the Department of the Treasury (Treasury):

- present fairly Treasury's performance in achieving its purpose for the year ended 30 June 2024; and
- are prepared, in all material respects, in accordance with the requirements of Division 3 of Part 2-3 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

Audit criteria

In order to assess whether the Treasury's annual performance statements complied with Division 3 of Part 2-3 of the PGPA Act, I applied the following criteria:

- whether the entity's key activities, performance measures and specified targets are appropriate to measure and assess the entity's performance in achieving its purposes;
- whether the performance statements are prepared based upon appropriate records that properly record and explain the entity's performance; and
- whether the annual performance statements present fairly the entity's performance in achieving the entity's purposes in the reporting period.

Accountable Authority's responsibilities

As the Accountable Authority of Treasury, the Secretary is responsible under the PGPA Act for:

- the preparation of annual performance statements that accurately present the Treasury's performance in the reporting period and comply with the requirements of the PGPA Act and any requirements prescribed by the Public Governance, Performance and Accountability Rule 2014 (the Rule);
- keeping records about the Treasury's performance as required by the PGPA Act; and
- establishing internal controls that the Accountable Authority determines are appropriate to enable the preparation of annual performance statements.

Auditor's responsibilities for the audit of the performance statements

My responsibility is to conduct a reasonable assurance engagement to express an independent opinion on the Treasury's annual performance statements.

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which include the relevant Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Auditing and Assurance Standards Board.

I plan and perform my procedures to obtain reasonable assurance about whether the annual performance statements of the entity present fairly the entity's performance in achieving its purposes and comply, in all material respects, with the PGPA Act and Rule.

The nature, timing and extent of audit procedures depend on my judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the annual performance statements. In making these risk assessments, I obtain an understanding of internal controls relevant to the preparation of the annual performance statements in order to design procedures that are appropriate in the circumstances.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

Inherent limitations

Because of the inherent limitations of an assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance of the annual performance statements with the PGPA Act and the Rule as it is not performed continuously throughout the period and the assurance procedures performed are undertaken on a test basis. The reasonable assurance conclusion expressed in this report has been formed on the above basis.

Australian National Audit Office

George Sotiropoulos

Group Executive Director

Delegate of the Auditor-General

Canberra

25 September 2024

Annual Performance Statements 2023–24

Statement of preparation

I, as the Accountable Authority of the Department of the Treasury, present the Annual Performance Statements 2023–24 as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the Treasury and comply with section 39(2) of the PGPA Act.

In accordance with subsection 16F of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), these statements report on our performance in the year ended 30 June 2024, assessed against the purpose, key activities and performance measures relevant to the Treasury published in:

- The Department of the Treasury 2023–24 Corporate Plan (Corporate Plan 2023–24)
- 2023–24 Portfolio Budget Statements – the Department of the Treasury (PBS 2023–24)

Dr Steven Kennedy PSM
Secretary to the Treasury

25 September 2024

Treasury's purpose

We provide advice to the Government and implement policies and programs to achieve strong and sustainable economic and fiscal outcomes for Australians.

As set out in the Corporate Plan 2023–24, Treasury achieves our purpose through our key activities:

- **Key activity 1**: Treasury's policy advice and analysis is impactful, informed and influential.
- **Key activity 2**: Treasury's implementation of policies and regulation supports Australia's economy and national interest.
- **Key activity 3**: Treasury's external engagements enable implementation of the Government's economic and fiscal agenda.

In 2023–24, Treasury used 13 performance measures across the 3 key activities of the Corporate Plan 2023–24 to assess performance against the activities undertaken to achieve our purpose.

Treasury made no amendments to performance information published in the Corporate Plan 2023–24.

Treasury's outcome

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

Results and analysis

Analysis of performance against Treasury's purpose

Treasury's annual performance statements report on the period from 1 July 2023 to 30 June 2024. The statements provide a clear read of Treasury's performance over the financial year against the key activities and performance measures in the Corporate Plan 2023–24 and 2023–24 Portfolio Budget Statements (PBS).[1]

Treasury achieved, substantially achieved, or partially achieved 12 of the 13 performance measures.

- Performance measures 1, 2, 3, 4, 6, 8, 11 and 12 were achieved.[2]
- Performance measures 5, 9, 10 and 13 were substantially achieved.[3]
- Performance measures 1 and 9 were partially achieved.[4,5]
- Performance measure 7 was not achieved.

A summary of achievement against the activities and performance measures is provided on pages 24 to 26. A detailed assessment of achievement and analysis for individual performance measures is presented on pages 28 to 71.

Key activity 1: Treasury's policy advice and analysis is impactful, informed and influential

Treasury provided advice to our ministers on a range of significant policy matters. This is the foundation to achieving Treasury's purpose. Treasury received feedback from the portfolio ministers using a structured questionnaire to assess the quality of our advice (performance measure 1). The results of that feedback will be discussed by Treasury's senior executives and used to improve performance.

Treasury's policy advice was rated highly by Treasury ministers or their representatives. Ministerial feedback showed an appreciation for Treasury's robust advice on economic and geopolitical issues. A strong example was the well-considered advice Treasury provided on the Future Made in Australia plan. Ministers also appreciated Treasury advice when developed in consultation with a wider range of external stakeholders. Treasury is reporting that performance measure 1 is achieved for the ministerial feedback questionnaire.

1 Performance information in the 2023–24 Portfolio Budget Statements was updated through the Corporate Plan 2023–24.

2 The ministerial feedback questionnaire component of performance measure 1 was achieved.

3 The Payment Times Reporting Scheme component of performance measure 9 was substantially achieved.

4 The stakeholder survey component of performance measure 1 was partially achieved.

5 The Foreign Investment Framework component was partially achieved.

Treasury consulted across government on policy matters and used a stakeholder survey to assess the quality of our policy advice (performance measure 1). Survey results for the Australian Government stakeholders improved from 2022–23 to report this measure as partially achieved. Stakeholders highly rated our international economic, macroeconomic, fiscal, not-for-profit policy advice, and advice on the development of legislation. Stakeholders were most likely to provide low ratings for Treasury's digital policy advice, which improved in 2023–24. Treasury has continued to improve the framework for the stakeholder survey with the inclusion of climate and energy as part of our expanding role.

Treasury provided forecasts and analysis to inform government decision-making. Performance measures 2 and 3 align Gross Domestic Product and Total Tax Receipts (excluding Company Tax) forecasts against actual outcomes as part of the Budget papers. These performance measures have been achieved in 2023–24.

A focus of Treasury's performance is the timely delivery of Budget documents (performance measure 4). These deliverables are the outcome of Treasury's policy advice, analysis, forecasting, and broad consultation with government and external stakeholders. Treasury released the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook and the 2024–25 Budget in line with the *Charter of Budget Honesty Act 1998* to achieve this measure.

Key activity 2: Treasury's implementation of policies and regulation supports Australia's economy and national interest

Treasury implements policies through programs and regulation and uses a range of measures to assess performance and provide a picture of outcomes. These measures relate to advice on the competitiveness of markets, stability of financial systems, international negotiations, and Treasury's regulatory functions.

Treasury is responsible for financial systems, investment, retirement incomes, provision of actuarial services, corporations, competition, and consumer data and law. Performance measure 5 assesses Australia's competitiveness in 2023–24 using data from the Institute for Management Development. The 2023–24 data is compared with the 2021–22 World Competitiveness Ranking data. Performance measure 5 assessed Australia as marginally more competitive in 2023–24 compared with 2022–23, but not meeting the target resulting in a substantially achieved result.

Treasury has a close working relationship with the Australian Prudential Regulation Authority to ensure there are no disorderly failures of prudentially regulated entities, supporting the financial stability of Australia (performance measure 6). Treasury monitored trends and economic activity in the financial system that could contribute to entity failures. Consistent with the previous year, there were no disorderly failures of prudentially regulated entities in 2023–24 and the performance measure was achieved.

There was continued international engagement on the Organisation for Economic Co-operation and Development Inclusive Framework of Base Erosion and Profit Shifting Pillar One and Pillar Two (performance measure 7). Work progressed on Pillar One and Pillar Two. However, Pillar One was not settled by the contributing countries and Australian legislation for Pillar Two was tabled in the Parliament on 4 July 2024, outside the 2023–24 reporting period. Treasury is reporting that this measure is not achieved.

The Treasury legislation program (performance measure 8) is a mechanism for delivering the Government's priorities. Treasury delivered 97 per cent of legislative measures committed to during the reporting period and within the agreed sitting periods. Performance measure 8 is reported as achieved consistent with the prior reporting period.

Treasury is responsible for 2 regulatory functions: the foreign investment framework, and the Payment Times Reporting Scheme (performance measure 9). A stakeholder survey is used to assess Treasury's performance against the 3 principles of best practice regulation set out in Department of Finance guidance (RMG 128). The assessment of regulatory performance through a stakeholder survey is challenging. The foreign investment framework partially achieved the target, while the Payment Times Reporting Scheme reported an incremental improvement compared to 2022–23 with a substantially achieved result.

In addition to the survey, the Payment Times Reporting Regulator is assessed using the registration of reporting entities required by the *Payment Times Reporting Act 2020* (performance measure 10). The 2023–24 period was the first full year the regulator conducted compliance activities resulting in an improved performance result. Treasury is reporting the performance measure is substantially achieved.

Key activity 3: Treasury's external engagements enable implementation of the government's economic and fiscal agenda

Treasury's external engagement through international and state agreements, consultation on policy, economic modelling, programs and legislation, informs and enables our key activities. A ministerial feedback questionnaire and stakeholder survey were used to assess working relationships with Treasury ministers, portfolio agencies, Australian Government entities, and external stakeholders (performance measure 11).

Feedback from Treasury ministers or their representatives was unanimously positive. There were stronger questionnaire responses than in 2022–23. Non-ministerial stakeholders were generally positive about the effectiveness of their working relationships with Treasury, especially through communication and collaboration. However, assessments were mixed, indicating there is room for improvement. This performance measure was achieved for ministerial and non-ministerial stakeholders.

Treasury works with stakeholders to effectively administer spending arrangements under legislation and agreements. All payments to international financial institutions (performance measure 12) were administered within legislative requirements and agreements, and this measure was achieved. Payments were made to the World Bank, the International Bank for Reconstruction and Development and the International Finance Corporation. Performance measure 13 assesses payments to states administered in accordance with the *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements. This measure was substantially achieved.

Performance summary 2023–24

Key activity 1: Treasury's policy advice and analysis is impactful, informed and influential

Performance measure	2023–24 Target	Performance achieved
Performance measure 1: Proportion of Treasury ministers, key government entities and stakeholders that rate Treasury advice highly.	80%	**Ministerial feedback questionnaire:** Achieved **Stakeholder survey:** Partially achieved
Performance measure 2: Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.	Real GDP falls within 70% confidence interval of forecast real GDP.	Achieved
Performance measure 3: Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.	Total Tax Receipts (excluding company tax) for 2023–24 falls within 70% confidence interval of forecast at the 2023–24 Budget.	Achieved
Performance measure 4: Delivered in line with the requirements of the *Charter of Budget Honesty Act 1998* (Charter).	100%	Achieved

Key activity 2: Treasury's implementation of policies and regulation supports Australia's economy and national interest

Performance measure	2023–24 Target	Performance achieved
Performance measure 5: Australia maintains or improves its 2022 score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.	Competitiveness score >105	Substantially achieved
Performance measure 6: No disorderly failures of institutions prudentially regulated in Australia.	No disorderly failures of prudentially regulated institutions.	Achieved
Performance measure 7: Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.	Australia signs the Pillar One Multilateral Convention, signs the Subject to Tax Rule Multilateral Instrument, and implements legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the pillars).	Not achieved
Performance measure 8: Proportion of legislative measures committed for delivery at the beginning of a parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	90%	Achieved
Performance measure 9: Proportion of stakeholders that report a high level of satisfaction regarding: • the clarity, transparency, and consistent application of Treasury's regulatory frameworks (Regulator Performance (RMG 128) Principle 1) • risk-based, data driven decision making (RMG 128 Principle 2) • Treasury's responsive communication and collaboration (RMG 128 Principle 3)	65%	**Foreign Investment Framework:** Partially achieved **Payment Times Reporting Scheme:** Substantially achieved
Performance measure 10: Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (RMG Principle 1 and 2).	85%	Substantially achieved

Key activity 3: Treasury's external engagements enable implementation of the Government's economic and fiscal agenda

Performance measure	2023–24 Target	Performance achieved
Performance measure 11: Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.	75%	**Ministerial feedback questionnaire:** Achieved **Stakeholder survey:** Achieved
Performance measure 12: Proportion of payments to international financial institutions are transferred within legislated requirements and agreements.	100%	Achieved
Performance measure 13: Proportion of payments to the states are delivered within requirements of the Intergovernmental Agreement on Federal Financial Relations and other relevant agreements between the Commonwealth and the states.	100%	Substantially achieved

Key activity 1 – Treasury's policy advice and analysis is impactful, informed and influential

Performance measure 1

Proportion of Treasury ministers, key government entities and stakeholders[6] that rate Treasury advice highly.	
Methodology	Independent stakeholder survey with key government entities and stakeholders conducted by a third-party provider, and structured interviews with Treasury ministers or their delegates. Stakeholder selection is governed by transparent stakeholder selection rules.
Target	80%
Data sources	Stakeholder lists and responses to the annual stakeholder feedback survey and the ministerial feedback questionnaire from Treasury ministers or their delegates.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Ministerial feedback questionnaire: Achieved** 100% of Treasury ministers or their delegate provided overall ratings in the high-performance range.[7] Achieved means 80% or more of Treasury ministers or their delegate provided overall ratings in the high-performance range.[8] **Stakeholder survey: Partially achieved** 74% of survey respondents provided overall ratings in the high-performance range. Partially achieved means 70% to 74% of survey respondents provided overall ratings in the high-performance range.
Performance achieved over time	In 2022–23 Treasury reported a result of achieved for the ministerial feedback questionnaire as 100% of Treasury ministers or their delegates provided overall ratings in the high-performance range. In 2022–23 Treasury reported a result of not achieved for the stakeholder survey as 69% of survey respondents provided overall ratings in the high-performance range. In 2021–22 Treasury reported it achieved an effectiveness result of 95% from Treasury ministers or their chiefs of staff and 85% from key stakeholders.[9] The performance measure assessed the impact of Treasury's policy advice.[10]

6 Key stakeholders involved in the survey are senior executives in other Australian Government entities who dealt with Treasury in the past year (1 April 2023 to 31 March 2024).

