



### Contents

<b>New on the Web</b>	<b>1</b>
<b>Features</b>	
<b>Mid-Year Financial Report as at 31 December 2004</b>	<b>2</b>
<b>National Competition Policy Payments</b>	<b>2</b>
<b>National Energy Market Update</b>	<b>3</b>
<b>Public Interest Disclosures Act</b>	<b>5</b>
<b>Retirement Benefits Fund Regulations Rewrite</b>	<b>3</b>
<b>Special Interest Updates</b>	
<b>Budget 2005-06</b>	<b>2</b>
<b>Economic News</b>	<b>5</b>
<b>Financial Management Improvement</b>	<b>3</b>
<b>Financial Reporting</b>	<b>4</b>
<b>Government Procurement</b>	<b>7</b>
<b>Liquor and Gaming</b>	<b>4</b>
<b>State Taxation</b>	<b>8</b>
<b>Treasury Contacts</b>	<b>8</b>

### New on the Web

[www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)

- The March 2005 issue of *riskmatters*, the Tasmanian Risk Management Fund newsletter, is now available.
- Revised Treasurer's Instructions are available on the Treasury Web site. Visit *Budget & Financial >Guidelines >Treasurer's Instructions*

## HEADLINE NEWS

### 2005-06 Budget Development Process

The first State Budget developed under the new 'two stage' budget development process will be delivered 19 May 2005. **More on page 2**

### Accounting Standards Update

An Accounting Standards Update Seminar for agencies was held on 18 February 2005. **More on page 4**

### Audit Success and Data Matching Payroll Tax

The Audit and Advice team has been successfully working on a project to increase the compliance of employers for payroll tax purposes. **More on page 8**

### Contract News

After positive feedback from inner budget agencies and TAFE, Treasury has exercised its options to extend two contracts. **More on page 7**

### Fleet News

Treasury has engaged a consultant to undertake an audit of Fleet Australia. **More on page 7**

### International Financial Reporting Standards Update

The implementation of Australian Equivalents to International Financial Reporting Standards is progressing. **More on page 4**

### Mid-Year Financial Report as at 31 December 2004

The Mid-Year Financial Report as at 31 December 2004 was gazetted on 15 February 2005. **More on page 2**

### National Competition Policy Payments

Tasmania will receive its full share of the 2003-04 National Competition Policy payments estimated at \$18.9 million. **More on page 2**

### National Electricity Market

Tasmania continues to implement the necessary legislative, regulatory, market structure and technical arrangements required for entry to the National Electricity Market. **More on page 3**

### Procurement Training

Procurement training for government buyers continues with courses on offer in 2005. **More on page 7**

### Responsible Serving of Alcohol at the Falls Festival

Through the adoption of Responsible Service of Alcohol principles, Falls Festival organisers minimised the incidence of alcohol related harm. **More on page 4**

### Retirement Benefits Fund Regulations Rewrite

A new set of regulations has been prepared for the Retirement Benefits Fund Contributory Scheme. **More on page 3**

### Review of Public Works Tender Board Policies and Guidelines

Treasury has released an Issues Paper titled *Review of Building and Construction Policy*, that proposes a new framework to progress the review. **More on page 7**

### Strategic Asset Management Framework Review

A review of the Strategic Asset Management Framework has been undertaken. **More on page 3**

### Tackling Inner City Late Night Noise and Disturbance

Officers of the Liquor and Gaming Branch are working closely with Police, Hobart City Council and resident groups to reduce late night noise and disturbances. **More on page 4**

### Tasmanian Economy Update

Economic developments over the past year, indicate that the economy has continued to grow. **More on page 5**

### Tasmanian Gaming Commission Profile of the Chairman

The current Chairman of the Tasmanian Gaming Commission, Mr Clyde Eastaugh, was a foundation member of the Commission. **More on page 5**

### Tax Update

The Department has been participating in the Goods and Services Tax and Fringe Benefits Tax State Taxation Industry Partnership. **More on page 8**

## **Tasmania to Receive National Competition Policy Payments**

Tasmania will receive its full share of the 2003-04 National Competition Policy (NCP) payments estimated at \$18.9 million and the suspended payment of \$0.9 million, applied last year, will be reimbursed.

The Commonwealth Treasurer, the Hon Peter Costello MHR, announced the payment in December 2004.

Each year, the National Competition Council assesses governments' progress in implementing NCP and related reforms. The National Competition Council's 2004 assessment recognised Tasmania's significant achievements in completing the important remaining legislative reforms and meeting all its other NCP obligations.

