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In Brief

Draft Player Protection Standards for Internet Gaming and Wagering

In January 2001, the Tasmanian Gaming Commission circulated the second consultation draft of the player protection and harm minimisation standards. These standards are being prepared to complement existing measures that apply to interactive gaming and wagering conducted under Tasmanian Gaming Licences and other similar authorities. The draft standards were prepared following extensive consultation with stakeholders, including the Commonwealth, State Gaming Ministers and regulatory bodies, licensed providers, industry groups, welfare and support groups. The draft standards can be viewed on the Tasmanian Gaming Commission's Web site at www.gaming.tas.gov.au.

HEADLINE NEWS

Accrual Budget Process

Planning is underway for the implementation of Phase 2 of the Accrual Budget and Financial Management Project. *More on page 5*

Auditor-General's Special Report on Procurement

The Auditor-General's Special Report No. 34 details the findings of procurement compliance audits undertaken across government departments during the period May to October 2000. *More on page 6*

Budget Development Process

Indicative dates are provided for the remainder of the 2001-02 Budget process (26 February to 24 May 2001). *More on page 5*

Economic News

The number of people employed in Tasmania rose to a record high level in December 2000. *More on page 8*

Industrial Supplies Office

The Industrial Supplies Office (ISO) assists buyers identify local sources of goods and services. All inner-Budget agencies are required to contact the ISO for proposed purchases over \$50 000. *More on page 7*

Interactive Gambling (Moratorium) Act 2000

Commonwealth legislation has imposed a 12-month moratorium on the introduction of new interactive gambling services, effective from May 2000. *More on page 4*

Latest Developments in Electricity Reform

With the prospective development of the Tasmanian Natural Gas Project and the Basslink Project, Tasmania's energy sector is facing a significant period of change. *More on page 2*

Learning on-line: Interactive Web Broadcasts

November 2000 saw a first for Treasury, with the live screening of 'eMarketplaces - Trade in the 21st Century'. *More on page 6*

National Tax Equivalent Regime

From 1 July 2001, a single National Tax Equivalent Regime (NTER) for Government businesses is expected to replace state and territory income Tax Equivalent Regimes. *More on page 9*

New Land Tax Service for Legal Practitioners

An improved Internet-based land tax search service is now available for use by registered legal practitioners. The service provides an Estimate of (land tax) Liability at Settlement Date (EOLSD). *More on page 4*

Role of Finance Managers Forum Reviewed

Following a review in November 2000, the principal role of this Forum will be to facilitate successful implementation of the Financial Management Reform Strategy. *More on page 4*

Selling to Government

The design for an on-line 'Selling to Government' guidance system was completed in mid-December 2000. *More on page 6*

Shareholder Value Added Performance Framework

Treasury is implementing a performance reporting framework, called Shareholder Value Added, in order to improve the financial monitoring of Government businesses. *More on page 8*

Super Amendments passed by Parliament

State Parliament has recently approved legislation consolidating the public sector superannuation reforms introduced in 1999. *More on page 3*

Tasmanian Risk Management Fund

The Government has approved the merger of the operations of the Tasmanian State Service Workers' Compensation Scheme and the Tasmanian Risk Management Fund. *More on page 5*

Improving our Communication with Key Stakeholders

The Department of Treasury and Finance places great emphasis on the contribution that its clients can make to the development and implementation of Tasmania's economic and financial policies. Input from the key players involved in a particular policy area enables the Department to provide balanced and informed advice to the Government. One of our priorities is to foster and maintain good working relationships with our key clients.

In undertaking an annual client satisfaction survey, the Department is able to gain valuable feedback on how well we meet the communication needs of our clients. The August 2000 survey results indicate that overall the Department continues to maintain a high standard in the delivery of client service. Whilst almost 80 per cent of clients thought Treasury communicates effectively, some clients indicated that aspects of Treasury's communication could be improved.

The survey also provided us with important information regarding client expectations in relation to the quality of communication that Treasury provides. The survey indicated that a high standard is expected of Treasury and that regular face to face contact is the preferred method of communicating with clients. The manner, timeliness and frequency of communication were also identified as key issues.

Each Branch is currently identifying communication and consultation strategies to address particular needs that were identified in the survey. One major development has been the regular production of this newsletter. We are also undertaking a project that identifies the major information requests made by the Department during the year, with a view to reducing the number of requests sent out to the same people by different areas of Treasury. We hope that these and other strategies will lead to a more flexible and co-ordinated approach to the way Treasury communicates. Your continued feedback in relation to our communication will assist us in this process.

A summary of the outcomes of the client satisfaction survey has been distributed to all participants. It has also been published in our Annual Report 1999-2000, which is available on the Internet at www.treasury.tas.gov.au.