7 The 'High' overall rating is the average of responses classified as 3.51 to 5.00 out of 5.00 in accordance with the Approach to Calculating Policy Advice detailed in Part 5 – Appendices – Methodology for the Annual Stakeholder Survey.

8 Achieved is assessed as ≥80% of survey respondents provide a 'High' overall rating, substantially achieved is assessed as 75 to 79%, partially achieved is assessed as 70 to 74%, and not achieved is assessed as <70%.

9 In 2021–22 the effectiveness result was survey respondents' rating of Treasury against set questions as an indicator of effectiveness. The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

10 The performance achieved for 2021–22 is not directly comparable with the 2022–23 and 2023–24 results.

Analysis

Treasury used structured interviews with Treasury ministers or their representatives and a key stakeholder survey to assess the performance of its policy advice. An external provider was engaged to develop and report on the ministerial feedback questionnaire and stakeholder survey. Each ministerial interview was conducted by a Treasury deputy secretary. The external provider also attended as an objective observer and note taker.

Treasury introduced a policy advice matrix to the ministerial questionnaire and survey in the 2022–23 reporting period to assess the extent to which its policy advice is informed, influential and impactful.[11] The matrix provides a more structured and comprehensive assessment of Treasury's advice.

Performance feedback from Treasury ministers and stakeholders is reported separately within this analysis.

Ministerial feedback questionnaire

The performance target has been achieved.

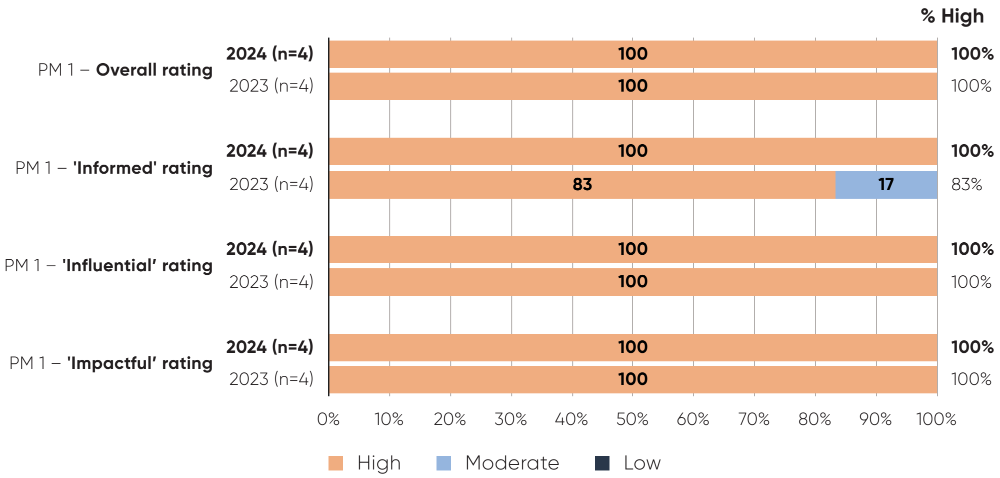
The ministerial interviews achieved a 100 per cent response rate and a performance result of 100 per cent. Treasury used structured interviews with ministers or their representatives to complete the ministerial feedback questionnaire.[12] The Minister for Housing, Minister for Homelessness, Minister for Small Business; the Assistant Treasurer and Minister for Financial Services; and the Assistant Minister for Competition, Charities and Treasury, Assistant Minister for Employment participated in the interview in person. The Treasurer was represented by his chief of staff.

11 The application of the policy advice matrix is detailed in Part 5 – Appendices – Methodology for the Annual Stakeholder Survey.

12 The ministerial feedback questionnaire asked ministers to rate specific aspects or attributes of Treasury's policy advice on a 5-point 'agreement' rating scale. The individual attribute ratings provided by ministers were aggregated to derive numerical scores that indicate 'High', 'Moderate' and 'Low' performance in each area, as well as overall (the average of ratings for each area).

The ministerial feedback questionnaire used 3 criteria to assess if Treasury's advice was informed, influential and impactful. All ministerial stakeholders indicated that Treasury's advice was influential and impactful (100 per cent rated each of these aspects highly on balance), as well as informed (100 per cent rated this highly on average, up from 83 per cent in 2023).

Figure 3: Average ratings of ministerial feedback for the 3 policy criteria



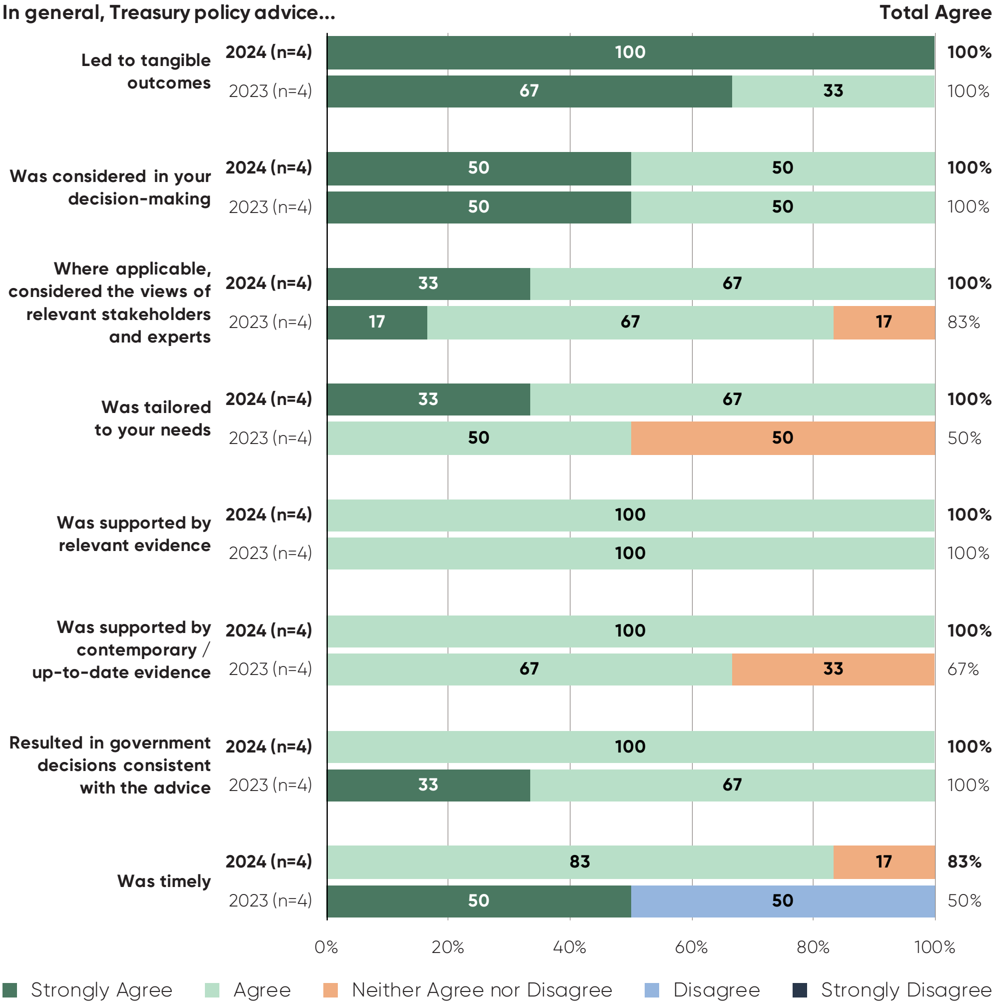
(Base: All ministerial stakeholders)

In 2023–24, all 4 ministerial stakeholders were favourable in their assessments of nearly all aspects of Treasury's policy advice. Agreement was strongest that, in general, Treasury's policy advice led to tangible outcomes (100 per cent strongly agreed) and was considered in their decision making (100 per cent, with 50 per cent strongly agreeing).

Ministers rated Treasury's advice as tailored to their needs at 100 per cent compared to 50 per cent in 2023. The ministers reported being supported by contemporary/up-to-date evidence at 100 per cent (up from 67 per cent) and taking the views of relevant stakeholders and experts into consideration when applicable at 100 per cent (up from 83 per cent).

The perceived timeliness of Treasury's policy advice was slightly lower compared to other aspects (83 per cent agreed and 17 per cent provided a neutral response), but still showed great improvement from 2023 (50 per cent strongly agreed and 50 per cent disagreed). This was consistent with comments provided during interviews with ministers about the need for more timely advice in some areas.

Figure 4: Summary of performance results of ministerial interviews



(Base: All ministerial stakeholders)

Given the Treasurer is the senior Treasury minister, and the high volume of interactions with the Treasurer and policy coverage, the survey ratings of the Treasurer (or representative) will be weighted more highly than those of other ministers. The weighting formula will have the effect that the Treasurer's responses will account for 50 per cent of the aggregate performance metrics derived from the survey.

Stakeholder survey

The performance target has been partially achieved.

A total of 403 Australian Government entity stakeholders were invited to participate in the survey. This is an increase from 291 in 2022–23.[13] The survey had a response rate of 36 per cent and achieved a performance result of 74 per cent.[14] Almost three-quarters (74 per cent) of stakeholders provided high overall ratings for Treasury's policy advice in 2023–24. Close to a quarter (23 per cent) provided moderate ratings, while a very small proportion (2 per cent) provided low ratings.

The greatest improvement was observed for perceptions of how 'influential' Treasury's advice was with 76 per cent rating this highly (up from 65 per cent). This was followed by 'informed' at 73 per cent (up from 66 per cent) and 'impactful' at 67 per cent (up from 62 per cent). Most stakeholders felt Treasury's advice was highly 'informed' (73 per cent), while just under a quarter (23 per cent) provided moderate ratings and 4 per cent provided low ratings.

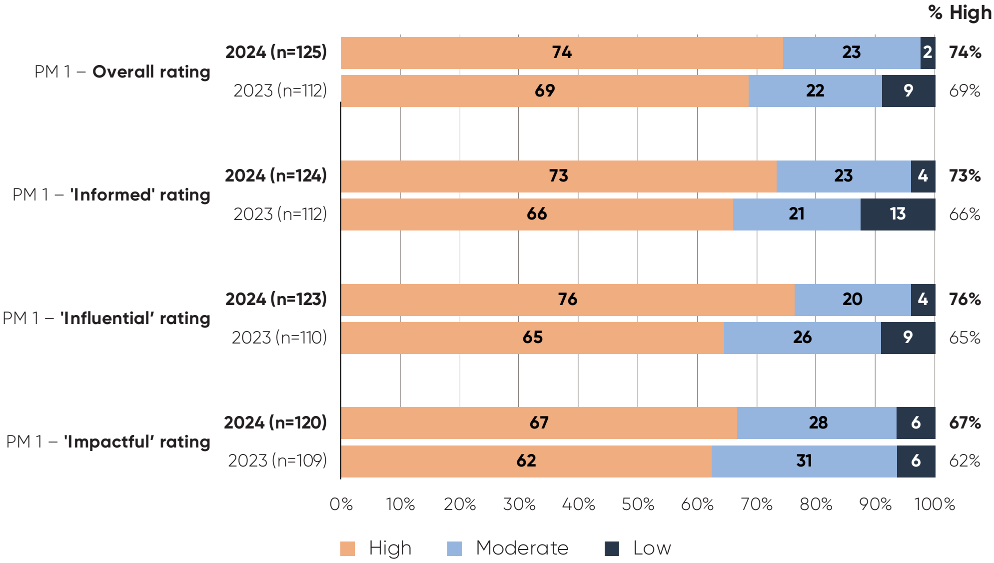
On average, stakeholders provided the most positive ratings for the 'influential' nature of Treasury's advice. More than three-quarters (76 per cent) rated this aspect highly. One fifth (20 per cent) of ratings for this aspect were moderate, while just 4 per cent were low.

Stakeholders were least likely to perceive Treasury's advice as 'impactful', with two-thirds (67 per cent) rating it highly and around one third (28 per cent) giving moderate ratings. There was a slightly larger proportion of low ratings for 'impactful' (6 per cent) compared to 'informed' and 'influential' (both 4 per cent).

13 The increase in stakeholder selection is an indication of Treasury's expanding functions and increased engagement.

14 A response rate of 20% was established as a valid response for the survey.

Figure 5: Average ratings of stakeholder feedback for the 3 policy criteria



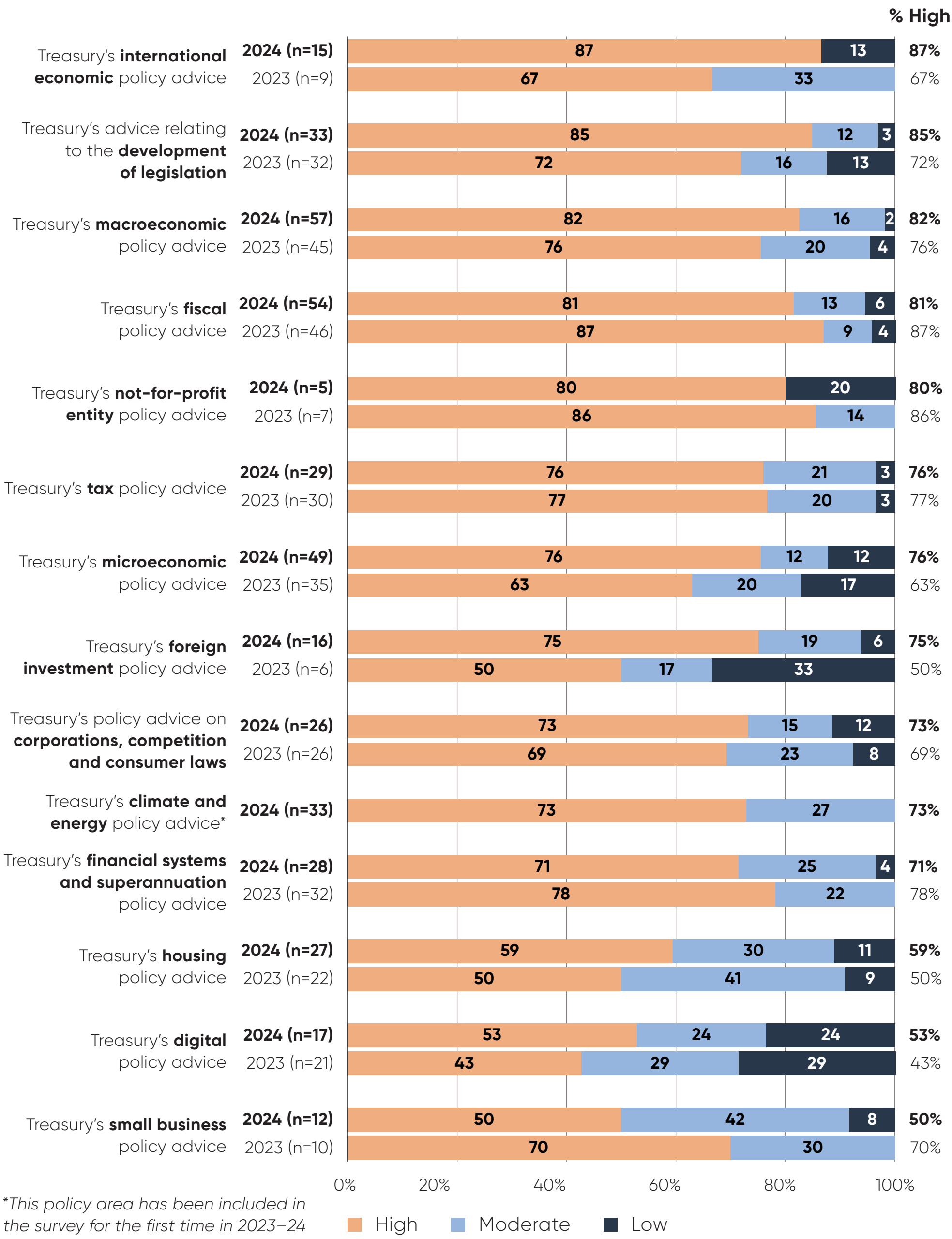
(Base: Australian Government entity stakeholders who saw Treasury's policy advice to government)

Stakeholders were asked to rate Treasury policy advice in 14 areas. Australian Government entity stakeholders were asked whether they had seen any Treasury policy advice to government in 2023–24 in relation to each policy area. Consistent with the 2022–23 survey, stakeholders were most likely to report having seen policy advice related to one (21 per cent), 2 (16 per cent) or 3 (16 per cent) activity areas. A small portion reported seeing advice related to 6 or more areas (1 to 3 per cent). Around 14 per cent of stakeholders indicated they had not seen any policy advice for the relevant areas in 2023–24 (up from 10 per cent in 2022–23). These responses did not contribute to the performance result.