Tasmania is one of only two states that has received all of its competition payments to date, due to the significant progress made in achieving legislative, energy, transport and water reforms.

The current NCP arrangements have assisted the State in meeting its objectives of attracting investment, generating employment and achieving higher levels of economic growth. In particular, the removal of restrictions on competition where they are not in the public benefit has increased economic welfare and contributed to the attractiveness of the State as a location in which to invest.

Over the past two years, Tasmania has achieved a number of major milestones including the reform of the taxi industry and liquor licensing laws. This follows significant reforms in earlier years including deregulation of shop trading hours and legislation to bring Tasmania into the National Electricity Market.

The Department of Treasury and Finance and other agencies are working hard to ensure that by 2005 all the remaining legislated reforms required under NCP are completed.

During the recent Federal election campaign the Prime Minister stated that the Commonwealth Government's appropriation for competition payments for 2006-07 and 2007-08 (totalling \$1.6 billion) would be redirected into water projects, as a part of the National Water Initiative.

Contact: *Emma Mayne on (03) 6233 5037 or email [emma.mayne@treasury.tas.gov.au](mailto:emma.mayne@treasury.tas.gov.au)*

## **Mid-Year Financial Report**

The *Mid-Year Financial Report as at 31 December 2004*, gazetted on 15 February 2005, is the second Mid-Year Financial Report prepared under the accrual based reporting framework.

The Report presents the original General Government estimates disclosed in the 2004-05 Budget Papers, revised General Government estimates for the current financial year and results for the six months ended 31 December 2004. Revised Forward Estimates for the General Government Sector are also included, as are original and revised estimates for the Public Non-Financial Corporations Sector and the Total Non-Financial Public Sector.

The 2004-05 General Government Fiscal Surplus is estimated to be \$63 million, an increase of \$48 million from the original Budget estimate of \$15 million. The movement in the revised 2004-05 Fiscal Surplus comprises a favourable revenue movement of \$189 million, an unfavourable movement in expenses of \$29 million and an unfavourable variation of \$112 million in estimated net acquisition of non-financial assets.

Estimated General Government Net Debt at 30 June 2005 has been revised to \$77 million, or \$153 million less than the original Budget estimate of \$230 million.

The Cash Surplus is estimated to be \$147 million, \$51 million greater than the original 2004-05 Budget estimate of \$96 million.

Further details, and a copy of the Mid-Year Financial Report, are available at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)

Contact: *Helen He on (03) 6233 2430 or email [helen.he@treasury.tas.gov.au](mailto:helen.he@treasury.tas.gov.au)*

## **Budget 2005-06**

### **Development Process**

On 19 May 2005, the Treasurer, Hon Paul Lennon MHA, will deliver his second State Budget. Although not the Treasurer's first Budget, it will be the first State Budget developed under the new 'two stage' Budget development process.

The 'two stage' Budget development process is a Budget development model that has been adopted in most other Australian jurisdictions. The model allows the Government's strategic direction to be more fully incorporated into the Budget development process, and provides agencies with the opportunity to submit Budget bids that will deliver outcomes that are consistent with the Government's strategic direction.

The first stage of the 2005-06 Budget development process commenced in November 2004 when Cabinet developed the Government's strategic direction for the coming Budget. The Treasurer met with all Heads of Agency to discuss the strategic direction and how agencies could assist the Government in achieving its aims. In response, agencies submitted a list of Budget initiatives to Cabinet for its consideration. Those initiatives considered to be consistent with the Government's strategic direction proceeded through to stage two of the Budget development process.

Stage two of the Budget process required agencies to provide further information to the Cabinet Budget Sub-committee in regard to the proposed initiatives. These initiatives were further discussed in a series of meetings during February and March 2005 between the Budget Sub-committee and Portfolio Ministers. The final outcome of these meetings and the 'two stage' Budget development process will be reflected in the 2005-06 Budget.

To ensure the Budget development process continues to evolve and meet the needs of Government, Treasury will undertake a comprehensive review of the 'two stage' process following the tabling of the Budget in May 2005. At this time, stakeholders will be invited to provide suggestions in regard to the 'two stage' Budget development process.

Contact: *Michael Reynolds on (03) 6233 2234 or email [michael.reynolds@treasury.tas.gov.au](mailto:michael.reynolds@treasury.tas.gov.au)*

## **Retirement Benefits Fund Regulations Rewrite**

The *Retirement Benefits Regulations 1994* (1994 Regulations) govern the operation of the Retirement Benefits Fund (RBF) Defined Benefit (Contributory) Scheme. This Scheme applies to public sector employees who joined the State Service on or before 14 May 1999 at which time the Contributory Scheme was closed to new entrants.

