



Tasmania

**Tasmania's Financial  
Management Reform  
Strategy**

**2004 Progress Report**

**Department of Treasury  
and Finance**

**October 2004**

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# Foreword

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Acknowledging the need for a more structured approach to financial management, Treasury issued *Tasmania's Financial Management Reform Strategy* in July 1996 to consolidate reforms and initiatives at that time under an articulated framework and to facilitate the identification and development of future initiatives.

Previous Progress Reports have addressed the ongoing implementation of the reform strategy since 1996. This 2004 Progress Report addresses progress made with the implementation of reform initiatives outlined in the 2003 Progress Report.

During 2004-05, an analysis of the *Financial Management Reform Strategy* work program identified that the success of the major financial management reform initiatives is highly reliant on consolidating these reforms within Treasury, agencies and government businesses. Through a focussed consolidation phase, the reform initiatives will become core business activities, resulting in more efficient and effective financial management for the State. Treasury recognises that important elements of the consolidation phase are support, education and communication. Treasury is committed to ensuring that the financial management initiatives provide sound foundations for continued improvements to financial management processes.

The reform process is a continuing one. The implementation of the first full accrual Budget during 2003-04 provides the final link between budgeting, accounting and reporting processes, and essentially represents the practical completion of the first *Financial Management Reform Strategy*.

Accordingly, Treasury will further review the *Tasmanian Financial Management Reform Strategy* to ensure it remains the optimal means by which Treasury can assist the Government to achieve its stated policies and objectives, represented by *Tasmania Together* and the Fiscal Strategy.

D W Challen  
**Secretary**

October 2004



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# 1 Introduction

## 1.1 The Financial Management Reform Strategy

In 1996, the threads of the Financial Management Reform Program were drawn together in a structured overview, which consolidated the implementation of reform initiatives to achieve more efficient and effective resource management in the Tasmanian Public Sector.

The Tasmanian Public Sector comprises several different types of entities. These are classified according to the sectors, namely General Government, Public Non-Financial Corporation (PNFC) or Public Financial Corporation (PFC) Sectors.

The General Government Sector includes Government departments and a number of entities that act outside the Public Account including the Inland Fisheries Service, TAFE Tasmania, Marine *and* Safety Tasmania, the Royal Tasmanian Botanical Gardens, the State Fire Commission and the Nominal Insurer (a statutory entity created by the *Workers Rehabilitation and Compensation Act 1988*). The State Budget is based on the General Government Sector.

The PNFC Sector covers the State-owned Companies (SOCs) and Government Business Enterprises (GBEs). These entities have a variety of functions and responsibilities, are established in varying ways and also have different relationships with the Budget.

The PFC Sector comprises the Tasmanian Public Finance Corporation and the Motor Accidents Insurance Board.

An overview of the Tasmanian Public Sector is provided in *The Tasmanian Government Financial System*.

## 1.2 Goals, objectives and principles

### 1.2.1 The goals

The Tasmanian Financial Management Reform Strategy is directed to four goals:

**1. *The Government has the capacity to manage for change.***

For the Government to facilitate high levels of productive economic activity, a capacity for smooth and rapid adaptation is crucial.

**2. *The community's exposure to risk and vulnerability to external events is managed.***

The community's exposure to risk needs to be kept to an acceptable level. By identifying areas of risk, the Government can become more effective in anticipating and managing external events.

- 3. The Government has the capacity to provide the community with lower taxation and/or increased services.***

The Government has the capacity to offer lower taxation and/or increased services, when existing services are provided on the basis of best value for money. This is achieved through obtaining the best mix of economy, efficiency and effectiveness in the provision of goods and services. Through lower interest outlays, debt retirement also provides additional capacity to offer lower tax and/or increased services.

- 4. The services enjoyed by the current generation do not impose burdens on future generations.***

The delivery of services and the maintenance of the State's asset base should not impose an unwarranted burden on future generations and the long-term financial stability of the State should be preserved.

### **1.2.2 The objectives**

In order for the long-term goals to be achieved, three objectives have been adopted:

- 1. The General Government Sector will be managed to achieve the Government's fiscal and strategic objectives, delivering the maximum outputs with the resources provided.***
- 2. Government businesses will maximise returns to their shareholders, the people of Tasmania.***
- 3. The community will derive an appropriate and sustainable return from the State's natural resources.***

### **1.2.3 The principles**

Initiatives taken to achieve these goals and objectives must give effect to several important principles, namely:

- 1. Strategic decision-making will strike an appropriate balance between whole-of-government requirements and the specific interests of individual departments.***
- 2. Public sector managers will operate within a system of incentives, rewards and sanctions that encourages behaviour consistent with the goals and objectives.***
- 3. Information will be gathered, analysed and reported in a manner which:***
  - reveals the extent to which behaviour is consistent with the goals and objectives; and***
  - supports decision-making that is in line with the goals and objectives.***

4. *Decision-makers will be accountable for results and for their actions.*
5. *All those involved in financial management will have a thorough understanding of the Financial Management Framework and the goals and objectives of the reform agenda.*

The term “Financial Management Framework” refers to the Framework, established by various Acts and Treasurer’s Instructions, defining the responsibilities of officers undertaking financial management activities including budgeting, accounting, reporting and procurement, within the State Sector.

A full list of all Treasury publications in 2003-04, relevant to Financial Management Reform in Tasmania, can be found in Appendix 1. Relevant addresses made during 2003-04 are listed in Appendix 2.