Overall ratings were most favourable at 87 per cent for Treasury's international economic policy advice (up from 67 per cent) and advice relating to the development of legislation at 85 per cent (up from 72 per cent). The lowest rated policy area in 2024 was small business at 50 per cent (down from 70 per cent). Stakeholders were most likely to provide low ratings for Treasury's advice on digital policy (24 per cent) and not-for-profit entity policy (20 per cent).

An individual performance result, based on the same method used to calculate the overall performance result, was produced for each area of Treasury's policy advice in order from most to least positive.

Figure 6: Performance results for each area of Treasury's policy advice



(Base: Australian Government entity stakeholders who saw Treasury's policy advice to government in each area)

Performance measure 2

Variance between actual real Gross Domestic Product (GDP) and forecast real GDP.	
Methodology	Assessment of the variance between forecasts and outcomes in each year for real GDP growth. Real GDP forecasts incorporate assumptions, that include exchange rates, interest rates, commodity prices and population growth. The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts. The 70% confidence interval means there is a 70% chance that the outcome falls in this range. This assumes future forecast errors are consistent with the distribution of past forecast errors from 1998–99 onwards.
Target	Real GDP falls within 70% confidence interval of forecast real GDP.
Data sources	Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product and Budget papers.[15]
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** The cumulative annualised growth rate for real GDP from 2021–22 to 2023–24 was 2.3% and was within the 70% confidence interval range of 1½ to 3¼% as published at the 2023–24 Budget. Achieved means actual real GDP falls within the 70% confidence interval of forecast real GDP.[16]
Performance achieved over time	This performance measure was introduced in 2022–23 for the purpose of performance reporting. Treasury reported a result of achieved as the cumulative annualised growth rate for real GDP from 2020–21 to 2022–23 was 3.5%.[17] This was within the 70% confidence interval range of 3–4¾% as published at the 2022–23 March Budget.

2

15 Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product was released on 4 September 2024.

16 Achieved is assessed as the actual real GDP falling within the 70% confidence interval of forecast real GDP and not achieved is assessed as the actual real GDP did not falling within 70% confidence interval of forecast real GDP.

17 Treasury uses a cumulative annualised growth rate (2 years) consistent with the real GDP methodology for Budget Statement 8. This differs from the 2023–24 annual growth rate (one-year) of 1.5% published on 4 September 2024 in the Australian National Accounts.

Analysis

The performance target has been achieved.

Treasury achieved the target of real GDP falling within the 70 per cent confidence interval of the forecast as published in the 2023–24 Budget.

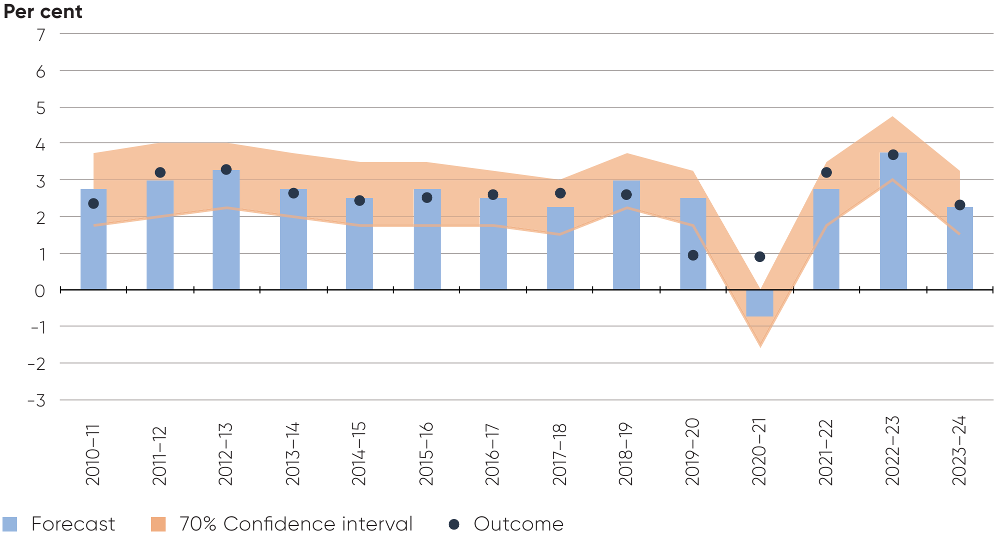
Real GDP forecasts incorporate several assumptions, including those regarding exchange rates, interest rates, commodity prices and population growth. Forecasts of a single point estimate have a high probability of being incorrect. As a result, a confidence interval is used to establish an upper and lower bound to assess performance.

At the 2023–24 Budget, the average annual growth rate over 2 years (cumulative annualised growth rate) from 2021–22 to 2023–24 for real GDP was expected to be around 2¼ per cent, with the 70 per cent confidence interval ranging from 1½ to 3¼ per cent.

Treasury made large forecast errors in 2019–20 and 2020–21. The forecast error in 2019–20 was due to the onset of the COVID-19 pandemic. The 2020–21 forecasting error illustrates the economic recovery was significantly stronger than anticipated. After falling outside of the 70 per cent confidence interval range in 2019–20 and 2020–21 due to a range of external macroeconomic shocks, outcomes in 2021–22, 2022–23 and 2023–24 have been more closely aligned with forecasts.

Since the 2023–24 Budget, the economy has seen relatively fewer external shocks than in preceding years. While the aggregate forecasts for real GDP have performed relatively well, there have been some compositional differences between the outcomes and forecasts. Overall, Treasury's approach to forecasting has performed well over this period. Treasury regularly reviews the methodology and assumptions that it uses to put together its economic outlook and will continue to update its approach as economic circumstances evolve.

Figure 7: Treasury real GDP forecasts – performance over time



Note: Forecasts presented on the chart are from the relevant Budget papers and reflect 2 year cumulative annualised growth rates from the last full financial year of National Accounts data available at the time of forecast. Outcomes reflect latest available data. Confidence intervals have been calculated based on forecast errors from Budget 1998–99 onwards and the latest available National Accounts data.

Source: Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product, Treasury.

Confidence intervals are calculated based on the root-mean-squared error for budget forecasts from the 1998–99 Budget onwards. Real GDP forecasts incorporate a number of assumptions, including those regarding exchange rates, interest rates, commodity prices and population growth.

The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts, assuming forecast errors are consistent with the distribution of past forecast errors. The choice of a 70 per cent confidence interval is consistent with the narrower of the 2 confidence intervals. The other confidence interval of 90 per cent is published in budget papers.

Performance measure 3

Variance between actual Total Tax Receipts (excluding Company Tax) and forecast.	
Methodology	Assessment of the variance between forecasts and outcomes in each year for actual Total Tax Receipts (excluding Company Tax). Tax receipts forecasts are generally prepared using a 'base plus growth' methodology. The last outcome for each head of revenue is the base to which growth rates are applied, using appropriate economic parameters. Estimates for the current year also incorporate recent trends in tax collections. The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts. The 70% confidence interval means there is a 70% chance that the outcome falls in this range. This assumes future forecast errors are consistent with the distribution of past forecast errors from 1998–99 onwards.
Target	Total Tax Receipts (excluding Company Tax) for 2023–24 falls within 70% confidence interval of forecast at the 2023–24 Budget.
Data sources	Australian Bureau of Statistics Australian National Accounts: National Income, Expenditure and Product, Budget papers and Final Budget Outcome.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Total Tax Receipts (excluding Company Tax) in 2023–24 are $492.2 billion, $4.6 billion above the 2023–24 Budget forecast of $487.6 billion. This variance falls inside the 70% confidence interval of the forecast ($465.2 billion to $509.9 billion). Achieved means the actual Total Tax Receipts fall within 70% of the confidence interval of forecast Total Tax Receipts (excluding Company Tax).
Performance achieved over time	This performance measure was introduced in 2022–23 for the purpose of performance reporting. Treasury reported a result of not achieved as Total Tax Receipts (excluding Company Tax) were $450.2 billion, $32.0 billion above the 2022–23 Budget forecast of $418.2 billion. This variance fell outside of the 70% confidence interval of the forecast, exceeding the $437.0 billion upper bound by $13.2 billion.

Analysis

The performance target has been achieved.

The 2023–24 variance of $4.6 billion in Total Tax Receipts (excluding Company Tax) is the result of offsetting variances across several heads of revenue. Below is a summary of the performance for 2022–23 and 2023–24 Total Tax Receipts variance between actual and forecast, excluding Company Tax (Table 2) and including Company Tax (Table 3).

Table 2: Total Tax Receipts variance between actual and forecast, excluding company tax

	2022–23	2023–24
Final Budget Outcome ($b)	450.2	**492.2**
Adjusted Budget forecast ($b)	418.5	**487.6**
Variance ($b)	31.8	**4.6**
Confidence interval upper bound	437.0	**509.9**
Confidence interval lower bound	399.9	**465.2**
Outcome falls within confidence interval	No	**Yes**

Table 3: Total Tax Receipts variance between actual and forecast, including company tax

	2022–23	2023–24
Final Budget Outcome ($b)	601.3	**633.4**
Adjusted Budget forecast ($b)	508.7	**616.3**
Variance ($b)	92.6	**17.1**
Confidence interval upper bound	538.1	**656.4**
Confidence interval lower bound	479.2	**576.2**
Outcome falls within confidence interval	No	**Yes**

The confidence interval is a widely used metric that provides a guide to the degree of uncertainty around forecasts, assuming forecast errors are consistent with the distribution of past forecast errors. While forecasts are set at Budget, the confidence intervals for the year ahead are not to be calculated until the outcome for the previous year is published in Final Budget Outcome in September. This allows performance in the most recent year to be reflected in the forecast intervals. Forecasts are adjusted for policy decisions announced after the Budget which affect the forecast year.

Company Tax is excluded from the performance assessment as it is significantly more sensitive to changes in the economy and can be substantially impacted by highly volatile commodity prices. The Budget takes a prudent approach to commodity prices by using technical assumptions that assume short-term prices revert to conservative long-run price assumptions. If Company Tax was included, this single technical assumption has the potential to be a significant driver of both the confidence intervals and performance result. Analysis of the performance measure if company tax is included as presented above, showing that its inclusion would not have changed the performance measure being not achieved in 2022–23 and achieved in 2023–24.

Performance measure 4

Delivered in line with the requirements of the *Charter of Budget Honesty Act 1998* (Charter).	
Methodology	Assessment against the requirements and timeframes for the public release of the deliverables set out in the Charter for the 2023–24 reporting period. The deliverables for performance reporting are the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook, 2024–25 Budget, and Additional Statement of Commonwealth stock and securities (the latter is required only if the conditions in Part 9 of the *Charter of Budget Honesty Act 1998* are met).
Target	100%
Data sources	Data sources are the released documents for the Intergenerational Report, Budget, Final Budget Outcome, Mid-Year Economic and Fiscal Outlook, and Additional Statement of Commonwealth stock and securities (if required).
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** All four deliverables were publicly released in line with the requirements and within the timeframes of the Charter. Achieved means 100% of deliverables were publicly released in line with the requirements and within the timeframes of the Charter.[18]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with 100% of deliverables publicly released in line with the requirements and within the timeframes of the Charter.[19] In 2021–22 Treasury reported a result of achieved with 100% of deliverables released within the timeframes as required under the Charter.[20]

18 Achieved is assessed as 100% of deliverables required under the *Charter of Budget Honesty Act 1998* (the Charter) are released within the timeframes and not achieved is assessed as less than 100% of deliverables required under the Charter are released within the timeframes.

19 Treasury's performance has been assessed against the 3 deliverables relating to the 2021–22 Final Budget Outcome, 2022–23 October Budget and 2023–24 Budget and not against other items in the Charter.

20 Treasury's performance has been assessed against the 4 deliverables relating to the Final Budget Outcome, Mid-Year Economic and Fiscal Outlook Budget and Pre-Election Economic and Fiscal Outlook, and not against other items in the Charter.

Analysis

The performance target has been achieved against the requirements and timeframes of the *Charter of Budget Honesty Act 1998* (Charter). Treasury has used the timeliness measure as a proxy for efficiency.

In 2023–24 Treasury worked with the Treasurer's office, Treasury ministers, the Australian Public Service and within Treasury to prepare and publish the 2023 Intergenerational Report, 2022–23 Final Budget Outcome, 2023–24 Mid-Year Economic and Fiscal Outlook and 2024–25 Budget in line with the Charter.