In accordance with the *Subordinate Legislation Act 1992*, the 1994 Regulations have been rewritten as the *Retirement Benefits Regulations 2005* (2005 Regulations) and have been tabled in Parliament for consideration in the Autumn 2005 Parliamentary Session.

Whilst the bulk of the changes being made are simply procedural or drafting amendments, there are a number of minor changes to better reflect the original policy intent of the regulations.

A significant change, however, is the introduction of salary sacrifice for RBF Contributory Scheme members in accordance with the *Public Sector Unions Wages Agreement (No 2) 2004*. This change, subject to the 2005 Regulations being approved by Parliament, will allow Contributory Scheme members, for the first time, to have the option of making their compulsory superannuation contributions by way of salary sacrifice. At present, all such contributions are required to be made from the members' after-tax salary.

Further information in relation to the availability of salary sacrifice for Contributory Scheme members will be provided closer to the commencement date of the 2005 Regulations.

Contact: *Duncan Macgill* on (03) 6233 3754 or email [duncan.macgill@treasury.tas.gov.au](mailto:duncan.macgill@treasury.tas.gov.au)

## **Tasmania Poised to Enter the NEM**

Tasmania is continuing to implement the necessary legislative, regulatory, market structure and technical arrangements required for entry to the National Electricity Market (NEM) on 29 May 2005. While the NEM regulatory arrangements commence on this date, physical flows of energy between Tasmania and Victoria will not commence until the commissioning of the Basslink interconnector on 29 November 2005.

Recent developments have included:

- the passage of legislation in October 2004 to establish Bell Bay Power Pty Ltd as a State-owned generation company separate from Hydro Tasmania at the commissioning of Basslink;
- the commencement of transition of system security from Transend to NEMMCO in November 2004;
- the granting of a minor variation to the authorised National Electricity Code derogations by the ACCC in February 2005;
- the completion of the second Basslink cable laying campaign in March 2005.

Joining the NEM will facilitate the establishment of a competitive framework for the electricity supply industry in Tasmania while the commissioning of Basslink will enhance competition and allow trading of electricity with other States for the first time.

Tasmanian generators will be able to export electricity across Bass Strait, using Basslink during peak demand periods when the wholesale price is high. Basslink will also allow electricity to be imported when the wholesale price is low.

For retail customers, entry to the NEM will result in the possibility of other retailers entering the Tasmanian market and offering their services as an alternative to Aurora Energy. Starting on 1 July 2006, retail contestability will be phased-in by progressively allowing tranches of customers - starting with the biggest power users - to choose their preferred retailer. A public benefit test will be undertaken prior to 2010 to determine if retail contestability should extend to domestic customers.

The Energy Markets Branch is continuing to work with the State's three electricity businesses and NEM institutions to ensure that the transition to the NEM proceeds smoothly.

Contact: *Richard Sulikowski* on (03) 6233 2600 or email [richard.sulikowski@treasury.tas.gov.au](mailto:richard.sulikowski@treasury.tas.gov.au)

## **Financial Management Improvement**

### **Strategic Asset Management Framework Review**

The Strategic Asset Management Framework (SAMF) was first released by the Department of Treasury and Finance in May 1997. It aimed to provide managers with a framework for achieving effective and efficient management of public sector physical assets in an environment of competing demands for Government resources. The framework recognised that the strategic management of assets would be achieved by the systematic management of the decision-making processes taken throughout the useful life of assets. Specifically, the framework established:

- criteria and standards for the control and management of assets;
- strategies and processes for asset acquisition, maintenance, disposal and risk management; and
- priorities for allocating resources for asset management.

The Department commissioned Wise Lord and Ferguson to review the SAMF in September 2004 and requested they:

- evaluate the effectiveness of the Strategic Asset Management Plan (SAMP);
- determine the benefits the framework had delivered to Government; and
- identify any major issues with the framework.

The review was completed in December 2004 and recommended:

- an extension of the life of agency SAMPs from two to five years;

- a review of the SAMP model to incorporate a greater level of flexibility in the management of various asset categories;
- that the SAMF acknowledge the differing life cycles of assets and the impact of technology change on future capital requirements;
- that a greater level of information regarding data systems be shared between agencies;
- the extension of the SAMF to assets other than property;
- the implementation by Treasury of an internal management system for collating and managing SAMP data from agencies; and
- establishment of a high-level interdepartmental committee to support the SAMF into the future.