#### **1.2.4 The Tasmanian Financial Management Reform Strategy in Review**

The work program developed in 1996 to support the Tasmanian Financial Management Reform Strategy was very strategic and reformist in its nature. The outcomes of major items in the original work program include:

##### *Implementing accrual reporting*

Accrual financial reporting for agencies was introduced in 1996-97. Related reforms include the implementation of accrual whole-of-government reporting in 1998-99 and accrual GFS reporting in 1999-00. Tasmania convenes the Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) and is at the forefront of public sector accounting reform within Australia.

##### *Implementing Output budgeting*

Output budgeting was first introduced in 1996-97 and is now the basis of the Budget development process. The Output methodology ensures that agencies are accountable for the delivery of goods and services by monitoring outputs in terms of measures including quality, quantity, timeliness and cost. The Output Budgeting methodology was reviewed during 2003, and as a result of the review, a two-stage strategic budget development process is to be incorporated in the 2005-06 Budget development process.

##### *Implementing the first Fiscal Strategy*

The Government’s first Fiscal Strategy was introduced as part of the 1998-99 Budget. Its primary objective was to ensure responsible financial management while supporting the Government’s other priority initiatives including *Tasmania Together*, the Industry Development Plan and Partnership Agreements with local governments. The Fiscal Strategy was structured to run until the end of 2003-04 and contained five broad components, which address the range of financial management issues facing the State. The Government met all of the targets established in 1998-99 well ahead of the Fiscal Strategy deadline of 2003-04. A new Fiscal Strategy was announced in the 2002-03 Budget.

### *Developing an improved model for cash management*

The decentralisation of financial management to agencies provided impetus for improved cash management procedures and forward projections for Public Account activities. The Public Account Cash Management System (PACMS) was implemented within the integrated Budget Management and Financial Reporting System (BMFRS) to collect agency cash flow forecasts. The information collected by Treasury through PACMS is used for determining short and long-term cash management activities. It provides a more flexible and efficient method of preparing agency cash flow forecasts.

### *Improving Skills and Competencies in Financial Management*

Treasury endorsed the Improving Skills and Competencies in Financial Management Project as a new initiative for 2002-03. In response to a Survey of target groups in the Tasmanian Public Sector, the inter-agency Working Group identified the need to develop a detailed Education and Training Program (the Program) within the framework of the Tasmanian Government's Financial Management Education and Training Strategy. The Program was endorsed by the Treasurer in May 2004, and launched in June 2004 with a series of training sessions in the north, north-west and south of the State.

### *Superannuation reform*

A number of reforms have been undertaken to accurately identify, manage and reduce the State's unfunded superannuation liability. Public Sector arrangements introduced in July 1994 require agencies to contribute to the cost of providing superannuation benefits to their employees, and funds are set aside in a provision account to meet the emerging cost of superannuation.

The Joint Select Committee on Superannuation report *Public Sector Superannuation in Tasmania*, recommended that the RBF contributory scheme be closed to new members and that future Public Sector employees be provided with funded superannuation benefits through an accumulation scheme. As a consequence of the superannuation arrangements applying to new entrants, together with the increased funding effort being made from the Budget, the State's unfunded superannuation liability is expected to be eliminated by 30 June 2018.

### *Improving accountability of Government agencies*

One of the major elements of the Financial Management Reform Strategy is increasing the accountability of Government agencies for financial performance and management of total resources. The Budget Papers have been improved significantly since the introduction of the Output methodology, and now include detailed information on the total resources available to agencies and performance information relating to key activities. In October 1997, Treasury issued *Performance Information for Management and Accountability Purposes – An Introductory Guide for Tasmanian inner-Budget Agencies* to assist agencies progress the development of performance measures. Each agency is now required to report on key performance indicators in its annual report.

### *Maximising the benefits of Risk Management*

The Tasmanian Risk Management Fund (TRMF) was established to manage the risk to which the Tasmanian Government is exposed, supporting the Government's self-insurance policy for the General Government Sector. All General Government Sector agencies participate in the Fund, which commenced operation from 1 July 1999. While the primary responsibility for identifying risk management programs resides with individual agencies, the development

and implementation of risk management standards for the General Government Sector will maximise the potential benefits of risk management within agencies.

#### *Procurement reforms*

Treasury issued *Handbook for Government Procurement* in May 1997, to assist agencies in the procurement of goods and service, and to provide interested parties throughout the public and private sectors with a clear understanding of the Government's procurement policies. The Procurement Advisory Group was established in April 1999 to undertake ongoing reviews of government procurement policies and agency tendering processes with specific focus on enhancing the capacity of Tasmanian businesses to competitively bid for government business. *Better Procurement in Government – Improving the Knowledge and Skills of Government Buyers and Contract Managers* was issued in August 2001, identifying strategies and related actions aimed at identifying the best approach to further improve procurement knowledge and skills within agencies.

#### *Review of the Financial Management legislative framework*

In response to significant financial management reforms introduced in the Tasmanian General Government Sector including the implementation of accrual reporting and accrual budgeting, a major review of the financial management legislative framework is in progress. The key components of the financial management legislative framework the *Public Account Act 1986* and the *Financial Management and Audit Act 1990* are being reviewed to complement the reforms introduced over the past decade and accommodate contemporary financial management practices.

#### *Accrual based whole-of-Government financial reporting*

General purpose Consolidated Financial Statements for the State of Tasmania for the year ended 30 June 1999 were published during 1999-00 in accordance with AAS 31 *Financial Reporting by Governments*. Following the publication of the initial consolidated statements for whole-of-Government, the process was reviewed to improve data collection and identification of inter-agency transactions, and specific accrual consolidation reporting software was developed to assist the reporting process.