The 2023 Intergenerational Report met the Charter requirements to be publicly released and tabled by the Treasurer at least once every 5 years. The 2023 Intergenerational Report was publicly released on 24 August 2023, and tabled on 5 September 2023. The 2023 Intergenerational Report is the sixth report since 2002 and the first to feature specific modelling on climate change, energy, and the changing industrial base. The 2023 Intergenerational Report met the requirements of the Charter to assess the long-term sustainability of current Government policies over 40 years.

The 2022–23 Final Budget Outcome report met the Charter requirement for the Treasurer to publicly release and table by 30 September 2023. The 2022–23 Final Budget Outcome report was publicly released on 22 September 2023 and tabled in the Senate and the House of Representatives on 18 October 2023. The 2022–23 Final Budget Outcome report met the relevant Charter content requirements for a Final Budget Outcome report to contain Commonwealth budget sector and Commonwealth general government sector fiscal outcomes for the financial year.

The 2023–24 Mid-Year Economic and Fiscal Outlook (MYEFO) papers met the Charter requirement for the Treasurer to publicly release and table the MYEFO report by 31 January 2024, or within 6 months after the last budget (by 9 November 2023), whichever is later. The 2023–24 MYEFO papers were publicly released and tabled on 13 December 2023, with tabling occurring out of the sitting period. The 2023–24 MYEFO report contained reporting against the economic outlook, fiscal strategy and outlook, information on tax expenditures and a debt statement.

The 2024–25 Budget papers met the Charter requirement for the Treasurer to publicly release and table a budget economic and fiscal outlook report. The 2024–25 Budget papers were publicly released and tabled on 14 May 2024. The Budget documents met the relevant Charter content requirements for a budget economic and fiscal outlook report.

No additional statement about Commonwealth stock and securities (clause 33 of the Charter) is required as the actual face value of Commonwealth stock and securities did not increase by $50 billion or more between the 2023–24 Budget, and the 2023–24 MYEFO or between the 2023–24 MYEFO and the 2024–25 Budget.

These deliverables are the outcome of Treasury's policy advice, analysis, forecasting, and consultation that are assessed through other performance measures and contribute to strong and sustainable economic and fiscal outcomes.

Key activity 2 – Treasury's implementation of policies and regulation supports Australia's economy and national interest

Performance measure 5

Australia maintains or improves its 2022 score on markets related inputs to the World Competitiveness Ranking produced by the Institute for Management Development.[21]	
Methodology	The Institute for Management Development (IMD) produces a World Competitiveness Ranking based on a range of criteria. Fifteen of these criteria relate to the Treasury in the areas of policy responsibility for financial system, investment, retirement incomes, provisions of actuarial services, and corporations, competition, and consumer data and law. These policy areas are not assessed through other performance measures. IMD calculates the average value for each economy for publication in the IMD World Competitiveness Yearbook each year. Treasury will use the results against the 15 criteria to construct a competitiveness score relevant to this performance measure as an indicator of Treasury's policy effectiveness.
Target	Competitiveness score of >105. The target is based on the 2022 results for 15 criteria of the World Competitiveness Rankings.
Data sources	Institute for Management Development World Competitiveness Rankings Results 2024.
Source	Program 1.3 – Support to Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** Australia's competitiveness score for 2023–24 was 102 against a target of 105. Substantially achieved means Australia's competitiveness score is between 99 to 104.[22]
Performance achieved over time	This performance measure was introduced in 2022–23. Treasury reported a result of substantially achieved with Australia's competitiveness score of 100 against a target of 105.

Analysis

The performance target has been substantially achieved.

21 Institute for Management Development (IMD) World Competitiveness Ranking: IMD World Competitiveness Center, Switzerland.

22 Achieved is assessed as Australia maintains or increases a score of 105, substantially achieved is assessed as a score of 99 to 104, partially achieved is assessed as a score of 94 to 98, and not achieved is assessed as a score that falls below 94.

This is the second year Treasury has assessed performance using this methodology and external data sourced from the World Competitiveness Ranking produced by the Institute for Management Development (IMD) on competitiveness. Treasury developed a target 'competitiveness score' of 105 based on the 2022 data utilising 15 criteria published by the IMD.

The 15 criteria represent areas of Treasury's policy responsibility for financial system, investment, retirement incomes, provision of actuarial services, and corporations, competition, and consumer data and law. The 15 criteria related to market performance as an indication of Treasury's policy outcomes. These areas of policy responsibility are not assessed through other Treasury performance measures. The score is determined by a survey of business executives conducted independently by the Committee for Economic Development of Australia (CEDA) utilising the methodology set out by the IMD. Treasury aggregated the individual survey results against each of the 15 criteria for 2024 to determine the competitiveness score of 102.

The total competitiveness score reported this year remains consistent with the scores of previous years. The total score for 2023–24 was 102 – a 2-point increase compared to the previous year. This year, the total competitiveness score did not change materially and there was little movement in scores for the components of the criteria that contributed to this total. The largest, albeit small, improvements in scores for this year were for the following propositions:

- 'credit is easily available for business' (less than 1 point increase compared to 2022–23)
- 'banking and financial services do support business activities efficiently' (less than 1 point increase compared to 2022–23)
- 'pension funding is adequately addressed for the future' (less than 1 point increase compared to 2022–23).

Decreases in scores this year were negligible (all under 0.2 points compared to 2022–23) with the largest decreases in scores for responses to the following propositions:

- 'legal and regulatory framework encourages the competitiveness of enterprises'
- 'auditing and accounting practices are adequately implemented in business'
- 'bureaucracy does not hinder business activity'.

The score comprises minor improvements in responses relating to credit access and banking services. These improvements may reflect the stabilisation of, and reduction in uncertainty relating to, interest rates, increased business lending and growth in lending by non-banks.

In identifying work that may have contributed to the overall score, Treasury provided advice on policy issues related to the functioning of markets covering a broad range of matters, including the financial system, corporate conduct, retirement incomes, consumer policy, competition policy and investment.

As the scores have not changed materially and there is typically a significant lag between policy advice and potential economic impact, it is important to clarify that highlighting external factors and Treasury's work is not intended to imply a direct causal relationship to the score.

Performance measure 6

No disorderly failures of institutions prudentially regulated in Australia.	
Methodology	A disorderly failure of a prudentially regulated institution occurs when there is material disruption to the critical economic functions and services that the institution provides and that this results in significant impacts on the financial system and the wider economy. Treasury will rely on regular bilateral engagement with the Australian Prudential Regulation Authority (APRA) to obtain information on prudentially regulated institutions that have failed or are at significant risk of failure.
Target	No disorderly failures of prudentially regulated institutions.
Data sources	Australian Prudential Regulation Authority data for the Money Protection Ratio and register of prudentially regulated entities at the beginning and end of the relevant reporting period.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** There were no disorderly failures of a prudentially regulated institutions. Achieved means no disorderly failures of a prudentially regulated institutions in Australia during 2023–24.[23]
Performance achieved over time	This performance measure was introduced in 2022–23. Treasury reported a result of achieved with no disorderly failures of a prudentially regulated institutions.

23 Achieved is assessed as no disorderly failures of a prudentially regulated institutions and not achieved is assessed as at least one disorderly failure of a prudentially regulated institution.

Analysis

The performance target has been achieved.

In the reporting period of 2023–24, there were no disorderly failures of prudentially regulated entities in Australia. There were 1791 prudentially regulated institutions in Australia at the commencement of the reporting period. Treasury analysis revealed a net decrease of 277 entities regulated by the Australian Prudential Regulation Authority (APRA). Nine new entities entered while 286 ceased over the reporting period. Of the 286 entities that ceased, 247 entities were wound up, 19 underwent an Australian Tax Office (ATO) Transfer, 17 had their licence revoked, 2 merged with another business and one was deregistered. In addition to the entities that exited and entered, 3 entities changed their names over the reporting period.

Treasury determined that all exits between 1 July 2023 and 30 June 2024 were entity-led and part of business-as-usual operations. That is, there were no losses due to prudential failures for depositors, policy holders or superannuation members.

Treasury maintains a close working relationship with APRA to ensure disorderly failures of institutions do not occur. Over the reporting period, Treasury closely monitored trends and economic activity in the financial system that could contribute to entity failures, including through meetings of the Council of Financial Regulators. In the instance of an entity failure, Treasury would support APRA in facilitating the orderly exit or resolution of the entity based on the specific circumstance of the entity in question. Treasury would also engage with the Reserve Bank of Australia and Australian Securities and Investment Commission, as relevant to the circumstances.

Treasury would provide advice to Government to the extent where the Government intervention may be required, for example the activation of the *Financial Claims Scheme* (which can only be activated by the Australian Government) or decisions regarding superannuation fund applications for financial assistance (Part 23 of the *Superannuation Industry (Supervision) Act 1993*).

Performance measure 7

Treasury contributes to the development of the Organisation for Economic Co-operation and Development Inclusive Framework on Base Erosion and Profit Shifting Action 1.	
Methodology	Treasury is contributing to the development of the Base Erosion and Profit Shifting Action 1 Pillars One and Two as part of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework. Treasury's contribution will be demonstrated through continuing advice to Government, stakeholder consultation, participation in international negotiation and bilateral engagement, and liaison with other government agencies. Treasury will assess the supporting evidence against the pre-determined criteria to determine if progress has been made towards the targets.
Target	Australia signs the Pillar One Multilateral Convention, signs the Subject to Tax Rule Multilateral Instrument, and implements legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the pillars).
Data sources	Records of advice to Government; records of OECD meetings and other working party meetings; bilateral, government agency and external stakeholder meetings.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Not achieved** Australia did not sign the Pillar One Multilateral Convention and implement legislation to give domestic effect to a domestic minimum tax and the income inclusion rule under Pillar Two. Not achieved means Australia does not complete all components of the target.[24]
Performance achieved over time	This performance measure was introduced in 2022–23 and Treasury reported a result of on-track to achieve the 2023–24 target.

24 Achieved means Australia completes all 3 components of the target and not achieved means Australia does not complete all components of the target.

Analysis

The performance target for 2023–24 was not achieved. Work progressed against the 3 elements of the target; however, the target was not achieved in this reporting period. Pillar One has not been settled by the more than 140 countries of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework, and the Multilateral Convention has not yet been opened for signature by the OECD.

The targets are based on OECD timelines and progress. The domestic implementation targets have been set in consideration of OECD progress and projected milestones.

Treasury continues to engage in OECD-led negotiations on the Two-Pillar Solution, engage with bilateral counterparts to strengthen Australian positions in negotiations on the taxation of the digital economy, maintains frequent contact with other Australian departments and agencies, including the Australian Taxation Office, the Department of the Prime Minister and Cabinet, and the Department of Foreign Affairs and Trade, and participates in other multilateral forums such as the United Nations and G20 meetings. Treasury continues to provide advice to Government on the taxation of the digital economy.

Draft legislation progressed on the Pillar Two domestic minimum tax and the income inclusion rule. Confidential consultation on draft legislation was held with business stakeholders in late-2023, with further draft legislation released publicly in March 2024. Legislation was introduced into the Parliament in early July 2024, shortly after the end of the reporting period.

While Treasury continues to participate in OECD negotiations to work towards eventual agreement of the various aspects of the Two-Pillar Solution, delays to the timelines as determined by the OECD mean that Treasury has not been able to achieve the target, which is comprised of 3 elements:

- Australia signing the Subject to Tax Rule Multilateral Instrument (STTR MLI)
  - » Advice was provided to the Government during 2023–24. Australia does not have any tax treaties that will be affected by the Subject to Tax Rule (STTR) and, therefore, is not required to sign the Multilateral Instrument. The OECD deferred the date for signature of the STTR to September 2024 and has offered countries who are not required to sign the Instrument, including Australia, the option to instead sign a statement of support for the STTR. This invitation is currently under consideration by Government.
- Australia signing the Pillar One Multilateral Convention (MLC)
  - » Treasury participated in meetings of the Task Force on the Digital Economy, and those negotiations resulted in progress sufficient for the OECD to publish a draft text of the MLC in October 2023. The text has not reached consensus at the Inclusive Framework, but the published version demonstrates the progress made.

  - Treasury's ability to achieve this target is heavily dependent on the OECD's progress and intent to finalise and announce a complete Pillar One package that opens the MLC for signature. Some outstanding aspects of the MLC have been resolved at the working party level, however as the other component of Pillar One, is yet to be agreed by the Inclusive Framework, the MLC has not been opened for signature. The OECD has not met its publicly announced timeline to open the MLC for signature by the end of June 2024.

- Australia implements legislation to give domestic effect to a domestic minimum tax (DMT) and the income inclusion rule (IIR) under Pillar Two, in accordance with the progress and timelines of the OECD (subject to Government decision to implement the Pillars).

  - In the 2023–24 Budget in May 2023, the Government announced the implementation of the DMT and IIR. In this reporting period, legislation has been drafted and consultations held on the draft legislation. Once tabled and passed by the Parliament, it will ensure that the DMT and the IIR entered into effect from 1 January 2024.
  - Due to delays in the OECD-led negotiations agreeing the necessary guidance documents and delays in finalisation of legislation, this legislation was not passed by the Parliament by 30 June 2024. The legislation was tabled in the Parliament on 4 July 2024.

Treasury's participation in the OECD processes included 162 meetings in 12 months. Treasury promoted Australia's interests and mitigated risks, which is necessary for Australia to contribute significantly to international tax negotiations. The nature of the international tax negotiations means that Australia has limited influence, working alongside more than 140 other jurisdictions. Treasury has remained steadfast in its approach to these meetings to protect Australia's tax revenues and interests, while balancing and maintaining Australia's political position with other jurisdictions.

Performance measure 8

Proportion of legislative measures committed for delivery at the beginning of a Parliamentary sitting period, adjusted for any Government reprioritisation of legislative measures during the sitting period, and compared to the actual number delivered.	
Methodology	Calculation of the legislative measures committed for delivery, adjusted for reprioritisation, and compared with the legislative measures actually delivered. Treasury manages and delivers legislative measures during Parliamentary sitting periods. Accordingly, Treasury assesses performance based on the sequence of Winter and Spring Parliamentary sitting periods in one calendar year and Autumn Parliamentary sitting period in the following calendar year. This provides the best alignment with the performance reporting period. To provide a more accurate synopsis of Treasury's delivery of the Government's legislative agenda we have excluded routine, annual or minor and technical legislative measures from the performance measures. Treasury assesses performance against the delivery of legislative measures that implement priority policies as announced by Government.
Target	90%
Data sources	Treasury's Legislative Program provides a record of the Government's current legislative priorities in the Treasury portfolio, which Treasury track through a records management database. The Bills and Legislation page on the Parliament of Australia website is a second data source confirming date of introduction and passage of primary legislation. The Federal Register of Legislation also provides a secondary data source confirming the date of instrument registration.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Treasury delivered an average of 97% of measures committed for delivery across the sitting periods. Achieved means 90% or greater of legislative measures delivered as committed with adjustment for reprioritisation.[25]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with an average of 98% of measures committed for delivery across the sitting periods. In 2021–22 Treasury reported a result of achieved with an average of 94% of measures committed for delivery across the sitting periods.