I hope that you find this issue of @treasury.tas informative. If you require further information in the matters raised in the articles, or wish to provide any comments, please contact the Editor.



Don Challen
SECRETARY

Latest Developments in Electricity Reform

With the prospective development of the Tasmania Natural Gas Project (TNGP) by Duke Energy International, and the Basslink Project by National Grid International Limited, Tasmania's energy sector is facing its most significant period of change since the initial development of the State's hydro system.

The Government's primary energy reform objective is to create an environment for economic growth and investment through the provision of secure, diverse, competitively-priced energy. The TNGP and Basslink will deliver these outcomes.

The Government has made an in-principle commitment to join the National Electricity Market (NEM) with the completion of Basslink, provided that suitable transition arrangements can be established to take the electricity supply industry from its current arrangements to those applying in the NEM.

The Government has recently finalised the suite of structural and regulatory arrangements that would accompany the State's entry to the NEM. These are detailed in an information paper, prepared by the Electricity Projects Team, entitled *Meeting Tasmania's Energy Needs for the 21st Century: A Competitive Future*.

The framework proposed is based upon Tasmania's entry to the NEM via a privately constructed and operated Basslink. Other key features of the Tasmanian NEM model include:

- Basslink operating as a Market Network Service Provider interconnecting the Victorian NEM region with a single Tasmanian NEM region;
- Hydro Tasmania retained as a single, State-owned hydro generation business;
- the creation of competition in the Tasmanian generation sector through the conversion of the Bell Bay Power Station to gas (from oil) and its separation from Hydro Tasmania to a new State-owned generation business, as well as through the import of electricity from interstate generators via Basslink;
- encouraging the development of competing wind power projects;
- the National Electricity Market Management Company (NEMMCO) determining dispatch and spot prices in the Tasmanian NEM region, based on bids from Hydro Tasmania, Basslink, other on-island generators, demand-side bids and interstate;
- NEMMCO assuming responsibility for market operation and system security in Tasmania on a nationally consistent basis under the National Electricity Code (NEC);
- Hydro Tasmania having an obligation to prudently manage its water storages;
- retail contestability being phased in over a four year period, commencing approximately six months after Tasmania joins the NEM;
- a vesting contract between Hydro Tasmania and Aurora Energy Pty Ltd to underpin energy sales for non-contestable customers during the roll-out of retail contestability;

- the ACCC to have responsibility for transmission pricing, initially under Tasmanian arrangements and then under the standard rules for the operation of the NEM contained in the NEC;
- the Tasmanian Electricity Regulator retaining responsibility for distribution network pricing on an ongoing basis and retail price regulation for non-contestable customers; and
- transitional amendments (ie derogations) from the NEC providing for technical, procedural and administrative issues in the transition to the full NEM arrangements.

The reform package has been developed to ensure that the Government's energy reform objectives can be achieved, and sustained in the long term, in a financially and economically viable manner.

Tasmania's entry to the NEM will require the authorisation of certain arrangements by the Australian Competition and Consumer Commission under the *Trade Practices Act 1974*. These arrangements include Tasmania's proposed derogations from the NEC, which will facilitate the integration of the Tasmanian system with that of the NEM, as well as the vesting contract between Hydro Tasmania and Aurora.

The Government, in conjunction with the State-owned electricity entities, lodged these applications, together with a package of supporting material, with the ACCC in November 2000. This material, including the Information Paper, is available on the ACCC's website at www.accc.gov.au.

The ACCC sought input from interested parties on the authorisation applications, with 12 January 2001 as the closing date for submissions. It is expected that a draft determination will be released in March 2001.

Contact: Richard Sulikowski, Director, Energy Markets Branch, on 03 6233 2600 or e-mail richard.sulikowski@treasury.tas.gov.au

@treasury.tas

Subscription Service

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To register, contact the Editor:

Heather Felton on 03 6233 2151 or e-mail heather.felton@treasury.tas.gov.au

Superannuation Update

Super Amendments Passed by Parliament

State Parliament has approved a Bill to amend 30 pieces of legislation in relation to public sector superannuation arrangements. The *Superannuation (Miscellaneous and Consequential Amendments) Act 2000* commenced on 13 December 2000, although a small number of amendments were made retrospective to 24 April 2000, the day before the Tasmanian Accumulation Scheme (TAS) commenced.

As the title of the Bill suggests, the amendments were either miscellaneous in nature or consequential to the package of public sector superannuation reforms introduced by the State Government in 1999. These reforms closed the RBF defined benefit scheme to newly appointed public servants and also closed the defined benefit schemes for judges, statutory legal officers and parliamentarians. The 1999 legislation established TAS, a fully funded accumulation scheme for public sector employees appointed after 15 May 1999 and for parliamentarians, judges and statutory legal officers first elected or appointed after 1 July 1999. The employer contribution rate for newly appointed public servants is set at the appropriate Superannuation Guarantee rate, currently eight per cent of salary, rising to nine per cent of salary as from 1 July 2002.