#### *GBE water and ports reform, identifying Community Service Obligations (CSOs) and developing a GBE dividend policy*

Major changes have been made to improve the efficiency and effectiveness of a number of Government businesses. Nine of these businesses are now operating as corporations under the *Corporations Act 2001* rather than as statutory authorities, responsibility for bulk water management has been devolved to local government, port management has been devolved and streamlined, and policies and guidelines have been set for the development and monitoring of CSOs and dividends.

#### *Implementing National Competition Policy (NCP) principles*

Tasmania's compliance with the NCP Agreements is evidenced in the positive assessment the State has received from the National Competition Council (NCC) in its recommendations to the Commonwealth Treasurer on whether the State has successfully qualified for the various tranches of NCP payments. From the commencement of competition payments in 1997-98 until 2003-04, the State received the full competition payments for which it was eligible. In 2003-04, Tasmania received a payment of \$17.2 million, with the payment of the remaining \$900 000 suspended as a result of not completing its review and legislation reform

obligations by the due date. This was the smallest penalty imposed on any jurisdiction. Since that determination, almost all outstanding reforms have been implemented, with the legislative process well advanced on other remaining issues.

### **1.3 Future Reforms**

#### **1.3.1 Consolidation of Financial Management Reform Initiatives**

The reformist nature of the original work program supporting the Tasmanian Financial Management Reform Strategy is consistent with the significant changes to financial management occurring throughout the Australian Public Sector in the 1990s. With the achievement of the building blocks of reform such as accrual budgeting and reporting and commercialising Government businesses, the Strategy has over time moved increasingly into a consolidation phase. The current work program emphasises incremental improvement to the existing financial management framework, rather than reforming major components of the framework.

The success of the reform initiatives implemented to date is highly reliant on consolidating these reforms within Treasury and government entities. The consolidation phase will ensure that these initiatives are properly implemented and that stated objectives are achieved. The reform initiatives will become core business activities within Treasury and agencies.

#### **1.3.2 Redefining the Financial Management Reform Strategy**

The reform process is a continuing one. Treasury is committed to the implementation and promotion of best practice financial management. An essential element of the Strategy was establishing mechanisms for ensuring accountability for the achievement of reform milestones over the nine years since 1996. The implementation of the first full accrual Budget during 2003-04 provides the final link between budgeting, accounting and reporting processes, and essentially represents the practical completion of the first Financial Management Reform Strategy.

Accordingly, during 2004-05, Treasury will review the Tasmanian Financial Management Reform Strategy to ensure it remains the optimal means by which Treasury can assist the Government to achieve its stated policies and objectives, represented by Tasmania *Together* and the Fiscal Strategy. The benefits of continuing to follow an integrated approach include:

- providing guidance and leadership for public sector managers and employees;
- placing the agenda of initiatives in a proper, comprehensive context;
- avoiding duplication or conflict in policies; and
- preventing inefficiencies in the application of resources.

## 2 Fiscal Strategy

### 2.1 Background

A credible and achievable medium-term Fiscal Strategy is an essential component of prudent contemporary financial management practice. It represents not only an effective planning tool for the Government, but also provides clear signals to financial markets, the business sector and the community of the Government's direction in financial management. A Fiscal Strategy also provides a framework for the Government to demonstrate to credit rating agencies the financial focus of the Government, any identified issues or problems and how these will be addressed.

The Government introduced its first Fiscal Strategy as part of the 1998-99 Budget. The Fiscal Strategy was structured to run until the end of 2003-04. The Government met all of the targets established in 1998-99 well ahead of the Fiscal Strategy deadline of 2003-04.

A new Fiscal Strategy was announced in the 2002-03 Budget. The five components of the new Fiscal Strategy are outlined below.

#### 2003 Strategy

During 2003-04, the Government will continue to pursue the targets established under the Fiscal Strategy. Progress towards the achievement of the targets will be monitored and reported in the 2004-05 Budget papers in May 2004.

### 2.2 The Current Fiscal Strategy

The current Fiscal Strategy, which was announced in the 2002-03 Budget Papers, builds on the significant achievements of the previous Fiscal Strategy and focuses on continuing the Government's record of strong financial management.

The Fiscal Strategy continues to support the Government's priority initiatives such as *Tasmania Together*, the Industry Development Plan and Partnership Agreements, by delivering quantifiable benefits to the community, in the form of improved service provision, tax cuts and infrastructure development.

The Fiscal Strategy extends for a period of six years, commencing in 2002-03. Extending the period of the Fiscal Strategy to six years represents an appropriate medium-term timeframe in which to set Tasmania's fiscal goals. The conclusion of the Fiscal Strategy will also coincide with major achievements such as the elimination of General Government Sector Net Debt.

The principles and targets, which form the basis of the Fiscal Strategy, are outlined in detail below.

#### 2.2.1 Budget position

*Principle*      *To strengthen the State's financial position, the State Budget will be managed in surplus on a long-term sustainable basis to achieve the Government's Net Debt targets.*

*Targets            The annual Consolidated Fund Budget will be maintained in surplus; and*

*The General Government Sector Cash Surplus will be sufficient to achieve the Government's established Net Debt targets.*

The annual Budget outcome is a vital factor in the long-term management of the State's finances. In the absence of asset sales directed towards debt reduction and additional financial assets, the only means of achieving a significant reduction in Net Debt is through the achievement of ongoing surpluses. In order for the net debt targets established as part of the Fiscal Strategy to be achieved, it is essential that the targeted levels of Budget surpluses be achieved.