25 Achieved is assessed as ≥90% of legislative measures delivered, substantially achieved is assessed as 80% to 89%, partially achieved is assessed as 60% to 79%, and not achieved is assessed as <60%.

Analysis

The performance target has been achieved.

In 2023–24 Treasury delivered 97 per cent of legislative measures committed for delivery during the reporting period. The effective delivery of the legislative agenda has helped achieve strong and sustainable economic and fiscal outcomes for Australians.

Treasury manages and delivers legislative measures during Parliamentary sitting periods, as set by the Parliament. Assessing performance against a consistent sequence of Winter, Spring and Autumn Parliamentary sitting periods provides a consistent, standardised, and transparent data set to demonstrate year on year performance.

Accordingly, Treasury has assessed performance for 2023–24 on the 2023 Winter, 2023 Spring and 2024 Autumn parliamentary sitting periods. The 2024 Winter sitting period will contribute to 2024–25 performance reporting.

Treasury assesses performance against the delivery of legislative measures that implement priority policies as announced by Government. Treasury continues to liaise with portfolio ministers' offices to ensure continued alignment of the legislation program with the Government's priorities.

Treasury continues to hold formalised prioritisation and regular briefing processes. This ensures the Treasurer and other portfolio ministers agree to the legislation program for an upcoming sitting prior to the sitting period commencing and to agree to re-prioritisations during a sitting. It provides an agreed and evidenced baseline of legislative measures scheduled for delivery over the course of the relevant sitting period and provides a point of reference for the re-prioritisation of legislative measures by portfolio ministers.

Performance measure 9

Proportion of stakeholders that report a high level of satisfaction regarding: • **the clarity, transparency, and consistent application of Treasury's regulatory frameworks (Regulator Performance (RMG 128) Principle 1)** • **risk-based, data driven decision making (RMG 128 Principle 2)** • **Treasury's responsive communication and collaboration (RMG 128 Principle 3)**	
Methodology	Independent stakeholder surveys conducted by a third-party provider with foreign investment framework and Payment Times Reporting Scheme stakeholders. Stakeholder selection and questions that align with the Regulator Performance Principles will be governed by transparent stakeholder selection rules. Treasury's regulatory functions, foreign investment framework and Payments Times Reporting Scheme, will be reported separately.
Target	65%
Data sources	Responses to the annual stakeholder feedback survey and stakeholder lists.
Source	PBS Program 1.1 – Department of the Treasury and Program 1.3 – Support for Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Foreign Investment Framework: Partially achieved** 57% of survey respondents provided a rating of agree or strongly agree to the survey questions as an indicative performance result. Partially achieved means 55 to 59% of survey respondents provided an agree or strongly agree rating for applicable questions.[26] **Payment Times Reporting Scheme: Substantially achieved** 61% of survey respondents provided a rating of agree or strongly agree to the survey questions.[27] Substantially achieved means 60 to 64% of survey respondents provided an agree or strongly agree rating for applicable questions.
Performance achieved over time	In 2022–23 the Foreign Investment Framework received a response rate of 13% making the survey result invalid.[28] There was an indicative performance result of 67% of survey respondents providing a rating of agree or strongly agree. In 2022–23 Payment Times Reporting Scheme reported a result of partially achieved with 57% of survey respondents providing a rating of agree or strongly agree. The performance achieved for 2021–22 was not comparable with the 2022–23 results for the Foreign Investment Framework and the Payment Times Reporting Scheme.

26 Achieved is assessed as ≥65% of survey respondents who provide ratings of 4 (agree) or 5 (strongly agree), substantially achieved is assessed as 60 to 64%, partially achieved is assessed as 55 to 59%, and not achieved is assessed as <55%.

27 The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

28 A response rate of 20% was required for the survey result to be valid for performance reporting.

Analysis

Treasury used structured key stakeholder surveys to measure the department's administration of regulator functions. Treasury engaged an external provider to develop, conduct, and report on the regulator surveys. Separate surveys were conducted for each of Treasury's regulators. The survey questions were specific to each regulator and were designed to address the 3 best practice principles of the Regulator Performance Resource Management Guide (RMG) 128:[29]

1. Continuous improvement and building trust
2. Risk based and data driven
3. Collaboration and engagement.

Treasury's regulators are reported separately within this analysis.

Foreign Investment Framework

The performance target has been partially achieved.

A total of 45 stakeholders of the Foreign Investment Framework completed the survey. The stakeholder survey for the Foreign Investment Framework received a 30 per cent response rate and a performance result of 57 per cent.

In May 2024 the Treasurer announced reforms to strengthen and streamline assessment of proposals under the Foreign Investment Framework. Implementation of the reforms will drive enhancements in Treasury's regulatory practice over the next 12 months.

Performance against the best practice principles

The survey responses have been used to assess Treasury's performance against the 3 principles of best practice regulation set out in Department of Finance guidance. Perceptions of Treasury's performance in relation to clarity, transparency, and consistent application under Principle 1 were mixed. While most agreed Treasury has a consistent approach in its administration of the Foreign Investment Framework (78 per cent agreed), stakeholders were less positive about the clarity of regulated entities' obligations under the Framework (46 per cent) and Treasury's approach to monitoring and enforcing compliance (36 per cent).

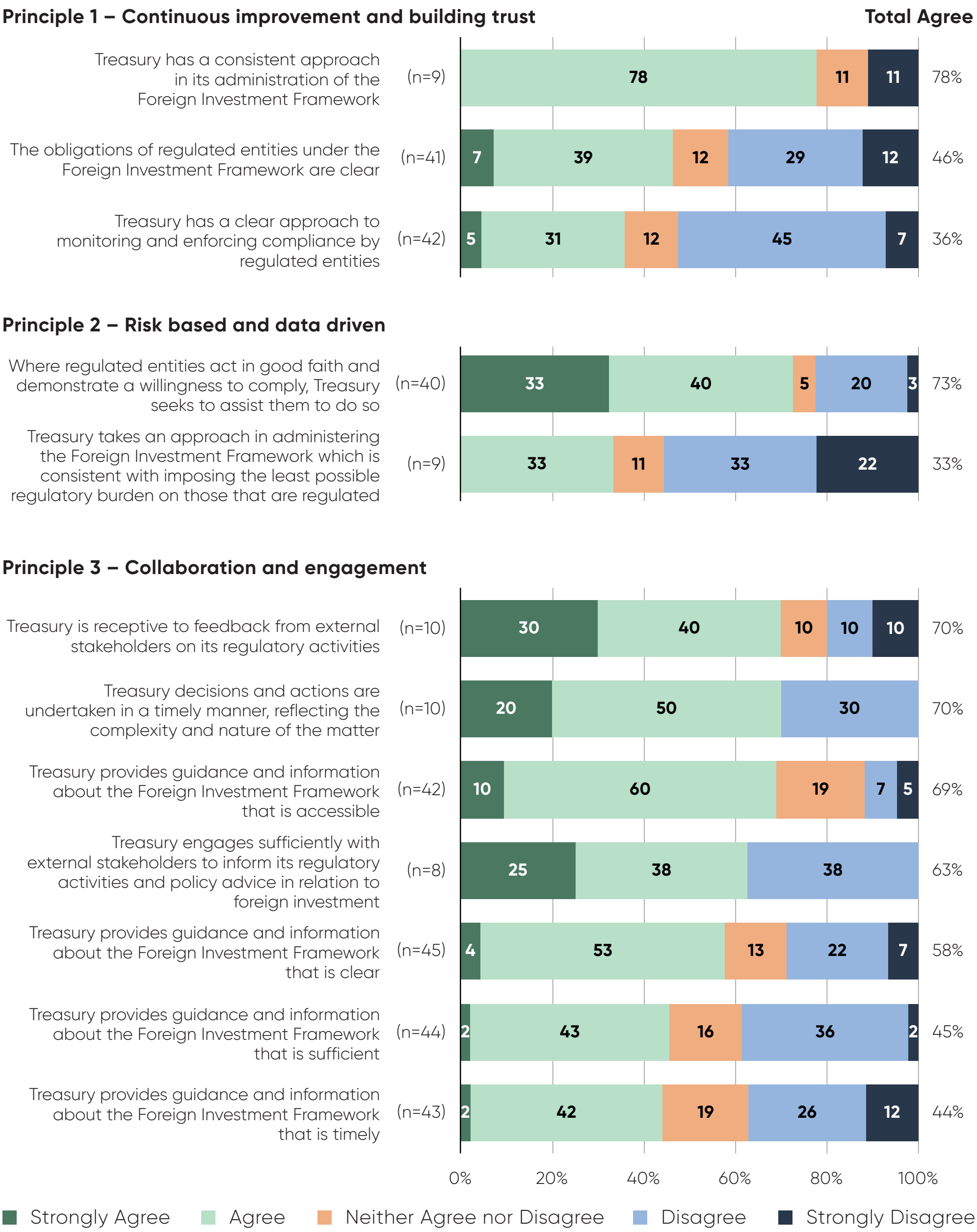
Survey responses for Treasury's risk-based and data driven decision-making for Principle 2 were also mixed. Most stakeholders (73 per cent) agreed that Treasury seeks to assist regulated entities that act in good faith and demonstrate a willingness to comply, whereas only a third agreed (33 per cent agreed and 56 per cent disagreed) that Treasury's approach in administering the Foreign Investment Framework imposes the least possible regulatory burden on those that are regulated.

On balance stakeholders were most positive in relation to Principle 3, with 44 to 70 per cent providing a favourable assessment of Treasury's responsive communication and collaboration. Stakeholders were most positive about Treasury's receptiveness to feedback on its regulatory activities (70 per cent agreed) and the timeliness

29 www.finance.gov.au/government/managing-commonwealth-resources/regulator-performance-rmg-128

of Treasury's decisions and actions (70 per cent). In contrast, lower proportions of stakeholders felt Treasury's guidance and information about the Foreign Investment Framework was timely (44 per cent) and sufficient (45 per cent).

Figure 8: Treasury's performance – alignment of the Foreign Investment Framework results with the best practice principles



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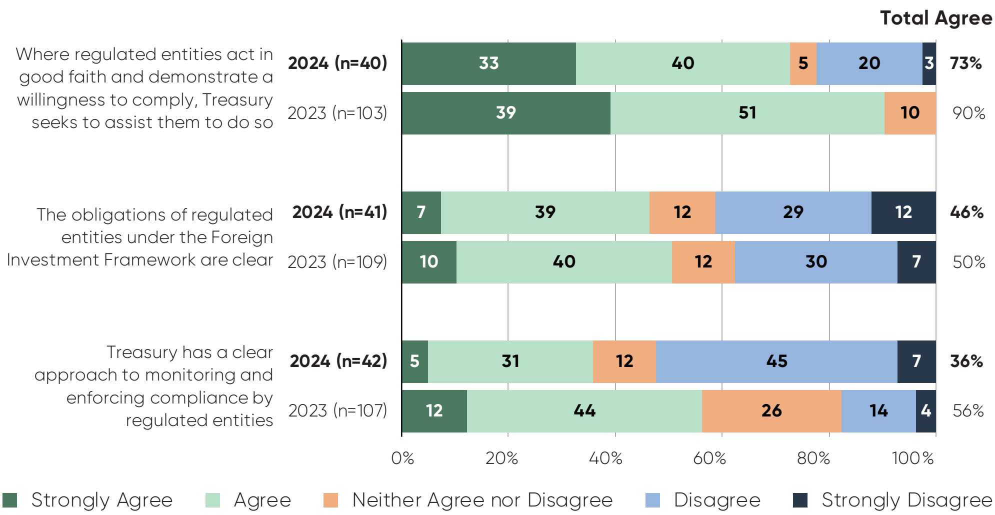
Overview of survey results

Among survey questions relevant to all stakeholders of the Foreign Investment Framework, the majority (73 per cent) agreed that Treasury seeks to assist regulated entities that act in good faith and seek to comply to do so. However, stakeholders had less positive perceptions about the clarity of obligations of regulated entities under the Foreign Investment Framework (46 per cent) and clarity of Treasury's approach to monitoring and enforcing compliance (36 per cent).

In comparison to 2022–23, there were lower responses to questions asked of all stakeholders of the Foreign Investment Framework in 2023–2024. The greatest decline was in agreement that Treasury has a clear approach to monitoring and enforcing compliance by regulated entities (36 per cent agreed, down from 56 per cent in 2023).