A brief overview of some of the amendments made is outlined below:

- an agency, Government Business Enterprise (GBE), State-owned Company (SOC) or other statutory authority is not required to accept a nomination of a complying superannuation scheme if that scheme does not accept payments by way of electronic funds transfer;
- the default employee contribution arrangements (five per cent of salary) are also to apply to those employees electing to contribute to a complying superannuation scheme other than TAS, although the employee may elect to make greater or lesser contributions, including nil contributions;
- the salary for employees opting for a complying superannuation scheme other than TAS is to be calculated as per the definition in the TAS Trust Deed;
- a person appointed to one of the many statutory positions outlined in the legislation (such as Health Complaints Commissioner, Commissioner for Children) is to join TAS unless:
 - (i) he or she opts to join another complying superannuation scheme; or
 - (ii) he or she is already a member of the RBF defined benefit scheme;
- a member of a Board of a GBE, SOC or any other statutory authority is not, and has never been, eligible to join the closed RBF defined benefit scheme by virtue of that person's Board appointment;
- agencies, GBEs, SOC's and other statutory authorities will be required to specify in their Annual Reports the number of employees in the various superannuation schemes as at 30 June of each year; and

- the CEO of the RBF Board is to be appointed by the Treasurer, rather than by the Board.

Information on the relevant changes has recently been forwarded to agency heads and the chief executive officers (or equivalent) of GBEs, SOCs and other statutory authorities. The legislation can be viewed on the Tasmanian legislation website, <www.thelaw.tas.gov.au>, or may be purchased from the Printing Authority of Tasmania.

Contact: Greg Philp on 03 6233 3055 or
e-mail greg.philp@treasury.tas.gov.au.

Financial Reporting

Role of the Finance Managers Forum Reviewed

The Finance Managers Forum was established in 1995 to enable senior finance managers from inner-Budget agencies and Treasury officers to meet informally to discuss financial management issues and to periodically review progress on the Government's Financial Management Reform Strategy (FMRS).

In November 2000, the members reviewed role and objectives of the Forum. Under proposed new Terms of Reference, the Forum's principal role will be to facilitate successful implementation of the Financial Management Reform Strategy across inner-Budget agencies. The name of the Forum will be changed to the Financial Management Forum and will continue as an information exchange on public sector finance issues. Working parties, reporting to the Forum, will undertake projects as required.

The Forum will meet at least three times a year and be hosted and chaired by Treasury. Forum members will be the finance and budget managers of all inner-Budget agencies and senior officers of Treasury. Other agency staff will be encouraged to attend on matters of particular interest.

Contact: Doug Clow on 03 6233 3696 or
e-mail doug.clow@treasury.tas.gov.au.

Gaming Operations

Interactive Gambling (Moratorium) Act 2000

The *Interactive Gambling (Moratorium) Act 2000*, which came into effect on 22 December 2000, imposes a 12-month moratorium on the introduction of new interactive gambling services from 19 May 2000 until 18 May 2001.

During that period, it will be an offence to provide a new commercial interactive gambling service in Australia. However, interactive wagering and sports betting services that are merely an extension of current offline betting services are exempt from the requirements of the Act.

This means that services relating to betting on a horse race, harness race, greyhound race, sporting event and betting

on any other event, series of events, or contingencies, will not be affected by the moratorium.

Several licensed providers and applicants who intend to provide interactive wagering and sports betting are therefore expected to proceed with their services.

The Commonwealth is considering the feasibility of banning the provision of interactive gaming services on the termination of the moratorium.

To access the legislation go to the Commonwealth Government's Website 'Window on the Law' at www.law.gov.au/wotl.html → Search Australian Laws → Quick Search, and then enter the name of the Act in the dialogue box (making sure you leave out the brackets around moratorium).

Contact: Nick Beattie on ph 03 6233 3129 or
e-mail nick.beattie@treasury.tas.gov.au

State Taxation Update

New Land Tax Service for Legal Practitioners

The Revenue, Gaming and Licensing Division now offers legal practitioners an improved land tax search service through the World Wide Web. This improved service is further evidence of Treasury's commitment to delivering services electronically.

The service was implemented to coincide with the introduction of the *Land Tax Act 2000* on 1 January 2001 and is available through the Department of Primary Industry, Water and Environment's (DPIWE) Land Information System Tasmania (the LIST).