The Department provided the Wise Lord and Ferguson report to agencies for comment during January 2005. Agencies responded positively and were generally supportive of the recommendations in the report. Given the high level of support, the Department will continue to progress with reforms to the SAMF during 2005. Agencies will be advised of progress of these reforms.

Contact: *Ian Pitchford on (03) 6233 4572 or email [ian.pitchford@treasury.tas.gov.au](mailto:ian.pitchford@treasury.tas.gov.au)*

## **Financial Reporting**

### **International Financial Reporting Standards Update**

The implementation of Australian Equivalents to International Financial Reporting Standards (AEIFRS) is progressing with a draft transitional Treasurer's Instruction issued for comment in February 2005, information seminars held in February and March 2005, the update of 2005-06 agency budgets to reflect AEIFRS changes and the restatement of 2004-05 opening balances on an AEIFRS basis.

The Tasmanian Audit Office is reviewing restated Balance Sheets as part of the interim audit process. The next phase of the implementation of AEIFRS includes the conversion of 2004-05 financial statements to an AEIFRS basis.

Treasury will be issuing for comment revised Treasurer's Instructions and other guidelines associated with the implementation, including AEIFRS compliant 2005-06 Model Departmental Financial Statements, by the end of April 2005.

Treasury is maintaining a database of all issues raised by agencies as part of the implementation process, in order to facilitate sharing of knowledge and ensure that a consistent approach is adopted. Please contact Rachel Johnston, David Tadd, Doug Clow or Frances Hall if you have any issues you wish to discuss in relation to implementation of AEIFRS.

Contact: *David Tadd on (03) 6233 2515 or email [david.tadd@treasury.tas.gov.au](mailto:david.tadd@treasury.tas.gov.au)*

### **Accounting Standards Update**

The Tasmanian Audit Office, in conjunction with Treasury, presented an Accounting Standards Update Seminar for agencies on 18 February 2005. The Seminar provided an overview of the major changes and key dates associated with the implementation of the Australian Equivalents to International Financial Reporting Standards (AEIFRS), examined the use of Valuer-General Indexes and discussed methods for achieving an early audit clearance of financial statements.

Contact: *David Tadd on (03) 6233 2515 or email [david.tadd@treasury.tas.gov.au](mailto:david.tadd@treasury.tas.gov.au)*

## **Liquor and Gaming**

### **Responsible Serving of Alcohol at the Falls Festival**

The 2004 Falls Festival at Marion Bay was the most successful yet. A record 13 000 people turned out for the two day festival and enjoyed an event that appealed to all the senses. A strong emphasis of the festival was drinking alcohol responsibly. Through the adoption of Responsible Serving of Alcohol principles, festival organisers ensured the minimisation of alcohol related harm.

Representatives from the Liquor and Gaming Branch worked closely with the organisers and were present at the festival. All reports were of a happy and well-behaved crowd with no major concerns resulting from the sale or supply of liquor.

To make sure this tradition continues, the next festival will focus on:

- thorough vehicle searches by the organisers to prevent BYO liquor;
- providing a greater range of drinks catering for older patrons and ensuring light beer and wine are always available; and
- ensuring BYO liquor is not consumed in the camping area.

Another sell-out festival is anticipated for 2006 and Responsible Service of Alcohol will continue to be a key platform of the Falls Festival success.

Contact: *Peter O'Sullivan on (03) 6336 2380 or email [peter.o'sullivan@treasury.tas.gov.au](mailto:peter.o'sullivan@treasury.tas.gov.au)*

### **Tackling Inner City Late Night Noise and Disturbance**

Hobart, like many modern cities, has experienced considerable inner city residential development at the same time as its entertainment sector has grown. This has led to conflict, particularly in the Salamanca Place area, as patrons move to and from the various night spots, sometimes creating noise and disturbances. The Liquor Licensing Act allows the Commissioner for Licensing to take action where a particular premises is the cause of the disturbance. However in the case of Salamanca Place and Battery Point it is often difficult to isolate any one venue.

Officers of the Liquor and Gaming Branch are working closely with police, Hobart City Council and resident groups on the issue. The existing out of hours permit scheme allows premises to trade into the early hours of the morning and is an important element in allowing an active night life for both Hobart residents and visitors from interstate and overseas. In 2005 a number of measures will be investigated to find a balance between a vibrant and active nightlife and the needs of local residents.