Figure 9: Treasury's performance – all key stakeholders of the Foreign Investment Framework comparison of 2023 and 2024

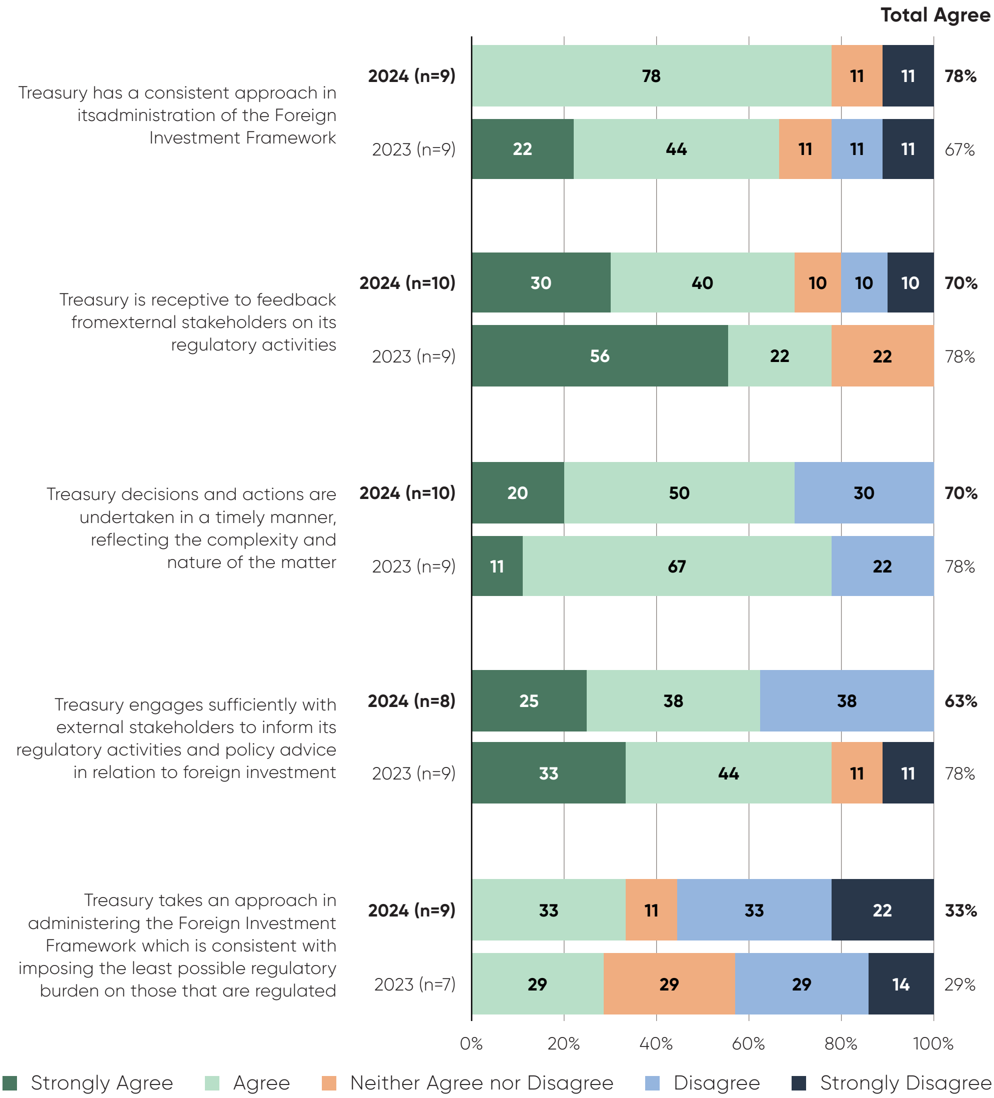


Most stakeholders, excluding representatives from regulated entities and investors, agreed (78 per cent) that Treasury has a consistent approach in its administration of the Foreign Investment Framework.[30] In contrast, stakeholders were least likely to agree that Treasury takes an approach in administering the Framework that imposes the least possible burden on regulated entities (33 per cent agreed and 56 per cent disagreed).

In comparison to 2022–23, there was increased agreement from stakeholders other than representatives from regulated entities and investors that Treasury has a consistent approach in its administration of the Foreign Investment Framework (78 per cent agreed, up from 67 per cent in 2023). However, there were declines in agreement in responses to the other questions.

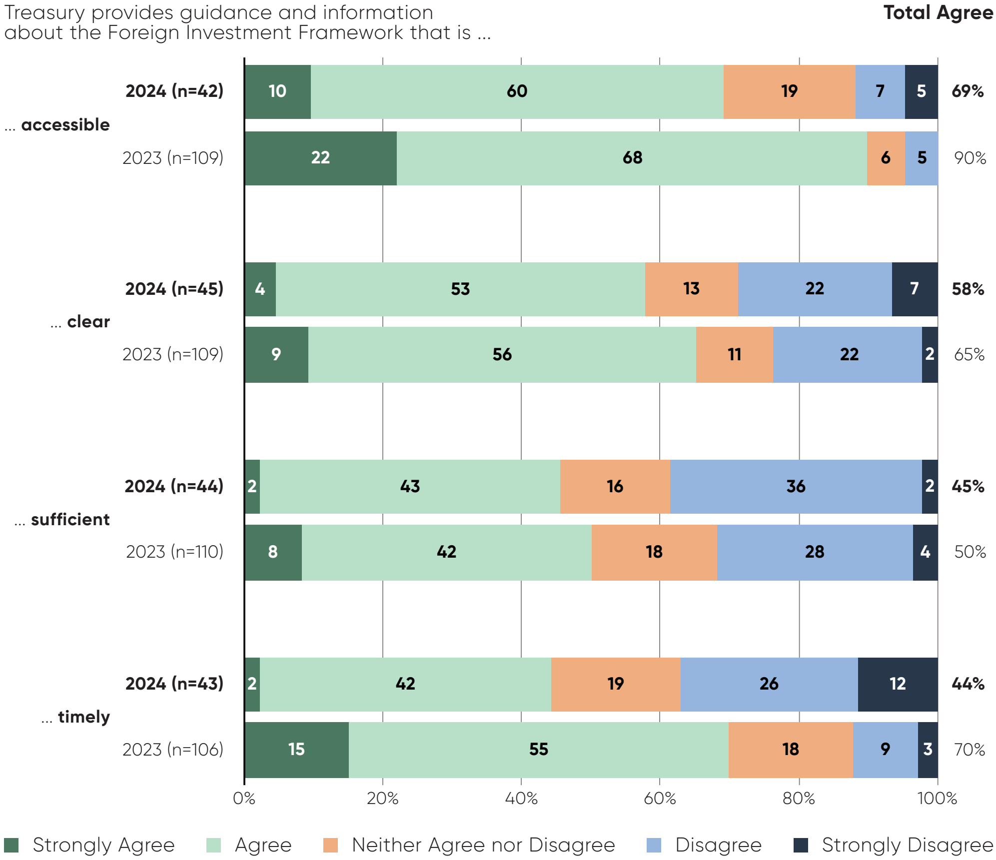
30 Stakeholders excluding or other than representatives from regulated entities and investors include members of the Law Council's Foreign Investment Committee, active members of the Foreign Investment Review Board, senior officers from Australian Government entities and senior executives from other organisations.

Figure 10: Treasury's performance – stakeholders other than investors and/or representatives of regulated entities of the Foreign Investment Framework comparison of 2023 and 2024



Stakeholders were most positive about the accessibility (69 per cent agreed, down from 90 per cent in 2023) and clarity (58 per cent, down from 65 per cent in 2023) of Treasury's guidance and information about the Foreign Investment Framework, although ratings were less favourable compared to 2023. Less than half of stakeholders agreed that guidance and information was sufficient (45 per cent, down from 50 per cent in 2023) and timely (44 per cent, down from 70 per cent in 2023).

Figure 11: Treasury's guidance and information about the Foreign Investment Framework comparison of 2023 and 2024



(Base: All key stakeholders of the Foreign Investment Framework)

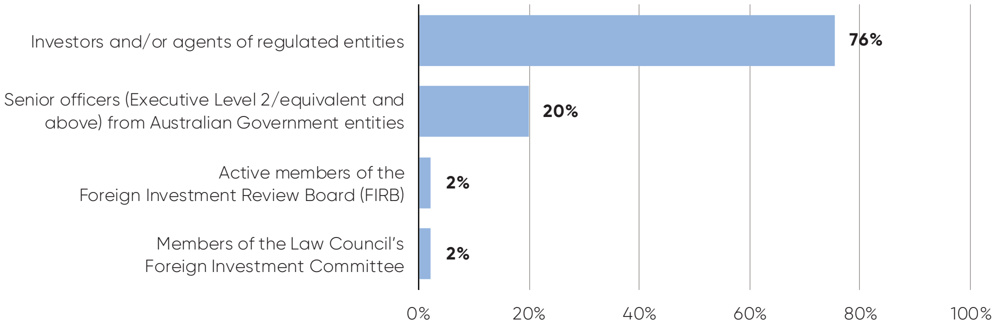
In 2023–24 Treasury refined the stakeholder selection and included active members of the Foreign Investment Review Board to improve the response rate and inform survey responses.

Foreign Investment Framework stakeholders for 2023–24 included:

- investors and/or agents of regulated entities
- members of the Law Council's Foreign Investment Committee
- active members of the Foreign Investment Review Board
- senior officers from Australian Government entities
- senior executives from other organisations.[31]

31 Senior executives from other organisations did not provide responses to the 2023 survey.

Figure 12: Response rate by type of stakeholder – Foreign Investment Framework



Payment Times Reporting Scheme

The performance target has been substantially achieved.

A total of 42 Payment Times Reporting Scheme (the scheme) stakeholders completed the survey.[32] The survey received a response rate of 22 per cent and a performance result of 61 per cent.

Performance against the best practice principles

The survey responses used to assess the Payment Times Reporting Regulator's (the regulator) performance against the 3 principles of best practice regulation set out in Department of Finance guidance.[33] Stakeholder responses were mixed for Principle 1 with 49–76 per cent of stakeholders providing a favourable assessment of the clarity, transparency and consistent application of the regulatory frameworks. The accessibility of information on reporting requirements (76 per cent) and the regulator's consistency in delivering its functions (73 per cent) were rated most favourably by the scheme's stakeholders.

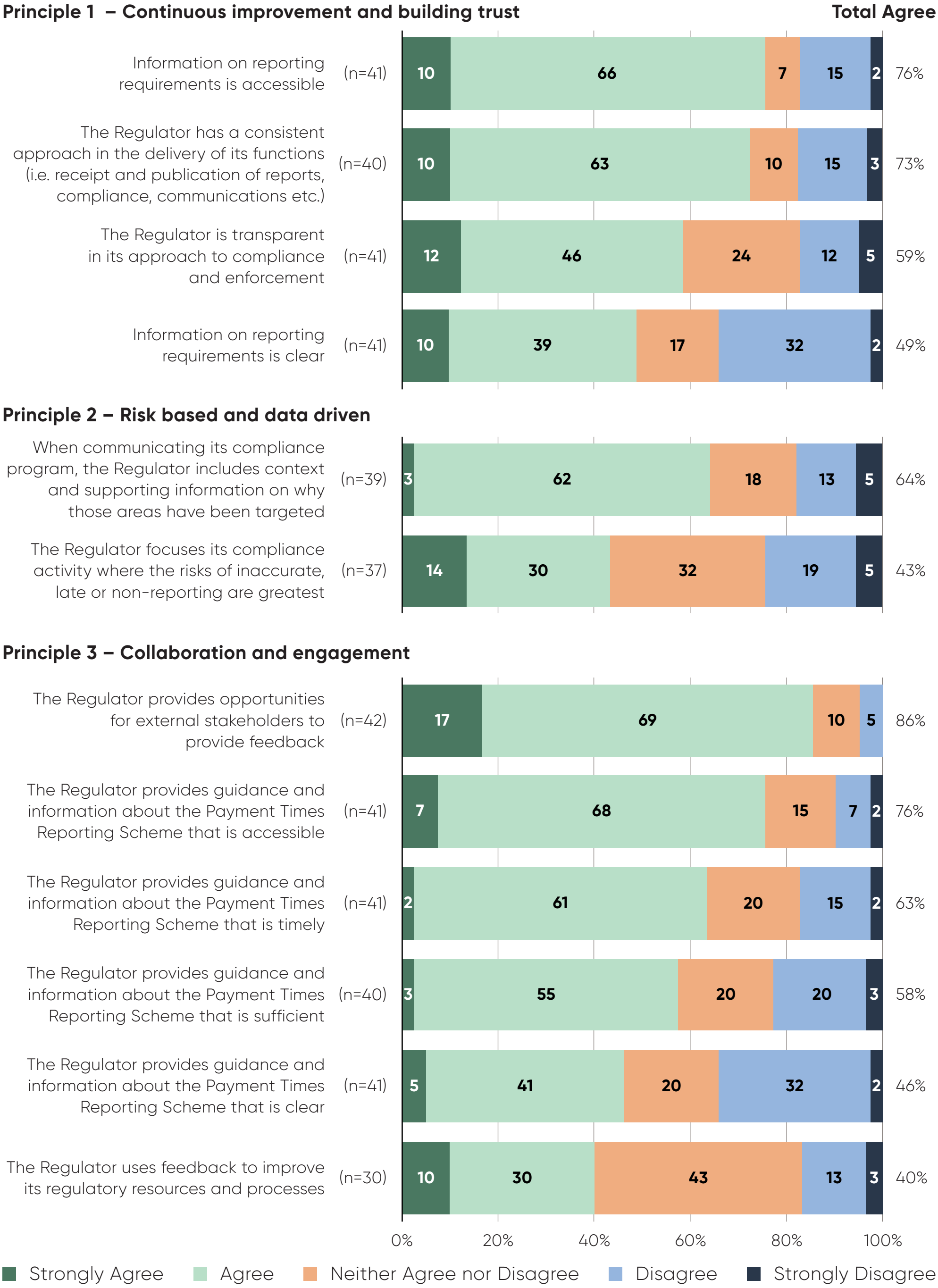
Stakeholders provided the least positive ratings for Principle 2 (risk-based, data driven decision making). Approximately two-thirds agreed that the regulator includes context and supporting information on why particular areas have been targeted in its compliance program (64 per cent), while a lower proportion agreed it focuses compliance activity where the risks of inaccurate, late or non-reporting are greatest (43 per cent).

Perceptions of the regulator's responsive communication and collaboration (Principle 3) were also mixed. Most stakeholders agreed that the regulator provides opportunities for stakeholders to provide feedback (86 per cent) and that the regulator's guidance and information about the scheme was accessible (76 per cent). However, stakeholders were less positive about the clarity of guidance and information (46 per cent) and only 4 in 10 (40 per cent) felt that feedback was taken on board to improve regulatory resources and processes.

32 Payment Times Reporting Scheme stakeholders for this survey are representatives from regulated entities, industry bodies, professional advisers and senior officers from Australian Government entities.