The land tax search service provides an Estimate of (land tax) Liability at Settlement Date (EOLSD) for a property. This is great news for legal practitioners in general, and regional practitioners in particular, as they can now conduct searches from their desk, which will save time and improve efficiency.

In addition, practitioners can request searches outside normal business hours and receive the EOLSD by return e-mail or facsimile. During business hours, vendor clients can be advised almost immediately of their land tax debt which has to be settled prior to finalising the sale of a property.

To use this service, legal practitioners must be registered LIST subscribers. A \$10 search fee applies to each EOLSD and this is billed to subscribers through the LIST. To become a registered subscriber, contact Stephen Crane at DPIWE on 03 6233 3710.

If you require further information in relation to Land Tax, please contact the Revenue, Gaming and Licensing Division of Treasury on 03 6233 6642.

Risk Management Update

Tasmanian Risk Management Fund Progress Report

The Government recently approved the next stage in the phased implementation of the Tasmanian Risk Management Fund for 2001-02.

In 2000-01, the Fund provided cover on a whole of Government basis for all risk, except property and business interruption and medical malpractice liability. The Fund placed the entire risk with the private sector, through the purchase of insurance cover. During the period August to October 2000, additional investigations of agency operations were conducted with a view to refining the 1999 estimates of the costs of risk to which agencies are exposed.

As a result of these investigations, the Government approved the Fund commencing full operation from 1 July 2001. While the Fund will self insure against the cost of some risks, in certain cases, cover can be purchased from the private sector for less than the estimated cost of self-insuring. Consequently, where the cost of private cover is less than the cost of self-insurance, cover will continue to be purchased from private sector insurers.

The Government also approved the merger of the operations of the Tasmanian State Service Workers' Compensation Scheme and the Tasmanian Risk Management Fund from 1 July 2001. It is considered that a combined operation will be easier to administer, will provide the advantage of a larger pool of funds, and will see all risks to which the State Service is exposed managed under one arrangement.

The merged arrangement will be overseen by a new Steering Committee, with sub-committees to be formed to manage the major types of risk to which agencies are exposed, such as workers' compensation, medical malpractice and property. The current Steering Committees overseeing the operation of the Scheme and the Fund will continue to operate until 30 June 2001, at which time they will be disbanded. The Scheme and the Fund will also continue to operate under their respective current arrangements until 30 June 2001, at which time they will be merged.

The new Steering Committee to oversee the merged arrangements has already been established and is overseeing a tender to appoint a single Fund Administration Agent, responsible for claims administration for all risks under the merged arrangement. Tenders were called in February 2001 and the new Fund Administration Agent will commence from 1 July 2001.

The next steps in the implementation of the merged arrangements will be outlined in future editions of @treasury.tas.

Contact: Tom Saltmarsh on 03 6233 3763 or
e-mail tom.saltmarsh@treasury.tas.gov.au

Budget Issues

Budget Development Process

The 2001-02 Budget process is now well underway with agency Pre-Budget Reports to Budget Committee close to completion. Outlined below are indicative dates for the remainder of the Budget process.

Date	Event
26 February	Budget Committee meeting
6, 7, 8, 16 March	Budget Committee meetings with Ministers
15 March	Agency Accrual Budget information due
23 March	Request for indicative agency end of year information
26 March	Budget Committee meeting
6 April	Request for agency Budget Paper information
9 April	Budget Cabinet
26 April	End of Year information due
1 May	Budget Committee
4 May	Agency Budget Paper information due
24 May	Budget Day

More detailed information on the Budget timetable and agency information requirements will be provided to agencies during the course of the current Budget process.

Contact: David Bailey on 03 6233 6732 or
e-mail david.bailey@treasury.tas.gov.au.

Accrual Budget Process

Agencies have been provided with detailed guidelines and an electronic workbook to enable the preparation and entering of accrual budget information for consolidation in the 2001-02 Budget Papers.

Following the receipt of the completed workbook by 15 March 2001, Treasury will prepare the consolidated accrual budget for the General Government Sector, to be published in *Budget Paper No 1 Budget Overview 2001-02*, for the first time.

The Accrual Budget and Financial Management Project Team is currently in the process of planning the implementation of Phase 2 of the Project which will encompass a number of reviews into Budget management and monitoring processes, accrual appropriation mechanisms and Budget presentation.

Contact: Jeff Reeve on 03 6233 3857 or
e-mail jeff.reeve@treasury.tas.gov.au

Parliament resumes on 13 March 2001

Legislation to go forward in the Autumn Session:

- The Stamp Duties Rewrite Package; and
- Amendments to the *Gaming Control Act 1993*.