### **Progress**

The preliminary 2003-04 Cash Surplus outcome is \$410 million, which is \$327 million or 394 per cent greater than the original 2003-04 estimate of \$83 million. The increase in the Cash Surplus is consistent with the Government's Fiscal Strategy target of eliminating Net Debt by June 2008. The 2004-05 Cash Surplus is estimated to be \$96 million with Forward Estimates of \$151 million for 2005-06, \$146 million for 2006-07 and \$198 million for 2007-08.

### **2.2.2 Debt and liability reduction**

*Principles        The debt and liability burden on the Tasmanian community will be further reduced.*

*Targets            General Government Sector Net Debt will be below \$450 million by June 2005;*

*General Government Sector Net Debt will be eliminated by June 2008;*

*General Government Sector net interest costs will be zero by June 2008;*

*Total State Sector Net Debt will be below \$1 000 million by June 2008;*

*The State's unfunded superannuation liability will be extinguished within 14 years (that is, by June 2018); and*

*Net Financial Liabilities for the General Government Sector will be eliminated within 13 years (that is, by June 2017).*

Debt and liability reduction is a centrepiece of the Fiscal Strategy. Achieving a reduction in the level of Net Debt is a critical factor in the achievement of further improvements in the State's financial position while also reducing the potential pressure on the annual Budget from increases in interest rates. A reduction in the level of debt is also of great importance due to the strong focus rating agencies place on the liability side of the State's balance sheet.

In addition to these significant benefits, the reduced interest costs associated with debt reduction also mean that savings are generated which can then be applied to major Government initiatives such as tax cuts, improved services to the community and increased

spending on public infrastructure. This has been a significant factor in the increased funding which the Government has been able to apply in recent Budgets to a range of services and initiatives.

## Progress

The Forward Estimates published in the 2004-05 Budget Papers illustrate that the target to eliminate General Government Net Debt will be achieved well ahead of schedule. This is a significant achievement for Tasmania and a product of the Government's sound financial management during the period since it first came to Office in 1998.

The following table provides a summary of actual and estimated movements in key performance indicators between 30 June 2003 and 30 June 2004.

<b>Performance Indicator</b>	<b>30 June 2003 actual balance</b>	<b>30 June 2004 estimated balance</b>
	<b>\$</b>	<b>\$</b>
General Government Sector Net Debt	486m	97m <sup>1</sup>
Total State Sector Net Debt	1 613m	1 503m <sup>2</sup>
General Government Sector Net Financial Liabilities	2 494m	2 190m <sup>1</sup>
State's Net Unfunded Superannuation Liability	1 395m	1 373m <sup>2</sup>

Sources:

1. *Preliminary Outcomes Report 2003-04*, Department of Treasury and Finance
2. *Budget Paper No 1 Budget Overview 2004-05*, Department of Treasury and Finance

### 2.2.3 Taxation competitiveness

*Principle*      *Maintain a competitive State tax environment.*

*Targets*      *Tasmania's tax severity (as measured by the Commonwealth Grants Commission) will remain below the average of all states and territories and below that of Victoria; and*

*There will be no new taxes and no increase in the rate of any existing taxes.*

The Government is committed to fostering an increasingly competitive business environment in Tasmania and to ensuring that Tasmania is an attractive place for people to live. These are both major factors in increasing the level of employment in Tasmania.

Through its Industry Development Plan, and a range of other major strategies and initiatives, the Government has actively sought to achieve these important objectives. Foremost amongst

these strategies and initiatives has been the creation of a competitive State tax environment through the implementation of State tax reform.

The principles and targets relating to taxation competitiveness, established in the Fiscal Strategy, will ensure that Tasmania continues to be highly competitive with the other states and territories when it comes to levels of business and other taxation.

### **Progress**

The independent Commonwealth Grants Commission provides a measure of taxation competitiveness across jurisdictions. The latest national comparisons, published in February 2004 (using 2002-03 data), show that, in line with the Fiscal Strategy, Tasmania's overall tax severity was below the average of all states and territories, and below that of Victoria.

To date, the Government has provided tax cuts totalling \$75 million per annum. In addition to the tax cuts already implemented, the Government is also committed to the removal of debits duty from 1 July 2005. This additional tax cut will bring the total tax cuts provided since 1998 to over \$100 million per annum.

#### **2.2.4 Infrastructure maintenance**

*Principle*      *Maintain infrastructure to support the delivery of Government services and to foster economic and industry development.*

*Target*        *The State funded component of the Capital Investment Program will be maintained in real terms.*

The proper maintenance of Tasmania's public infrastructure assets, and investment in new public assets, is essential to the effective delivery of services to the community and to promoting growth within the State. Appropriate levels of ongoing capital expenditure also assist in reducing the likelihood and impact of significant one-off capital expenditure demands on the Budget.

The focus on infrastructure maintenance as part of the Fiscal Strategy will ensure that the significant additional expenditure, which has been allocated by the Government to infrastructure maintenance in recent years, will be supported by the maintenance, in real terms, of the level of State funding provided in the Capital Investment Program over the next five years.

### **Progress**

The State-Funded component of the Capital Investment Program has been maintained in real terms, with nominal annual growth of 2.9 per cent in 2003-04.