33 Regulator Performance (RMG 128)

Figure 13: Treasury's performance – alignment of the Payment Times Reporting Regulator with the best practice principles



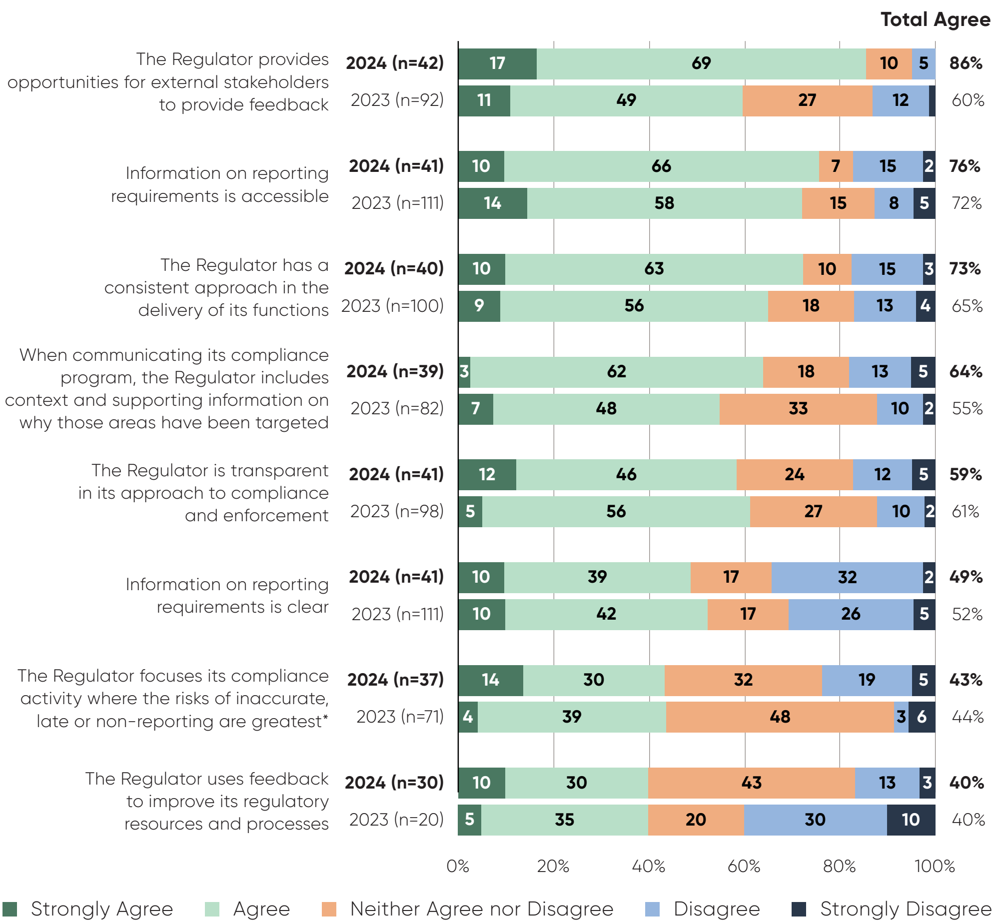
(Base: Key stakeholders of the Payment Times Reporting Scheme)

Overview of survey results

Stakeholder ratings for the scheme were mixed. Stakeholders were most positive about the opportunity for external stakeholders to provide feedback (86 per cent agreed) and accessibility of information about reporting requirements (76 per cent). In contrast, stakeholders were least positive about the clarity of reporting requirements (49 per cent agreed and 34 per cent disagreed) and the focus of the regulator's compliance activity relative to risks (43 per cent).

Responses to 3 questions were more positive than in 2023; opportunities for external stakeholders to provide feedback (86 per cent agreed, up from 60 per cent), the regulator's consistency in delivering its functions (73 per cent, up from 65 per cent) and providing context and supporting information when communicating its compliance program (64 per cent, up from 55 per cent in 2023).

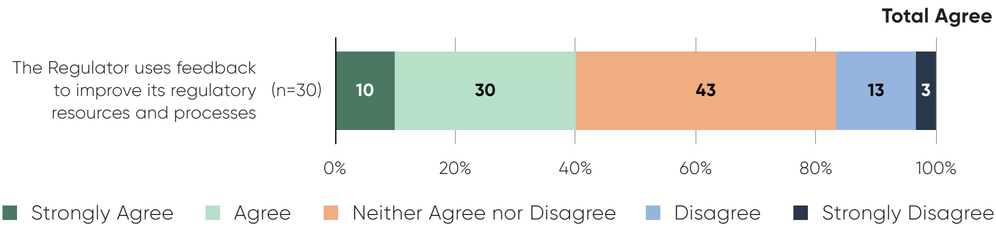
Figure 14: The regulator's performance – all stakeholders of the Payment Times Reporting Scheme



(Base: Key stakeholders of the Payment Times Reporting Scheme)

Among stakeholders that participated in industry liaison forums, engagement and consultations between 1 April 2023 and 31 March 2024, two-fifths (40 per cent) agreed that Treasury uses feedback to improve its regulatory resources and processes.

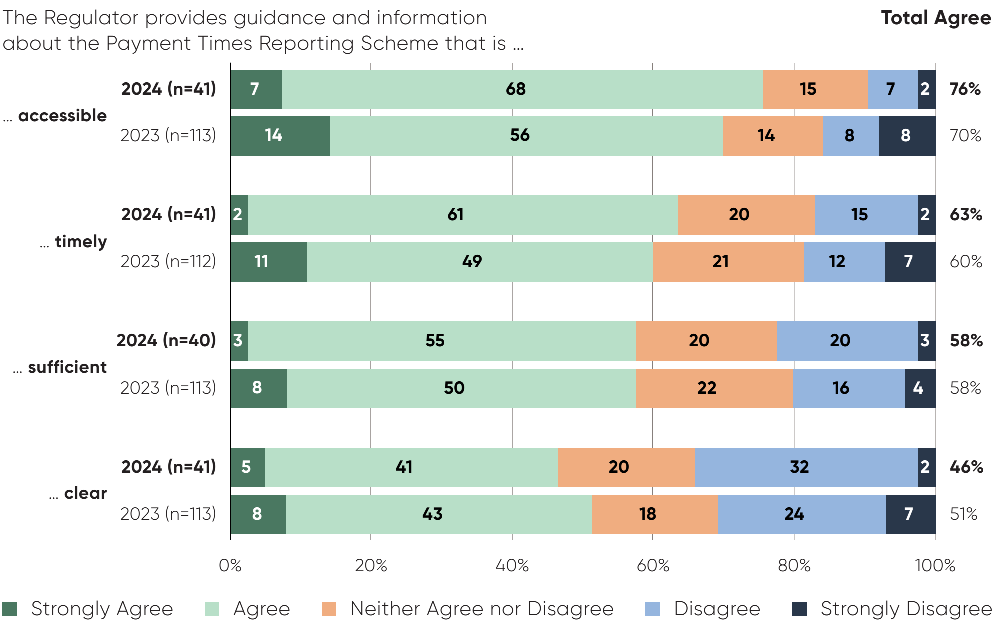
Figure 15: The regulator's performance – the regulator's industry liaison forums, stakeholder engagement or consultations in 2023–24 – Payment Times Reporting Scheme



2

In terms of the regulator's guidance and information about the scheme, stakeholders were most positive about the accessibility (76 per cent, up from 70 per cent in 2023) of guidance and information, and agreement with this aspect was higher than in 2023. Stakeholders reported less favourable assessments in relation to guidance and information being sufficient (58 per cent, no change from 2023) and clear (46 per cent, in line with 51 per cent from 2023).

Figure 16: The regulator's guidance and information about the Payment Times Reporting Scheme comparison of 2023 and 2024

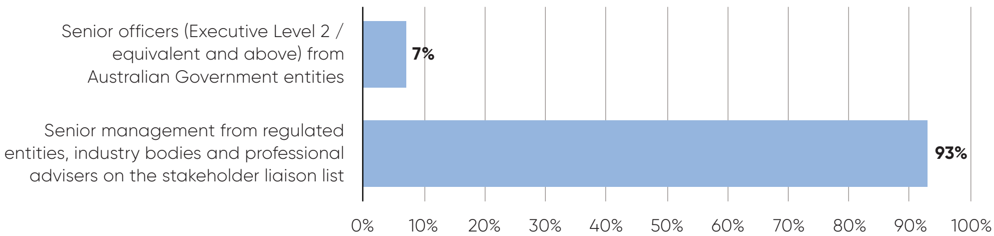


(Base: All key stakeholders of the Payment Times Reporting Scheme)

In 2023–24, Treasury refined the stakeholder selection for the Payment Times Reporting Scheme to focus on stakeholders identified on the regulator's stakeholder liaison list who attended the industry liaison forums.

Stakeholders for the period were senior management from regulated entities, industry bodies, professional advisers identified on the regulator's stakeholder liaison list and senior officers from Australian Government entities.

Figure 17: Response rate by type of stakeholder – Payment Times Reporting Scheme



Performance measure 10

Proportion of regulated entities registered with the Payment Times Reporting Regulator as a reporting entity (RMG 128 Principle 1 and 2).	
Methodology	Number of entities registered to report compared to the number of entities identified from government and other data sources as reporting entities. *The Payment Times Reporting Act 2020* (the Act) is a disclosure-based regulatory regime designed to achieve sustained improvements in economic conditions for small businesses by providing transparency of payment conduct of large businesses operating in Australia. The assessment uses reporting entities registered with the Payment Times Reporting Regulator and entities required to report calculated from corporate tax transparency data and third-party data. The number of entities registered to report compared to the number of entities required to report is deemed to be a measure of compliance with the regime.
Target	85%
Data sources	Payment Times Reporting Regulator's customer relationship management system, Australian Taxation Office taxpayer data, and third-party data service providers.
Source	PBS Program 1.3 – Support for Markets and Business Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** 84% of entities registered to report compared to the number of entities required to be registered to report. Substantially achieved means between 80 to 84% of regulated entities registered as a reporting entity.[34]
Performance achieved over time	This performance measure was introduced in 2022–23 and Treasury reported a result of partially achieved with 72% of entities registered to report compared to the number of entities required to be registered to report.[35]

34 Achieved is assessed as ≥85% of regulated entities registered as a reporting entity, substantially achieved is assessed as 80 to 84%, partially achieved is assessed as 75 to 79%, and not achieved is assessed as <75%.

35 In 2022–23 partially achieved was assessed as 70 to 74% of regulated entities registered as a reporting entity.

Analysis

The performance target has been substantially achieved.

A total of 5,218 regulated entities have registered as a reporting entity, while 6,220 entities (84 per cent) were required to be registered as reporting entities.[36]

The Payment Times Reporting Scheme (the scheme) aims to improve the payment performance of large businesses and government enterprises (known as reporting entities) in relation to their small business suppliers. This is done by creating transparency around payment times and practices. Reporting entities must report their payment terms and times for small businesses to the Payment Times Reporting Regulator (the regulator). These are then published on the Payment Times Reports Register, accessible from the Payment Times website.

Treasury improved the proportion of regulated entities registered under the scheme from 72 per cent in 2022–23 to 84 per cent in 2023–24. The 2023–24 period was the first full year the regulator conducted compliance activities, resulting in 329 of the new entities (excluding subsidiaries) becoming reporting entities for the first time.

An additional 719 reporting entities (excluding subsidiaries) joined the scheme during the period. Twenty entities ceased to be reporting entities during the same period. The regulator commenced publishing the names of entities it determined had failed to comply with payment times reporting obligations. This is one mechanism the regulator has available to incentivise compliance. Each instance of non-compliance by each entity (determined through this process) appears in a list[37] on the regulator's public website with a corresponding entry in the Payment Times Reports Register.

The scheme has been in operation since 1 January 2021. On 31 August 2023, Treasury published the independent Statutory Review of the *Payment Times Reporting Act 2020.* The Australian Government released its response to the Review in December 2023, agreeing to all recommended reform actions in the Review. The regulator also engaged in targeted consultation and communications with stakeholders in crafting the reforms through consultation on the Payment Times Reporting Amendment Bill 2024 in April 2024 and its subsequent introduction into the Parliament on 29 May 2024.

The regulatory and legislative reforms set out in the government response to the Statutory Review of the *Payment Times Reporting Act 2020* means performance reporting using the existing framework will not be possible in the 2024–25 period.

36 The calculation excludes subsidiaries reporting as part of a group.

37 Payment Time Reporting Scheme compliance and enforcement: paymenttimes.gov.au/compliance-and-enforcement

Key activity 3 – Treasury's external engagements enable implementation of the Government's economic and fiscal agenda

Performance measure 11

Proportion of Treasury ministers, Treasury portfolio agencies and regulators, and key stakeholders that highly rate working with the Treasury.[38]	
Methodology	Independent stakeholder survey conducted by a third-party provider and structured interviews with Treasury Ministers or their delegates. Stakeholder selection is governed by transparent stakeholder selection rules.
Target	75%
Data sources	Stakeholder lists and responses to the annual stakeholder feedback survey and the ministerial feedback questionnaire from Treasury Ministers or their delegates.
Source	PBS Program 1.1 – Department of the Treasury Corporate Plan 2023–24
Performance achieved 2023–24	**Ministerial feedback questionnaire: Achieved** 100% of Treasury ministers or their delegate provided a rating of good or very good to the questions.[39] Achieved means 75% or more of Treasury ministers or their delegate provided a rating of good or very good to the questions.[40] **Stakeholder survey: Achieved** 77% of survey respondents provided a rating of agree or strongly agree to the questions.[41] Achieved means 75% or more of survey respondents provided a rating of agree or strongly agree to the questions.
Performance achieved over time	In 2022–23 Treasury reported a result of achieved for the ministerial feedback questionnaire as 100% of Treasury ministers or their delegate provided a rating of good or very good to the questions. In 2022–23 Treasury reported a result of achieved for the stakeholder survey as 75% of survey respondents provided a rating of agree or strongly agree to the questions. In 2021–22 Treasury reported achieved with an effectiveness result of 77% for the quality of engagement or consultation from stakeholders.[42]

38 Stakeholders involved in the survey are senior officials from Australian Government entities that are Treasury's counterparts and senior executive level stakeholders from organisations external to government who have had defined interactions with Treasury at least 4 times in the past 12 months. Stakeholder interactions occurred in the 12-month period prior to the survey in May 2024.

39 The performance result was calculated as an average of the percentage of Treasury ministers or their delegate who provided ratings of 4 (good) or 5 (very good) on a 5-point scale for applicable question items.

40 Achieved is assessed as a performance result of ≥75%, substantially achieved is assessed as 70 to 74%, partially achieved is assessed as 65 to 69%, and not achieved is assessed as <65%.

41 The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

42 In 2021–22 the effectiveness result was survey respondents' rating of Treasury against set questions as an indicator of effectiveness. The performance result was calculated as an average of the percentage of survey respondents who provided ratings of 4 (agree) or 5 (strongly agree) on a 5-point scale for applicable question items.

Analysis

Treasury used structured interviews with Treasury ministers or their representatives and a key stakeholder survey to assess the effectiveness of Treasury's working relationships. Treasury engaged an external provider to develop the ministerial feedback questionnaire and stakeholder survey. The provider conducted and reported on the survey. Each ministerial interview was conducted by a Treasury deputy secretary. The external provider also attended as an objective observer and note taker.

Performance feedback from Treasury ministers and stakeholders is reported separately within this analysis.

Ministerial feedback questionnaire

The performance target has been achieved.