Government Procurement Update

Learning on-line: Interactive Web Broadcasts

November 2000 saw a first for Treasury: the live screening in Hobart of 'eMarketplaces - Trade in the 21st Century', a forum conducted in Sydney. The interactive Web broadcast was simultaneous and interactive, and enabled Procurement and Property Branch staff and interested staff from other agencies to participate in the event from a Treasury conference room. Staff members were able to raise questions on-line, as well as choose relevant sessions.

Such broadcasts are easy to set up, requiring only a data projector and a laptop computer. The computer requires a network card and connection, and an IP address with Internet clearance. It is then simply a matter of signing on as a user.

There are numerous advantages that can be gained from interactive web broadcasts, including:

- participation from a range of interested parties;
- elimination of accommodation and travel costs;
- stimulation of discussion between staff;
- choice of topics (participants are not locked into attending for an entire day); and
- minimal disruption to day-to-day duties, with participants able to return to their desk between sessions of interest.

Contact: Kim Hudson on 03 6233 3684 or
e-mail kim.hudson@treasury.tas.gov.au

Selling to Government

What do Tasmanian businesses need to know in order to do business with the Government?

As a result of extensive consultation with Tasmanian businesses, industry organisations and government agencies, it has been found that businesses need to know:

- how Government buys;
- how to market their goods and services, and to whom;
- how to find out about business opportunities;
- how to bid for business; and

what to do next – ie. all about contracts if they've been successful, or how to be more competitive in the future, if they've been unsuccessful.

An on-line 'Selling to Government' guidance system was completed in mid-December 2000. The 'need-to-know' information identified above has been incorporated into the design, with the emphasis being on providing Tasmanian businesses with the information that they want quickly, and in an easy-to-use format.

Steps are now being taken to commence the next phase of the project – constructing and launching the 'Selling to Government'

guidance system. Tasmanian businesses will continue to be consulted during the construction phase to ensure that the guidance system remains focused on their needs.

Contact: Penny Macintyre on 03 6233 3677 or
e-mail penny.macintyre@treasury.tas.gov.au

Auditor-General's Special Report on Procurement in Tasmanian Government Departments

The Auditor-General tabled Special Report No. 34 - Procurement in Tasmanian Government Departments in November 2000. The report detailed the findings of procurement compliance audits undertaken by the Tasmanian Audit Office across government departments during the period May to October 2000.

Overall the Auditor-General concluded that:

... for the most part departments have demonstrated a satisfactory level of compliance with the requirements of the Handbook [for Government Procurement] although distinct areas of improvement have been recommended.

The Auditor-General identified a number of whole-of-government and agency specific issues that need to be addressed. These include:

- misinterpretation of the *Australia and New Zealand Government Procurement Agreement*;
- ambiguity of some of the terms and references in the *Handbook for Government Procurement*;
- departments undertaking selective tenders or direct commissions without obtaining exemption;
- a lack of awareness of the requirement to contact the Industrial Supplies Office;
- the impact of earlier purchasing decisions on later upgrades/expansions and the impact of contract extensions on open and effective competition; and
- the lack of formal procurement training for staff involved in purchases with a value greater than \$10 000.

Treasury is assessing the development of an on-line procurement guidance system with a view to addressing some of the whole-of-government issues raised in the Auditor-General's report. In addition, Treasury is developing a quick reference guide on purchasing goods and services for use by government buyers.

Treasury will amend the *Handbook for Government Procurement* to remove the ambiguities identified by the Auditor-General. Treasury will continue to identify suitable training options for government buyers in order to ensure that all the issues raised in the report will be addressed.

Individual agencies should already be identifying ways to address those recommendations that relate to their own procurement practices and procedures.

Contact: Kim Hudson on (03) 6233 3684 or
e-mail kim.hudson@treasury.tas.gov.au

Industrial Supplies Office

In his recent report on *Procurement in Tasmanian Government Departments*, the Auditor-General noted the failure of many agency staff undertaking major procurement projects to contact the Industrial Supplies Office.

The Industrial Supplies Office (ISO) is part of a national network that provides advice to Government and the private sector on local industry capability. The primary role of ISO is to assist buyers, both government and non-government, to identify local sources of goods and services that would otherwise be imported. The information available from ISO relates not only to manufacturing capability, but also to a wide range of services, components and products.

The free and confidential services offered by the ISO include:

- searching for competitive local producers;
- evaluating capability to meet production requirements;
- working with organisations to enhance their receptivity to local producers;
- providing information on procurement opportunities while maintaining confidentiality;
- assisting suppliers to interpret the quality and technical requirements in the acquisition process;
- encouraging the use of licensing agreements for technology not locally available; and
- advising on opportunities for new or increased production.