## **2.2.5 Risk management**

*Principle*      *Ensure that adequate mechanisms and financial provisions are in place to minimise the risks to the Tasmanian Government.*

*Target*         *The Tasmanian Risk Management Fund (TRMF) will operate on a fully funded basis and have reserves that are sufficient to meet estimated outstanding liabilities.*

While it is prudent financial management to reduce levels of net debt and unfunded superannuation liabilities and to seek to increase the level of Budget surpluses, it is also prudent financial management to seek to reduce the impact that other risks could have on the Government's overall financial position. Through the TRMF in December 1998, the Government has taken important steps to reduce the potential impact of a range of risks on government agencies.

The inclusion of this principle and target in the Fiscal Strategy emphasises the importance of the Government continuing to take appropriate action in relation to minimising all risks to the Government's financial position.

### **Progress**

It is estimated that as at 30 June 2005, the TRMF will have assets of \$102.6 million and liabilities of \$92.8 million, resulting in the Fund being in a net asset position of \$9.8 million. This is an improvement compared to the estimated position at 30 June 2004, where the Fund is estimated to show net liabilities of \$1.5 million.

The estimated 2003-04 outcome is the result of a \$15.6 million increase in the estimated value of known outstanding claims, particularly in relation to medical malpractice claims.

The increase in liabilities in 2003-04 is largely the result of a revised estimate by the Fund's Actuary of outstanding medical malpractice claims to \$25.9 million, an increase of \$12.4 million from 2002-03.

The outstanding liabilities for medical negligence will be offset by an additional contribution to the Fund through Finance-General of \$3 million in 2003-04 and \$5 million from 2004-05 onwards until the liabilities are fully funded.

## 3 Budgetary and appropriation processes

### 3.1 Progress to date

There has been considerable change in emphasis in Budget development, presentation and monitoring since the mid 1990s. The Output methodology is the basis of Government decision-making and agency management, shifting the emphasis away from an input focus to a focus on the goods and services provided by agencies.

During 2003-04, the Government continued the implementation of full accrual Budgets for the General Government Sector, including the presentation of revised Budget estimates on a half-yearly basis. Accrual budgeting provides the final link between budgeting, accounting and reporting processes.

### 3.2 Continuing initiatives

#### 3.2.1 Review of Output methodology

The present Output budgeting methodology was implemented in 1996-97. By using an Output methodology, the Government ensures that agencies are accountable for the delivery of goods and services by monitoring outputs in terms of measures including quality, quantity, timeliness and cost.

A review of the Output methodology, completed prior to the 2002-03 Budget development process, found that there is general support for the methodology amongst agencies. However, it also found that it would be beneficial, to the Budget development process, to include greater opportunities for Budget Committee to discuss strategic issues with Ministers and Heads of Agencies.

The review also found that the Tasmanian Output/Outcome hierarchy model required refinement, in its definition of the three levels of Outcomes, to incorporate Tasmania *Together* and other major policy initiatives such as the Industry Development Plan and Local Government Partnership Agreements.

#### 2003 Strategy

By 31 October 2003, submit for the Treasurer's consideration the report on the Review of the Output Budgeting Methodology and Budget development processes.

By 31 December 2003, in accordance with direction received from the Treasurer, prepare a strategy and timetable for implementing the recommendations from the Review of the Output Budgeting Methodology.

#### Progress

The Review of the Output/Outcome Methodology and Budget development process was completed in October 2003. The scope of the Review included addressing the effectiveness of, and general concerns/issues with the implementation and operation of the Output

Methodology in the Tasmanian Public Sector. The Review included consultation with all Tasmanian agencies and Treasury officers in all other jurisdictions.

The Report on the Review of the Output/Outcome methodology was endorsed by the Treasurer on 16 December 2003. Implementing the recommendations of the Review will form part of the basis of the next phase of financial reforms.

As a result of the Review, whole-of-government and cross-agency initiatives were considered in the 2004-05 pre-Budget submission of agencies. A two-stage strategic budget development process is to be incorporated in the 2005-06 Budget development process.

One of the recommendations of the Review was to convene an inter-agency Working Group to further consider options for dealing with the costing and allocation of corporate services overheads across Outputs. Treasury convened the Working Group in November 2003, and a Discussion Paper was issued in May 2004. The Discussion Paper identified a number of recommendations in relation to the allocation of corporate services overheads.

### **3.2.2 Improved performance information**

Performance information is used to assess whether the outputs produced by agencies are being delivered in the most efficient manner and so as to enable the achievement of Government endorsed Outcomes.

Performance information for agencies has been provided in the Budget Papers since 1997-98. A number of agencies also contribute performance information on service delivery on a national basis as part of the Productivity Commission's annual *Report on Government Services*.

The Tasmania *Together* benchmarks increasingly will be used for determining Budget priorities, agency goals and for evaluating the well being of the State.

The final Tasmania *Together* document, containing benchmarks, was released in September 2001. During 2001-02, Treasury and the Department of Premier and Cabinet jointly reviewed the performance information provided by agencies. Improved performance information, linked to Tasmania *Together* benchmarks, was published in the 2002-03 Budget Papers. The development, by agencies, of Agency Performance Plans, was integral to this process.

#### **2003 Strategy**

During 2003-04, Treasury, in consultation with the Department of Premier and Cabinet, will continue to review agency performance information and further integrate Tasmania *Together* benchmarks and goals into agency performance information provided in the 2004-05 Budget Papers.