Contact: Bert Elson on (03) 6233 3266 or  
email [bert.elson@treasury.tas.gov.au](mailto:bert.elson@treasury.tas.gov.au)

## Tasmanian Gaming Commission Profile of the Chairman

The current Chairman of the Tasmanian Gaming Commission, Mr Clyde Eastaugh, was appointed at the same time as the Commission celebrated its 10th anniversary in 2004. Mr Eastaugh was a foundation member of the Commission in 1994 and has served as a Commissioner continuously during the period of its operation.

Mr Eastaugh is a town planner, certified practicing valuer and Director of Johnston Eastaugh Hearps, property consultants. The Gaming Commission benefits greatly from Mr Eastaugh's wealth of experience and his diverse interests within the Tasmanian community.

He is National President of the Australian Property Institute, a member of the Tasmanian Resource Management Planning & Appeals Tribunal and a Director of Harris Company Ltd and the Examiner Newspaper.

Mr Eastaugh is experienced in the management of community grants and has been a Director of the Tasmanian Community Foundation since its inception in 1995. The Foundation is Tasmania's only independent philanthropic organisation, established to provide a framework for the effective delivery of philanthropic services.

He is also a Board member of the Roland View Estate Trust Inc, a not for profit trust whose objectives are to provide capital funding support to the age care industry within the Central Coast Municipality. He is also a Governor of the UTAS Foundation and a Director of Tasmanian Perpetual Trustees Ltd.

Amongst his sporting interests, Mr Eastaugh is an active member of both the Devonport Bulls Rugby Club and the Devonport Touch Association. Other members of the Tasmanian Gaming Commission are Professor Kate Warner and Mrs Elizabeth Thomas.

Contact: Julie Jones on (03) 6233 3534 or  
email [julie.jones@treasury.tas.gov.au](mailto:julie.jones@treasury.tas.gov.au)

## Public Interest Disclosures

The *Public Interest Disclosures Act 2002* (the Act) came into effect on 1 January 2004. The purpose of the Act is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies.

The Department of Treasury and Finance is committed to the aims and objectives of the Act. The Department

recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department does not tolerate improper conduct by its employees, nor the taking of reprisals against those who come forward to disclose such conduct. The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

Further information about the Act and the procedures for reporting disclosures of improper conduct or detrimental action by the Department or its employees can be found at the Department's website at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)

## Economic News

### The Tasmanian Economy

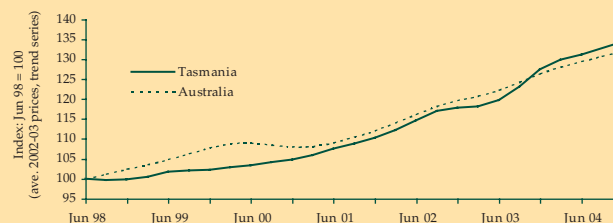
In recent years, Tasmania has experienced some of its best economic conditions on record. This article will focus primarily on the economic developments over the past year, which indicate that the economy has continued to grow. Evidence of recent improvements in the State's economic fortunes is particularly noticeable in the current labour market data.

The most recent figures show employment in February 2005 at a record high of 216 500 persons, 2.6 per cent higher than one year earlier. Tasmania's unemployment rate in February 2005 is at a record low of 5.4 per cent, which is only 0.3 per cent above the national rate. The strong labour market conditions are both a cause, and result, of a range of other positive economic factors, which are discussed in detail below.

### State final demand

For a whole-of-economy perspective on Tasmania's economic performance, the most reliable indicator is state final demand (SFD), which is the sum of all spending on goods and services by the Tasmanian public and private sector.

In the December quarter 2004, Tasmania's SFD grew by 1.2 per cent (in real, trend terms). In the year to December 2004, SFD grew by 7.9 per cent (in real, original terms) compared to the corresponding period one year earlier. This exceeds the growth in national final demand of 5.3 per cent over the same period.

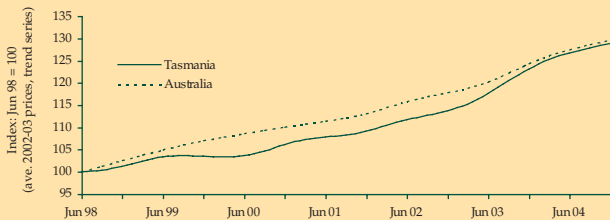


Source: ABS Cat. No. 5206.0

Growth in SFD over the past year can be attributed mainly to strong growth in consumer spending and private sector investment.