The *Handbook for Government Procurement* requires all inner-Budget agencies to contact the ISO for all proposed purchases over \$50 000 in order to identify local capability. However, agencies should also undertake their own investigations to locate suppliers – particularly where the supplies are specialist in nature (eg hospital equipment).

Agencies are also encouraged to contact the ISO for proposed purchases over \$10 000, and to promote the services of the ISO to tenderers to assist them in identifying local sources of goods and services.

For further information on the services provided by the ISO, contact:

Chris Gibson, Executive Director
Industrial Supplies Office Tasmania
Tasmanian Technopark, Dowsings Point
GLENORCHY TAS 7010

Ph: (03) 6233 5551
Fax: (03) 6272 7845

E-mail: cgibson@dsd.tas.gov.au
Web: www.dsd.tas.gov.au

Contact: Kim Hudson on 03 6233 3684 or
e-mail kim.hudson@treasury.tas.gov.au

Procurement and Contracting Resources on Treasury's Website

Government agencies spend considerable sums of money on purchasing goods, delivering services and building facilities. While many agency staff are involved in procurement activities on a day-to-day basis, others only become involved on an ad hoc basis and may be unfamiliar with the policies and procedures that they are required to follow. Treasury provides a range of resources for agency staff involved in procurement in Government. These resources can be accessed from the section, "Procurement and Contracting", on the Treasury Web site, www.treasury.tas.gov.au.

Handbook for Government Procurement

The *Handbook for Government Procurement* is a must for anyone involved in the purchase of goods and services. The Handbook establishes the principles on which Government procurement is based, and on which all procurement of goods and services (excluding building and construction) must be conducted. It provides information about when to obtain quotes and go to tender, factors that should be considered in the selection of goods and services, protocols for the use and engagement of consultants and contractors, and pro forma tender and contract documentation.

Probity Guidelines for Tendering and Contracting

The *Probity Guidelines for Tendering and Contracting* provides guiding principles and insight into the elements of procedural integrity for tendering and contracting processes. It aims to assist senior and middle managers ensure that work ethics and practices appropriate to the public sector are maintained. Integral to this document is the *Evaluation Process and Probity Guidelines* template, which provides the basis for the conduct of a major tender process. The template sets out the responsibilities of those involved in a tender, the tender process itself, guidance for dealing with proponents and interested parties, the evaluation process, the debriefing of proponents and confidentiality. It also provides templates for Steering Committee Terms of Reference, a suggested format for a Confidentiality Agreement and a sample 'Conflict of Interest Declaration form'.

Probity Adviser Panel Directory

The *Probity Adviser Panel Directory* is a list of pre-qualified probity advisers who have been selected by an Inter-Agency Evaluation Group to assist with more complex tenders. The Probity Adviser Panel makes it easier for agencies to select and appoint a probity adviser and provides guidance as to the criteria that should be considered when choosing an adviser.

Building and Construction Procurement

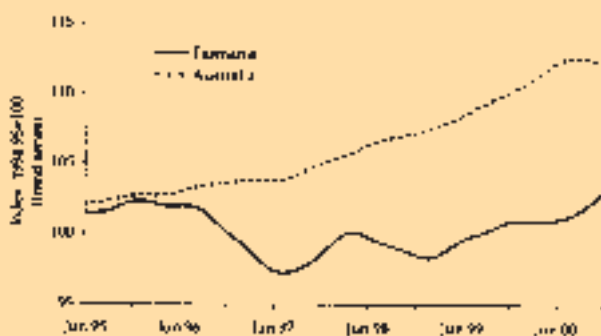
The Treasury Web site also includes a range of documents for use by agencies in building and construction procurement. The *Procurement Practices Manual* is a suite of resources covering the project initiation stage, the engagement of building consultants, referrals to the Parliamentary Standing Committee for Public Works and contract documentation, delegation and risk. The *Public Works Tender Board Guidelines* includes information on building construction procurement policy, obligations of agencies and best practice strategies that apply to public works tendering undertaken by inner-Budget agencies.

Economic News of Interest

Labour Market

The most recent labour force figures for Tasmania show a further improvement in the State's labour market. The level of employment in December 2000 increased by 900 persons to 202 400 persons in trend terms, the highest level on record. The previous employment record was 201 400 persons, recorded in January 1996. In trend terms, 9 000 jobs have been created since February 1999, a rise of 4.7 per cent, including 3 900 jobs in the past year (December 1999 to December 2000).