#### **Progress**

As part of the 2004-05 Budget development process, the Department of Premier and Cabinet (DPAC) commented on the Tasmania *Together* benchmarks and goals during the assessment each agency's Pre-Budget submission. The Budget process requires agencies to clearly link

Budget information to *Tasmania Together*. Specific performance information included in Budget Paper No 2 *Operations of Government Departments 2004-05* continues to provide information relating to endorsed *Tasmania Together* priority goals and benchmarks

During 2004-05, as part of the ongoing enhancement of the Budget development process, Treasury, in consultation with DPAC, will continue to review agency performance information and seek to further integrate *Tasmania Together* benchmarks and goals into agency performance information provided in the 2005-06 Budget Papers.

Assessment of agency performance information will continue to be progressed during the 2005-06 Budget development process.

### **3.3 Accrual Budget implementation**

Accrual Budget presentation was implemented in the 2003-04 Budget Papers. The 2003-04 Budget presented, for the first time, a consolidated accrual Budget for the General Government Sector, in accordance with the accrual Uniform Presentation Framework (UPF), as its main Budget focus. UPF information was previously presented to a lesser degree in the Budget Papers. Agency Budgets were also prepared and presented on an accrual basis for the first time in accordance with Generally Accepted Accounting Principles.

Implementation of the accrual budgeting framework was supported by changes to business support systems, revised Budget Management Guidelines, implementation of an Education and Training Program and communication of the changes in Budget presentation to all stakeholders.

Further accrual Budget management processes were implemented to assist with monitoring of the 2003-04 Budget and preparation of the 2004-05 Budget. These processes have been integrated further into the day-to-day management processes within Treasury and agencies during 2003-04.

#### **2003 Strategy**

By October 2003, complete a Post Implementation Review of Phase 3 of the Accrual Budgeting and Financial Management Project.

By February 2004, complete a review of best practice reporting, for phased implementation into future Budget papers and interim and end-of-year financial outcome reporting.

By February 2004, complete a review of, and document, all business processes associated with the development of the 2003-04 accrual Budget and further integrate accrual Budget elements into management processes for monitoring the 2003-04 Budget and developing the 2004-05 Budget process.

#### **Progress**

A Post Implementation Review of Phase 3 of the Accrual Budgeting and Financial Management Project was completed and provided to agencies in February 2004.

A Best Practice Reporting Issues Paper was completed in March 2004. The Paper considers national and international trends in reporting practices and proposes a number of enhancements that would increase the comparability and transparency of information presented in the Budget Papers. The recommendations will be incorporated into the 2005-06 Budget development process.

The review and documentation of business processes associated with the development of the accrual Budget has been completed.

The Accrual Budget and Financial Management Steering Committee formally closed the project at its meeting of 26 May 2004 as the post implementation review had indicated that the desired Outcomes of the project had largely been achieved. Treasury will manage the completion of the remaining Phase 4 tasks internally, with appropriate consultation with agencies.

### **3.3.1 Business systems**

Management and planning of the State Budget is a core function of Treasury, and has a critical impact on the efficient and effective operation of government. The implementation of the accrual budgeting framework has required significant enhancement to the business support systems in Treasury, which are used to manage and prepare the State Budget. Enhancements to the Budget Management System (BMS) have affected the reporting and cash management components of the Integrated Budget Management Financial Reporting System (BMFRS).

#### **2003 Strategy**

By 28 February 2004, complete enhancements to BMFRS associated with the improvement of enquiry tools for data analysis and the streamlining of system processes for the 2004-05 Budget.

By 30 June 2004, complete enhancements to BMFRS to enable the development and production of reports for financial reporting under the new financial reporting framework.

#### **Progress**

Enhancements associated with the improvement of enquiry tools for data analysis were completed, tested and implemented in December 2003. These enhancements to the Integrated BMFRS enabled additional accrual reports to be produced and enabled enquiries on accrual budget estimates.

Enhancements were also completed in December 2003 to enable the development and production of reports for budget reporting under the new financial reporting framework.

### **3.3.2 Amendments to financial management legislation**

The move to an accrual based Budget presentation required changes to external financial reporting, including the contents and timing of reports, to align with the new framework.

Under the Accrual Budgeting Framework, headline measures will be based upon the Uniform Presentation Framework as it applies to the General Government Sector. The Consolidated Fund Outcome will become a supplementary measure.

Revisions to the statutory reporting requirements contained in the *Financial Management and Audit Act 1990* and its Regulations were approved in July 2003. The revised legislation requires Heads of Agency to table their annual report in Parliament by 31 October each year, and allows the financial and statistical reports for the General Government and State Sectors released in the State's annual report, to be released on 31 October each year, utilising audited agency information.

#### 2003 Strategy

By June 2004, amend financial and statistical reporting systems and processes to give effect to the new financial reporting framework.

### **Progress**

The Mid-Year Financial Report as at 31 December 2003 was gazetted on 13 February 2004 and is the first report prepared under the new financial reporting framework. It contained revised General Government Budget estimates and the year to date results for the previous six months. It also presents revised forward estimates for the General Government Sector and original and revised estimates for the Public Non-Financial Corporations Sector and the Total Non-Financial Public Sector.

The first full year report published under the new financial reporting framework is the Preliminary Outcomes Report, which was gazetted on 13 August 2004 and presents the preliminary budget outcome for the General Government Sector. The Treasurer's Annual Financial Report, to be published by 31 October 2004, will complete the implementation of the new financial reporting framework.