### Consumer spending

Consumer spending grew by 0.8 per cent (in real, trend terms) in the December quarter 2004. In the year to December 2004, consumer spending represented approximately 61 per cent of SFD (which is consistent with the long-term trend) and grew by 6.7 per cent (in real, original terms). As the following chart indicates, consumer spending for Tasmania has closely tracked the national trends in recent times.

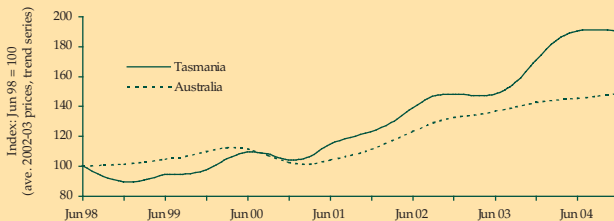


Source: ABS Cat. No. 5206.0

### Private Investment

Another component of SFD is private investment. Tasmanian private investment eased slightly by 0.4 per cent (in real, trend terms) in the December quarter 2004 but was only just below the record level of \$699 million achieved in the September quarter 2004. In the year to December 2004, private investment was 24.8 per cent above the corresponding period one year earlier.

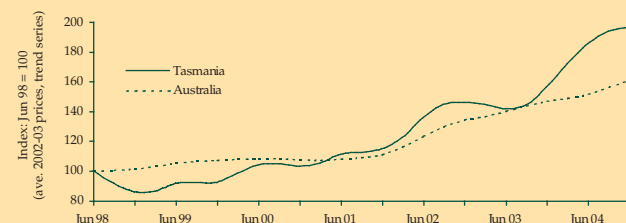
Growth in the State's employment levels over the past few years can, in part, be attributed to the strong private investment growth recorded in Tasmania. Reasons for this growth include strong business confidence in the Tasmanian economy, the return to population growth and the low interest rate environment.



Source: ABS Cat. No. 5206.0

### Business Investment (as a component of Private Investment)

Business investment is a significant component of private investment in Tasmania. Tasmanian business investment recorded growth of 1.6 per cent (in real, trend terms) in the December quarter 2004 to reach a record level of \$458 million. In the year to December 2004, business investment has grown to be 32.0 per cent higher than the level in the corresponding period one year earlier.

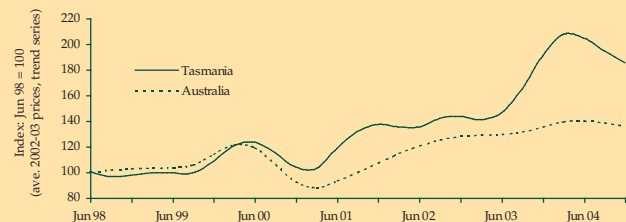


Source: ABS Cat. No. 5206.0

While strong growth in the business investment component reflects associated spending on large infrastructure projects, such as the State's energy projects, there are also signs of underlying growth in general business investment across Tasmania. This is partly a consequence of increased demand arising from a growing population and significant growth in tourism to the State.

### Dwelling Investment (as a component of Private Investment)

As the following chart shows, growth in dwelling investment has been very strong in recent years. In the year to December 2004, dwelling investment increased by 25.1 per cent. However, dwelling investment eased by 4.8 per cent (in real, trend terms) in the December quarter 2004. This is consistent with the 2004-05 Budget forecast that the very high levels of housing market activity evident in 2003-04 were not sustainable, although favourable economic conditions are expected to continue to support a high level of dwelling investment (by historical standards) in 2004-05.



Source: ABS Cat. No. 5206.0

Contact: Alex Tay on (03) 6233 8819 or  
email alex.tay@treasury.tas.gov.au

### Subscription Service

Become a subscriber to the electronic version of **@treasury.tas** on [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au) and receive an email alert on the day of publication.

To register, contact Allison Mitchell on  
(03) 6233 3670 or email  
[allison.mitchell@treasury.tas.gov.au](mailto:allison.mitchell@treasury.tas.gov.au)

## Government Procurement

### Fleet News

Following a full and open tender process last year, Fleet Australia (formerly known as Commonwealth Fleet Lease) was reappointed to provide fleet management services for a further three years for the Tasmanian Government motor vehicle fleet.

As part of the Department of Treasury and Finance's standard procedures for a contract of this nature, the Department has engaged an external consultant to undertake an audit of Fleet Australia. The audit will cover the day-to-day operations of the fleet, including invoicing and receipting together with compliance with key performance indicators as agreed under the contract. The audit will also cover areas of potential improvements for both Fleet Australia and Treasury in relation to processes and controls.