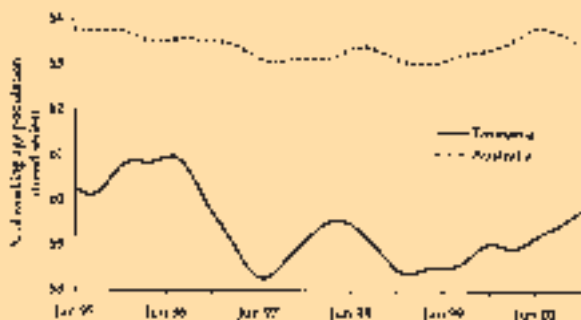
Employment



Source: ABS Cat. No. 6271.0

The labour force participation rate for Tasmania rose to 59.8 per cent (in trend terms) in December 2000. The current level is the highest for the series since November 1996, a sign of increased confidence in the Tasmanian economy. Despite the increase in the supply of labour, the State's unemployment rate has fallen in recent months, to be currently at a 10-year low of 8.9 per cent.

Participation Rate

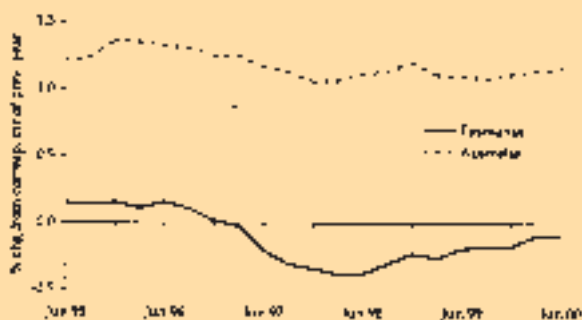


Source: ABS Cat. No. 6271.0

Population Growth

Tasmania's population was estimated at 470 376 persons in the June quarter 2000, a decline of 251 persons relative to the previous quarter. The annual population decline of 0.09 per cent through the year to June 2000 was the smallest decline since the March quarter 1997. The population decline has been primarily caused by a high level of out-migration from Tasmania to mainland Australia. Over the past year, however, the level of net interstate out-migration eased to 2 972 persons, from 3 669 persons in the previous year, its lowest level in four years.

Population Growth

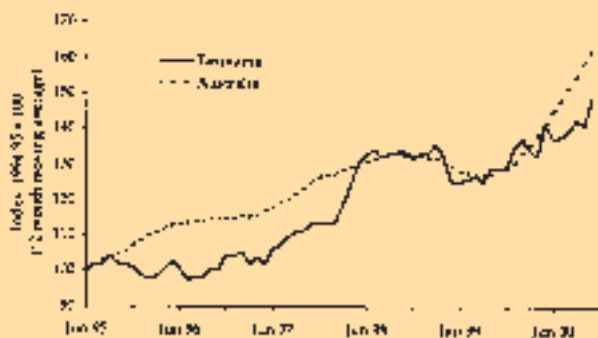


Source: ABS Cat. No. 3101.0

Overseas Merchandise Exports

Tasmanian overseas exports increased by 15.3 per cent to a record high level of \$2.40 billion (in nominal terms) in the year to November 2000. By destination, there has been strong growth in exports to ASEAN, New Zealand, South Korea, Hong Kong and Taiwan.

Overseas Merchandise Exports



Source: ABS Cat. No. 5432.0.65.001

Contact: Debbie Field on 03 6233 6601 or e-mail debbie.field@treasury.tas.gov.au

Government Businesses Update

Shareholder Value Added Performance Framework

In order to improve the financial monitoring of Government businesses, Treasury is implementing a performance reporting framework called Shareholder Value Added (SVA) into all Government businesses in two stages: tranche 1 is currently being implemented, and tranche 2 will commence from July 2001.

SVA represents the economic profits generated by a business above and beyond the minimum return required by providers of debt and equity capital. Value is improved when the economic profits of the business, net of a charge for the capital invested in the business, increase from one reporting period to the next.

SVA was tested with a Pilot Group of Government businesses. The Pilot Study found that SVA was a potentially valuable financial performance measure and that the

introduction of SVA reporting would complement existing performance measurement regimes and provide a focus on improving shareholder value that would result in improved business performance. The Pilot Study process was completed in August 2000.

The Treasurer and the Portfolio Ministers have approved the implementation of SVA within selected Government businesses during 2000-01, and all remaining Government businesses in 2001-02.

Contact: Nic Waldron on 03 6233 6082 or
e-mail nic.waldron@treasury.tas.gov.au

National Tax Equivalent Regime

The Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA) provides that reciprocal taxation will be progressed on a revenue neutral basis. This is to be achieved through the negotiation of reciprocal taxation agreements, with one aspect being a National Tax Equivalent Regime (NTER). Heads of Treasuries (HoTs), at its meeting on 1 December 2000, endorsed the replacement of the state and territory income Tax Equivalent Regimes (TER) with a single National Tax Equivalent Regime (NTER) for state and territory government businesses.