### **3.3.3 Budget management**

The accrual budgeting framework requires a greater emphasis on the management of other sources of funds, in addition to the Consolidated Fund. Budget development processes will extend beyond the determination of agency appropriations to an assessment of agency total resource estimates and their impact on the General Government Sector headline Budget measure.

#### 2003 Strategy

By September 2003, present the revised Budget Management Guidelines to Budget Committee for approval and to Cabinet for endorsement.

By December 2003, consult with agencies on the implementation of revised administered and controlled classifications for Budget purposes.

## **Progress**

Revised Budget Management Guidelines were completed and approved by the Treasurer in May 2003. The revised Budget Management Guidelines were presented to Budget Committee in August 2003 for approval and subsequently submitted to Cabinet for endorsement.

A review of agency classification of administered and controlled activities for Budget purposes was completed in February 2004. Implementation of revised administered and controlled classifications involved consultation with agencies and updating of agency data in the Budget Management System. All recommendations for revised classifications were incorporated into the 2004-05 Budget development process.

### **3.3.4 Review of the Budget process**

The annual Budget cycle is a continuous process, which commences soon after the passage through Parliament, in June, of the Consolidated Fund Appropriation Act, for the forthcoming Budget year, and finishes with the passage of the following year's Consolidated Fund Appropriation Act through Parliament. The final Budget documents represent the culmination of an extensive process of review and analysis of the Government's finances.

Treasury continually seeks to refine the annual Budget process and improve the quality of information provided in the Budget documents. To assist in the achievement of this aim, Treasury will conduct a review and examine all aspects of the Budget process to identify opportunities for enhancement.

#### **2003 Strategy**

By August 2003, complete a post Budget review of the 2003-04 Budget development process. Recommendations from the review will be incorporated into the 2004-05 Budget development process.

## **Progress**

Treasury, in consultation with the Department of Premier and Cabinet, reviewed the 2003-04 Budget development process and, where required, amended the 2004-05 Budget development process to more fully incorporate whole-of-government approaches into the processes to ensure that the Budget reflected the Government's policy priorities. The recommendations from the post Budget review of the 2003-04 Budget development process were incorporated into the 2004-05 Budget development process.

Treasury is committed to achieving ongoing improvement of the Budget development process. In this regard, a post Budget review of the 2004-05 Budget process was conducted in August 2004. Findings and recommendations from the review will be incorporated into the 2005-06 Budget development process.

### 3.3.5 Budget Management and Financial Reporting System

The Budget Management System (BMS) was developed for cash based budgeting and includes both the Consolidated Fund and Special Deposits and Trust Fund, enabling agency Budgets to be presented in the Budget Papers on a total sources of funds basis. Since the initial development of BMS, a number of enhancements have been carried out on an incremental basis without a major review of the system operations

BMFRS was enhanced to allow the presentation of the 2003-04 Budget on an accrual basis incorporating both Uniform Presentation Framework and Australian Accounting Standard bases of reporting.

The move to Accrual Budgeting for the 2003-04 Budget means that it is appropriate to assess the strategic direction of BMFRS to ensure it is able to satisfy all future needs of key stakeholders.

#### 2003 Strategy

By 30 June 2004, develop a scoping paper in respect of the strategic direction of the Integrated BMFRS, to ensure it satisfies all future needs of key stakeholders.

#### Progress

The Terms of Reference and scope of the BMFRS Strategic Review were endorsed by the BMFRS Management Committee in April 2004. A Survey was sent to agencies and internal stakeholders in May 2004 and responses were completed in July 2004. A draft Report will be finalised for internal consideration by Treasury in September 2004.

### 3.4 Future Reforms

With almost \$6 billion in land and buildings, plant and equipment and infrastructure assets held by Tasmania's General Government Sector entities, it is essential that public sector managers implement a strategic approach to the life long management of these assets.

Whilst agencies have prepared Strategic Asset Management Plans (SAMP) since 1997 and Budget Committee has endorsed these plans, the documents generally concentrated on brick and mortar assets.

Tasmania *Together's* Goal 15 is to "have a system of government that is accountable to the people and plans for the future at all levels". One of the standards to be achieved under this goal is to foster the development of strategic planning processes beyond the electoral cycle.

The review of the current asset management framework and the development of a revised longer term framework, supported by a strategic policy statement would advance this Tasmania *Together* goal and raise the profile of the need for strategic asset management and decision making within the Tasmanian Public Sector.

The proposed approach to this Project is to undertake specific phases commencing with an assessment of the performance of, and support for the current Framework which will provide

information for planning subsequent required phases such as the development of a policy framework and/or central data and decision support systems.

The initial phase will involve establishing the effectiveness of the SAMP framework introduced in 1997, establishing major issues with the current framework from the agency and central management aspects, conducting a scan of asset investment/allocation methodologies and supporting systems in other Australian jurisdictions and establishing the availability and use of relevant data within agencies.

## 4 Financial management – government departments

### 4.1 Progress to date

The Financial Management Reform Strategy (FMRS) has resulted in considerable improvement in the financial management of agencies.

During 2003-04, an analysis was undertaken of the FMRS work program since 1996. The analysis identified that many of the reform strategies identified at the inception of the FMRS have now become core business activities of agencies. These core business activities have been adopted because they were identified as areas where improvements were needed to assist the Government in achieving its policies and objectives. As a result, there have been significant improvements in the accountability of the Government and agencies for financial performance and management of total resources. From 2003-04, all financial and statistical reports and statements, including the State Budget, are presented on an accrual basis.