Treasury has recently modified the vehicle requisition form for agency use, now available in Microsoft Excel format. In addition the Fleet Management Handbook has also been updated and provides users with a comprehensive guide to the duties of the Fleet Manager and Contract Manager together with a summary of agency responsibilities. These documents can be found at [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au)> Contracts> Common Use Contracts> F200.

Contact Lisa Curtis on (03) 6233 6220 or by email [lisa.curtis@treasury.tas.gov.au](mailto:lisa.curtis@treasury.tas.gov.au)

### Contract News

The Department of Treasury and Finance is responsible for managing a range of whole-of-government contracts. Two of these contracts, the Advertising – Print Media Services for Vacancy Notices, Tenders and Public Notices contract (A003) and the Vehicle Hire and Drive contract (V675) were due to expire early this year.

As a result of positive performance survey feedback from inner budget agencies and TAFE, Treasury has exercised its options to extend both contracts.

The V675 contract, currently held by Avis Australia will now expire on 30 April 2006, whilst the A003 contract with TMP Worldwide Pty Ltd will run to 31 March 2007.

Contact: Jason Fyfe on (03) 6233 2301, or email [jason.fyfe@treasury.tas.gov.au](mailto:jason.fyfe@treasury.tas.gov.au)

### Review of Public Works Tender Board Policies and Guidelines

In September 2004 Treasury released an Issues Paper titled *Review of Building and Construction Policy*. The Issues Paper was a culmination of research undertaken regarding the current situation in other jurisdictions and a review of the existing framework for our current policies and guidelines.

The Issues Paper proposes a new framework to progress the review. In addition, it identifies the need to move away from the existing stand alone document format to a more concise step by step approach to the procurement process.

Five procurement phases have been identified:

- planning;
- project specification;
- tender phase;
- construction and delivery; and
- project review.

Mandatory requirements and guidance material will be developed for each of the phases.

Work has commenced on reviewing policies and guidelines in relation to the planning phase. Each step of the review process will involve close consultation with all key stakeholders.

Contact: Brian Mignot on (03) 6233 3673 or email [brian.mignot@treasury.tas.gov.au](mailto:brian.mignot@treasury.tas.gov.au)

### Procurement Training Opportunities

Procurement training for government buyers continues with both the Introduction to Procurement and Contracting course and Contract Management course being offered in 2005.

The Introduction to Procurement and Contracting course aims to raise awareness of procurement policies and procedures and is targeted towards staff involved in procurement either on a regular or irregular basis. The Contract Management course is aimed at providing participants with the knowledge and skills to effectively manage contracts.

Both courses are tailored to Tasmanian public sector policies, guidelines and practices and delivered by presenters with extensive procurement and training delivery experience.

The courses are currently being updated to reflect the recent amendments to the Treasurer's Instructions related to procurement. It is anticipated that the updated courses will be available from May 2005.

Bookings are facilitated by The Training Consortium (TTC) and can be made via the TTC website or by contacting TTC on 03 6233 6459.

Treasury plans to introduce additional procurement related courses during 2005. Further information will be provided when these courses are finalised.

Contact: Kate Daley on (03) 6233 3691 or email [kate.daley@treasury.tas.gov.au](mailto:kate.daley@treasury.tas.gov.au)

## eTendering

### Comments? Suggestions?

The Procurement and Contract Management Unit is currently researching ongoing improvements to the Tenders Web site and is keen to meet with any agency staff to discuss any specific developments you would like to see on the Web site, or indeed any other issues you are having with procurement related matters.

Please contact us with any comments or suggestions using the contact details below or through the procurement email address [purchasing@treasury.tas.gov.au](mailto:purchasing@treasury.tas.gov.au)

Contact: Bridget Wiggins on (03) 6233 3885 or email [bridget.wiggins@treasury.tas.gov.au](mailto:bridget.wiggins@treasury.tas.gov.au)

## State Taxation

### Audit Success and Data Matching Payroll Tax

The Audit and Advice team is responsible for undertaking compliance activities on the tax lines administered by the State Revenue Office. One such activity in the payroll tax line is the Unregistered Employers Project. The project aim is to increase the compliance of employers who should be, but are not, registered as employers for payroll tax purposes.

Employers are required to register for payroll tax if they pay wages in Tasmania and their Australia wide wages exceed \$1 010 000 for the financial year. There are over 1800 employers currently registered for payroll tax.