An income TER is very similar to the framework provided by the *Income Tax Assessment Act 1936* (ITAA). State and territory government businesses are not subject to the ITAA for Constitutional reasons but, for competitive neutrality reasons, pay income tax equivalents under state and territory TERs. The NTER is intended to provide a uniform national income tax framework that will apply to all state and territory government businesses.

The NTER Working Party, comprising representatives of the Commonwealth and all states and territories, is preparing a draft Memorandum of Understanding between the states and territories and the Commonwealth Commissioner of Taxation, as the intended administrator of the NTER. The Working Party is also preparing a draft manual setting out detailed NTER guidelines.

The National Tax Equivalent Regime arrangement requires the approval of the Ministerial Council. The Ministerial Council comprises state and territory Treasurers, with the Commonwealth Treasurer acting as chair. The Council will meet in March 2001 to consider approval of the final components of the NTER, to allow sufficient time for states and territories to implement the new regime from 1 July 2001.

Contact: Angelo Pavlides on 03 6233 2342 or
e-mail angelo.pavlides@treasury.tas.gov.au

Treasury's new e-mail and Internet addresses

New naming standards have been adopted by Treasury for e-mail and Web addresses. The new standards are:

preferredname.surname@treasury.tas.gov.au

www.treasury.tas.gov.au

New on the Web

Audit Report - Government Procurement

www.audit.tas.gov.au

The Auditor-General's *Special Report No. 34 - Procurement in Tasmanian Government Departments*, which was tabled on 16 November 2000, can be accessed at <http://www.audit.tas.gov.au/reports/index.html>.

Electricity Reform www.accc.gov.au

Applications for the authorisation of arrangements for entry into the National Electricity Market (NEM) were lodged with the ACCC in November 2000, along with a package of supporting material. The package includes a paper entitled *Meeting Tasmania's Energy Needs for the 21st Century: A Competitive Future*. These documents are available on the ACCC's Website at www.accc.gov.au. To access the documents, go to Electricity → What's New → November 2000.

Industrial Supplies Office www.dsd.tas.gov.au

Inner-Budget agencies are required to contact the Industrial Supplies Office (ISO) for all proposed purchases over \$50 000 in order to identify local capability. Agencies are also encouraged to promote the Services of ISO to tenderers to assist them in identifying local sources of goods and services.

Interactive Gambling Moratorium

www.law.gov.au/wotl.html

Commonwealth legislation imposing a 12 month moratorium on the introduction of new interactive gambling services can be accessed on the Commonwealth's Website 'Window on the Law': www.law.gov.au/wotl.html.

Loan Council Outcomes Report 1999-00

www.treasury.tas.gov.au

This Report is based on actual end of year results and was Gazetted on 6 December 2000. It presents the 1999-00 outcomes for the Tasmanian public sector for Government Financial Statistics and Financial Assets and Liabilities. The Report accords with the revised uniform presentation framework agreed by the Australian Loan Council in March 1997. To access the Report from Treasury's Website go to the 'Financial Management & Reform' section.

Quarterly Statement of the Consolidated Fund

www.treasury.tas.gov.au

The Statement of the Consolidated Fund for the Quarter ended 31 December 2000 is now available on Treasury's Website. The Statement provides details of receipts and expenditure to the Consolidated Fund for the six months ended 31 December 2000. It also includes a summary of expenditure on an Output Group basis for each Department.

Superannuation Legislation www.thelaw.tas.gov.au

The *Superannuation (Miscellaneous and Consequential Amendments) Act 2000* commenced on 13 December 2000. The legislation can be viewed on the Tasmanian legislation Website, www.thelaw.tas.gov.au, or may be purchased from the Printing Authority of Tasmania.

Publications Update

A guide to accessing selected documents on Treasury's Website

<www.treasury.tas.gov.au>

Go to 'State Taxation' to access:

- Stamp Duty calculator.
- Land Tax calculator.
- Information about the First Home Owners Grant (FHOG)
- Bill Payments – Information Page

Go to Procurement & Contracting to access:

- Handbook for Government Procurement
- Probity Guidelines for Tendering and Contracting
- Probity Adviser Panel Directory
- Procurement Practices Manual
- Public Works Tender Board Guidelines
- Guiding Principles for Private Sector Participation in Public Infrastructure Provision
- Private Sector Participation in Public Infrastructure Provision – Policy Statement

Go to 'Accrual Budget Implementation' to access:

- Accrual & Financial Management Email Bulletin No 5
- The Accrual Budget Preparation Guidelines

Go to 'Tasmanian Gaming Commission' to access:

- National Standards for Gaming Machines
- Tasmanian Gaming Commission Player Protection Standards (Draft version 2.1)

Go to 'Budget' to access:

- Budget Documents 2000-2001
- The Competition Index, May 2000

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