The ministerial interviews achieved a 100 per cent response rate and a performance result of 100 per cent. Treasury used structured interviews with ministers or their representatives to complete a ministerial feedback questionnaire. The Minister for Housing, Minister for Homelessness, Minister for Small Business; the Assistant Treasurer and Minister for Financial Services; and the Assistant Minister for Competition, Charities and Treasury, Assistant Minister for Employment participated in the interview in person. The Treasurer was represented by his chief of staff.

All ministerial stakeholders unanimously rated the quality of working relationships with Treasury as positive (100 per cent). All ministerial stakeholders (100 per cent) felt their working relationship was 'very good', an even stronger result than in 2022–23 (67 per cent 'very good' and 33 per cent 'good').

The general comments from ministerial stakeholders were largely very positive about Treasury's performance overall, with positive feedback about Treasury staff in terms of their responsiveness, professionalism and work ethic.

Given the Treasurer is the senior Treasury minister, and the high volume of interactions with the Treasurer and policy coverage, the survey ratings of the Treasurer (or delegate) will be weighted more highly than those of other ministers. The weighting formula will have the effect that the Treasurer's responses will account for 50 per cent of the aggregate performance metrics derived from the survey.

Stakeholder survey

The performance target has been achieved.

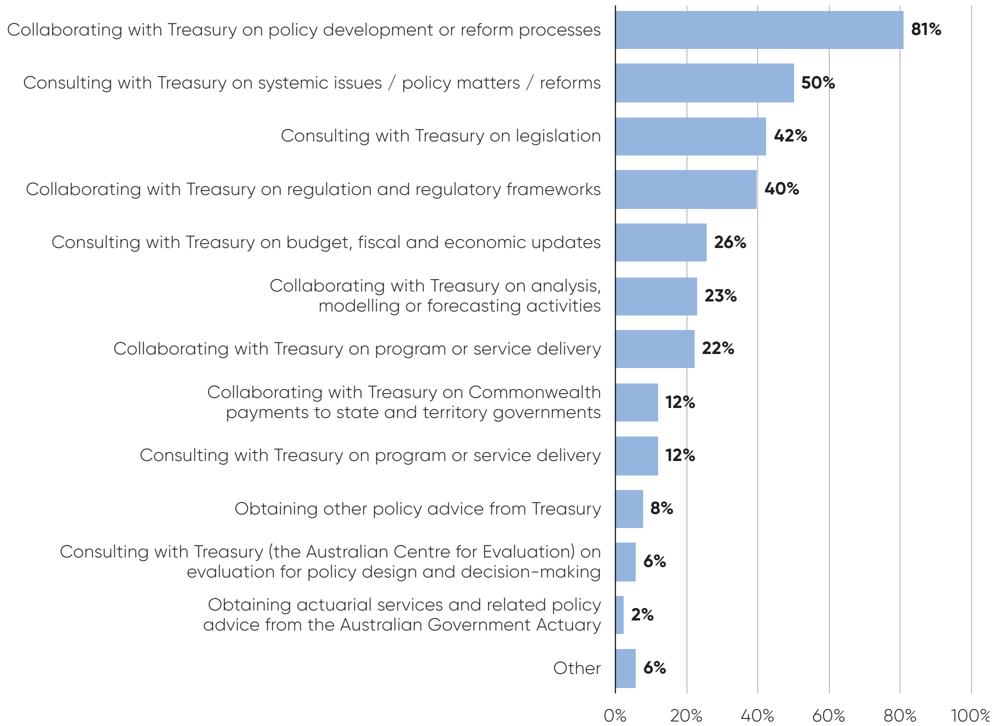
A total of 681 Australian Government entity stakeholders and external stakeholders were invited to participate in the survey. This is an increase from 478 in 2022–23. The survey had a response rate of 38 per cent with a 36 per cent response rate from Australian Government entity stakeholders and a 42 per cent response rate from external stakeholders.[43] Treasury achieved a performance result of 77 per cent.

43 A response rate of 20% was established as a valid response for the survey.

Stakeholders from other Australian Government departments and agencies made up 41 per cent of survey respondents with 16 per cent from Treasury portfolio agencies. The remaining stakeholders external to the Australian Government included peak bodies (19 per cent), not-for-profit organisations (5 per cent), individual businesses (10 per cent), state and territory government entities (3 per cent), universities and research institutions (2 per cent) and international government organisations (1 per cent).

Treasury engaged with stakeholders on a range of matters that reflects the breadth of Treasury's role.

Figure 18: Types of engagements with Treasury in 2023–24

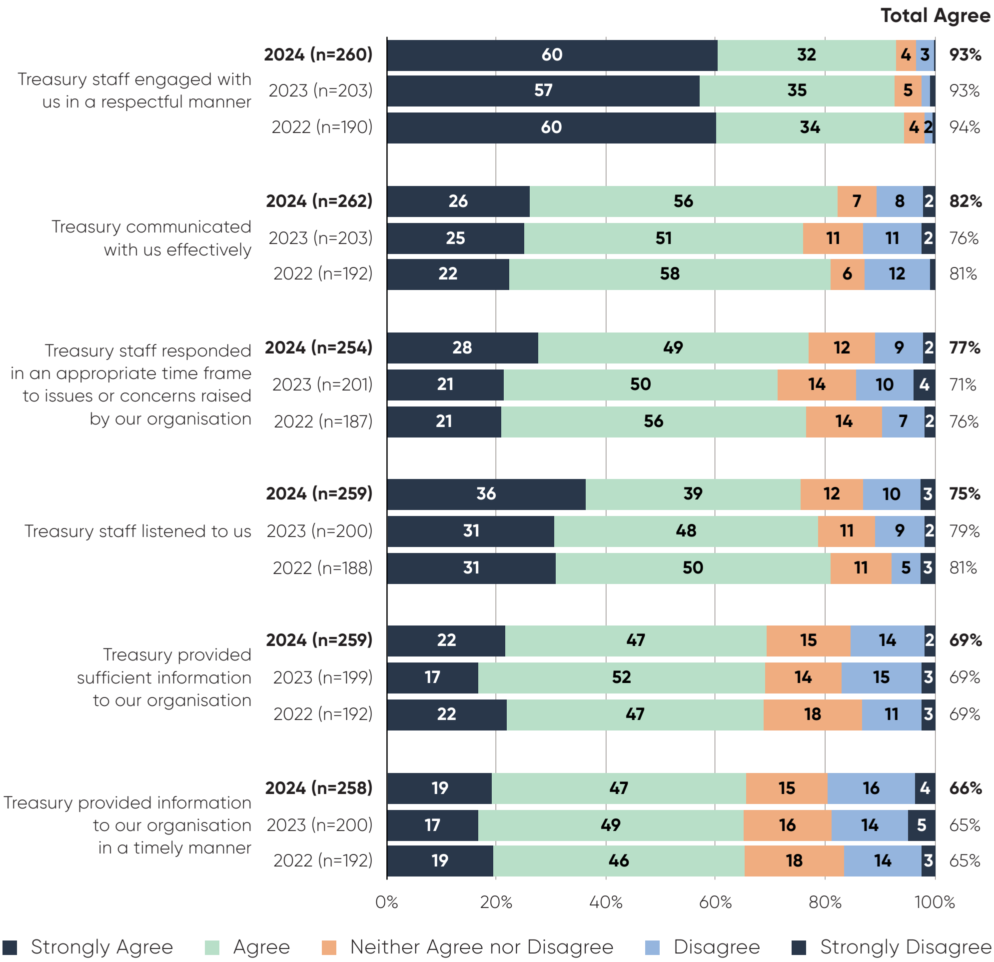


(Base: Treasury key stakeholders who responded to the survey, n=262)

Stakeholders were generally quite positive in relation to the effectiveness of their working relationship with Treasury. On average, around three-quarters (77 per cent) of stakeholders provided favourable ratings for aspects of Treasury's engagement with their organisation.

Stakeholders' perceptions of the effectiveness of their working relationships with Treasury were generally positive and broadly in line with 2022–23 for most aspects. As in previous years, stakeholders were most positive in relation to the respectful manner of Treasury staff (93 per cent agreed, no change from 2023). Compared to 2022–23, stakeholders were more likely to agree that Treasury communicated with them effectively (82 per cent, up from 76 per cent in 2023) and responded in an appropriate timeframe to issues or concerns (77 per cent, up from 71 per cent in 2023). Consistent with previous years, stakeholders provided the lowest ratings for the sufficiency (69 per cent, no change from 2023) and timeliness (66 per cent, in line with 65 per cent in 2023) of information provided to the organisation.

Figure 19: Effectiveness of working relationships with Treasury – comparison to 2022 and 2023



Stakeholders were invited to provide comments on the working relationship with Treasury. Stakeholders provided 126 general comments about Treasury's performance. Most comments related to Treasury's communication and collaboration with stakeholders. Stakeholder perceptions of engagement were mixed, and some comments noted that engagement and collaboration was not consistent across all areas of Treasury.

Performance measure 12

Proportion of payments to international financial institutions are transferred within legislated requirements and agreements.	
Methodology	Assessment of payments against the requirements of relevant legislation and agreements. The performance results will be calculated as a percentage of total payments that meet requirements and timeframes against total payments (all payments including those that do not meet requirements and timeframes) for the period.
Target	100%
Data sources	*International Monetary Agreements Act 1947* and *International Finance Corporation Act 1955*, *Asian Development Bank Act 1966*, *Asian Infrastructure Investment Bank Act 2015*, *European Bank for Reconstruction and Development Act 1990*, and payment records from the Reserve Bank of Australia, World Bank, International Finance Corporation, Asian Development Bank, International Monetary Fund or other multilateral development banks (where relevant).
Source	PBS Program 1.2 – International Financial Relations Corporate Plan 2023–24
Performance achieved 2023–24	**Achieved** Eleven payments (100%) are transferred within legislative requirements and agreements.[44] Achieved means 100% of payments are transferred within legislative requirements and agreements.[45]
Performance achieved over time	In 2022–23 Treasury reported a result of achieved with 15 payments (100%) administered within legislative requirements and agreements.[46] In 2021–22 Treasury reported a result of achieved with 21 payments (100%) administered to international financial institutions within agreed requirements and timeframes.

44 Payments to international financial institutions refers to a one-way transfer of funds from Australia to the relevant financial institution. It does not include two-way exchanges or one-way receipts of funds.

45 Achieved is assessed as 100% of payments are transferred within legislated requirements and agreements, substantially achieved is assessed as 95 to 99%, partially achieved is assessed as 90 to 94%, and not achieved is assessed as <90%.

46 Treasury removed the assessment of payments against timeframes in Corporate Plan 2022–23.

Analysis

The performance target has been achieved.

Treasury has achieved the target of transferring 100 per cent of payments to international financial institutions within legislated requirements and agreements. Treasury administered 11 payments to international financial institutions totalling A$1.868 billion.

These payments consisted of 6 payments to the International Monetary Fund totalling approximately A$1.514 billion, including an annual assessment charge, a Maintenance of Value payment, and Special Drawing Rights interest charges. Two payments were made to the World Bank totalling A$65.93 million[47] for the purchase of shares in International Bank for Reconstruction and Development and International Finance Corporation.

Treasury issued promissory notes to the multilateral development banks, with payments against those notes financed from Department of Foreign Affairs and Trade's official development assistance budget. Treasury administered 3 promissory notes over the reporting period, totalling A$288.42 million, to facilitate commitments to the International Development Association, the Asian Development Fund and the Global Environment Facility.

47 In 2023–24 Treasury identified one overpayment totalling USD$2,000 in 2020–21 from the Consolidated Revenue Fund where 2 additional shares were purchased under the Instrument of Subscription and in accordance with the International Finance Corporation (IFC) Resolution No. 272 (2018 General Capital Increase). A review found no evidence of systemic issues and Treasury has taken action to prevent reoccurrence of this error. Treasury recovered the USD$2,000 in 2023–24.

Performance measure 13

Proportion of payments to the states are delivered within requirements of the Intergovernmental Agreement on Federal Financial Relations and other relevant agreements between the Commonwealth and the states.	
Methodology	Assessment of payments against the requirements of the *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements between the Commonwealth and the states. The assessment will be calculated as a percentage of the number of payments that meet requirements against the total number of payments (all payments including those that do not meet requirements) for the period.
Target	100%
Data sources	The *Intergovernmental Agreement on Federal Financial Relations* and other relevant agreements, records of payment requests in the Federal Payments Management System, approvals, and payment advice.
Source	PBS Program 1.4 – Commonwealth-State Financial Relations Corporate Plan 2023–24
Performance achieved 2023–24	**Substantially achieved** 681 payments (99.6%) out of 684 payments were delivered within legislative requirements and agreements. Substantially achieved means 98 to 99.9% of payments are delivered within requirements and agreements.[48]
Performance achieved over time	In 2022–23 Treasury reported a result of substantially achieved with 636 (99.8%) out of 637 payments delivered within legislative requirements and agreements. In 2021–22 Treasury reported a result of substantially achieved with 639 (99.5%) payments administered within the requirements and 642 (100%) payments administered within the required timeframes.[49,50]

48 Achieved is assessed as 100% of payments are delivered within requirements, substantially achieved is assessed as 98 to 99.9%, partially achieved is assessed as 95 to 97.9%, and not achieved is assessed as <95%.

49 Achieved was assessed in 2021–22 and 2022–23 as 100% of payments are delivered within requirements, substantially achieved is assessed as 95 to 99%, partially achieved is assessed as 90 to 94%, and not achieved is assessed as <90%.

50 Treasury has removed the assessment of payments against timeframes in Corporate Plan 2022–23.

Analysis

The performance target has been substantially achieved.

In accordance with the *Intergovernmental Agreement on Federal Financial Relations*, Treasury made payments to the states totalling $172.1 billion in 2023–24. This included:

- twelve specific purpose payment rounds made on the seventh of each month (or the closest working day after)
- two extraordinary specific purpose payment rounds made on 22 April 2024 and 28 June 2024
- twelve general revenue assistance payment rounds made on the twenty-first of each month (or the closest working day after).

In total, these 26 payment rounds comprised 684 individual payments to the states. Each of the 684 individual payments were verified by Treasury officers prior to approval. Payment data sources have been reconciled to ensure what Commonwealth agencies requested to be paid to the states, what officers in the Treasury approved as payments to the states, and what was actually paid to the states align.

Treasury identified 3 instances of overpayment throughout the year due to errors by Commonwealth agencies and a state agency. These represented a small proportion (0.3 per cent) of the total number of payments made – $4.6 million out of a total of $14.8 billion in national partnership payments in 2023–24. One overpayment was recovered in 2023–24 with the remaining 2 payments to be recovered in 2024–25. Treasury has worked with the agencies to strengthen controls to minimise the chance of these errors reoccurring.