The Research and Analysis Unit completed extensive analysis of data received from private and government sources and identified potential risks. The Audit and Advice Team then issued queries to unregistered employers, requesting them to review their wages records and to complete and return an application to register, if their wages exceeded the minimum threshold.

As a result of our queries, 29 employers registered for payroll tax and an additional \$1 500 000 tax was collected. A further increase to the revenue base of almost \$600 000 tax has also been identified.

The success of the Unregistered Employers Project is due to the risk assessment and data analysis undertaken by the Research and Analysis Unit. The analysis was based on techniques applied here and by interstate State Revenue Offices and incorporates continuous improvement and best practice principles.

As a result of the close liaison between the Audit and Advice Team and the Research and Analysis Unit, revenue risks are more effectively identified and actioned.

Contact: Jim Lincoln on (03) 6233 5438 or email [jim.lincoln@treasury.tas.gov.au](mailto:jim.lincoln@treasury.tas.gov.au)

## Tax Update

Since 2004, Treasury has been actively participating in the Goods and Services Tax (GST) and Fringe Benefits Tax (FBT) State Taxation Industry Partnership, a forum for the public sector to raise GST and FBT related issues with the Australian Taxation Office. Rachel Johnston is Treasury's nominated representative.

Treasury is currently developing a taxation framework for the General Government Sector. The aim of the taxation framework is to provide guidance to the General Government Sector for the management of the State's taxation risks. Treasury will also be establishing an inter-agency Taxation Reference Group, to identify taxation risks at a whole-of-government level, and to discuss the best means for management of these risks.

Contact: Rachel Johnston on (03) 6233 3857 or email [rachel.johnston@treasury.tas.gov.au](mailto:rachel.johnston@treasury.tas.gov.au)

## Treasury Contacts

### Secretary

Don Challen 03 6233 3474  
[secretary@treasury.tas.gov.au](mailto:secretary@treasury.tas.gov.au)

### Deputy Secretary, Budget and Finance Division

Tony Ferrall 03 6233 2132  
[tony.ferrall@treasury.tas.gov.au](mailto:tony.ferrall@treasury.tas.gov.au)

### Deputy Secretary, Economic and Financial Policy Division

Rob Nicholl 03 6233 3773  
[rob.nicholl@treasury.tas.gov.au](mailto:rob.nicholl@treasury.tas.gov.au)

### Budget Management

Michael Reynolds 03 6233 2234  
Acting Director  
[michael.reynolds@treasury.tas.gov.au](mailto:michael.reynolds@treasury.tas.gov.au)

### Commercialisation and Financing

Adrian Christian 03 6233 3317  
Director  
[adrian.christian@treasury.tas.gov.au](mailto:adrian.christian@treasury.tas.gov.au)

### Government Finance and Accounting

Craig Jeffery 03 6233 3638  
Director  
[craig.jeffery@treasury.tas.gov.au](mailto:craig.jeffery@treasury.tas.gov.au)

### Procurement and Property

Rick Inglis 03 6233 8789  
Director  
[rick.inglis@treasury.tas.gov.au](mailto:rick.inglis@treasury.tas.gov.au)

### Economic Policy

Chris Lock 03 6233 2646  
Director  
[chris.lock@treasury.tas.gov.au](mailto:chris.lock@treasury.tas.gov.au)

### Intergovernmental and Financial Policy

Wendy Sawford 03 6233 2835  
Director  
[wendy.sawford@treasury.tas.gov.au](mailto:wendy.sawford@treasury.tas.gov.au)

### Energy Markets

Richard Sulikowski 03 6233 2600  
Director  
[richard.sulikowski@treasury.tas.gov.au](mailto:richard.sulikowski@treasury.tas.gov.au)

### Corporate Support Division

Robert Cockerell 03 6233 3476  
Director  
[robert.cockerell@treasury.tas.gov.au](mailto:robert.cockerell@treasury.tas.gov.au)

### Revenue, Gaming and Licensing Division

Peter Coe 03 6233 4018  
Executive Director, Commissioner for State Revenue,  
Commissioner for Liquor Licensing  
[peter.coe@treasury.tas.gov.au](mailto:peter.coe@treasury.tas.gov.au)

### Revenue

Kim Hudson 03 6233 6647  
Director  
[kim.hudson@treasury.tas.gov.au](mailto:kim.hudson@treasury.tas.gov.au)

### Liquor and Gaming

Bert Elson 03 6233 3266  
Director  
[bert.elson@treasury.tas.gov.au](mailto:bert.elson@treasury.tas.gov.au)