### 4.2 Continuing Initiatives

#### 4.2.1 Whole-of-government risk management

The Tasmanian Risk Management Fund (TRMF) manages the risk to which the Tasmanian Government is exposed. All agencies participate in the TRMF, which commenced operation from 1 July 1999.

#### 2003 Strategy

In relation to risk management, Treasury will:

- prepare an Annual Report on the activities of the TRMF during 2002-03, by November 2003;
- finalise a Motor Vehicle Fleet Purchase and Use Policy by November 2003;
- review agency contributions and the calculation of premiums by December 2003;
- examine options to improve the management of medical malpractice liabilities, by December 2003; and
- conduct a tender process and appoint panels of pre-qualified providers for each category of service provider to the TRMF, by June 2004.

#### Progress

The 2002-03 Annual Report for the Tasmanian Risk Management Fund was published in December 2003 and is available on the Treasury Web site at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au), under the Tasmanian Risk Management Fund link.

Comprehensive *Motor Vehicle Fleet Purchase and Use Guidelines* were completed in March 2004. The Guidelines are intended to assist Heads of Agencies develop a policy for the implementation of a program for motor vehicle fleet selection and use within their Agency. The Guidelines are available on the TRMF Web site.

In December 2003, the calculation of various risk management premiums was reviewed by the Fund's Actuary to ensure that adequate cover is provided and sufficient contributions are being collected from each participating agency. The resulting report was endorsed by the TRMF Steering Committee in January 2004.

KPMG was appointed in 2003-04 to recommend an appropriate contribution from the Department of Health and Human Services for medical liability and to examine options to improve management of medical malpractice liability claims. KPMG provided a final draft Report in July 2004 examining the options and making some positive suggestions for improvement. In July 2004, the TRMF Steering Committee endorsed the revised medical liability contribution and the Department of Health and Human Services indicated in July 2004 that it will implement a range of recommendations arising from this Report during 2004-05.

The procurement process utilised to select motor vehicle repairers has been reviewed and tender documentation for the appointment of a panel of motor vehicle repairers is currently being prepared for release by September 2004. A similar process will be followed for other categories of service providers to the TRMF during 2004-05.

#### **4.2.2 Reform of property services**

In July 1999, the Government approved the Office Accommodation and Property Services Strategic Plan. The Plan provides for Government withdrawal from ownership of commercial office property over an indicative five year period through a divestment strategy and the progressive devolution to agencies of responsibility for property services.

The divestment of individual properties will proceed on a case-by-case basis, with each sale subject to the approval of the Treasurer. The Plan requires consultation with tenant agencies and the analysis of each property to determine the most appropriate method of disposal.

From 1 July 1999, responsibility for single and simple multi-tenanted office leases over \$100 000 was devolved from Treasury to agencies. Three multi-tenanted leasehold buildings continue to be managed by Treasury. These will be retained in the Treasury property portfolio and reviewed for devolution to tenant agencies prior to the expiry of each lease.

##### **2003 Strategy**

During 2003-04, continue to divest the Government owned office portfolio, arranging the sale or transfer of properties in accordance with the Office Accommodation and Property Services Strategic Plan.

## **Progress**

Since the implementation of the Office Accommodation and Property Services Strategic Plan in 1998, 15 Government office properties have been sold and five have been transferred to user agencies. One property was sold during 2003-04 (75-77 Cameron Street Launceston).

At 30 June 2004, the remaining Government owned office portfolio consisted of 16 buildings, ranging from large complex multi-storey buildings to small regional offices.

During 2003-04, work commenced on a major Project to disaggregate the eight properties located behind Parliament House, known as Heritage Square. The Project will enable further investigations into, and identification of, options for the divestment and development of the site. The Project will also identify all issues and concerns that may impact on the subdivision, marketing and sale of development of the site.

To progress this Project, a consultant was appointed in April 2004 to investigate the site and recommend all works necessary to disaggregate the properties. The Report is scheduled for completion in September 2004, whereupon a decision will be taken on progressing the necessary works which will be undertaken during 2004-05.

### **4.2.3 Asset management**

Treasury released the Strategic Asset Management Framework in May 1997. The purpose of the Framework is to enhance the efficiency and effectiveness of the returns from assets controlled by agencies. Maximising returns from Crown assets assists the Government in achieving its Fiscal Strategy targets.

Agencies with significant asset holdings develop Strategic Asset Management Plans (SAMPs). Given the time that has elapsed since the issue of the Strategic Asset Management Framework, Treasury is reviewing the control and management of Crown assets. The review will include consideration of the definition of Crown land, the procedures for assets sales and leases, the distribution of proceeds and the operation of the Crown Lands Administration Fund. The review will also consider whether the Framework should apply to plant and equipment, IT infrastructure, and real estate.

#### **2003 Strategy**

By June 2004, prepare and submit to Budget Committee, after consultation with agencies, a report on revised Strategic Asset Management Plan (SAMP) processes, reflecting the new accrual budgeting framework.

## **Progress**

The first draft of the review of the SAMP processes was completed in May 2004. The report prepared a scope and proposed a consultant review of the current SAMP process. A scan of SAMP processes in other jurisdictions is also proposed. Budget Committee has approved the project plan and request for funding for an initial review of the current SAMP framework. The Consultant is expected to deliver a report by September 2004.

#### 4.2.4 Financial systems strategic review

A number of systems associated with financial management and reporting by agencies underpin the successful implementation of the Financial Management Reform Strategy. Many of the financial systems implemented in the mid 1990s require updating to take advantage of technology developments.

##### 2003 Strategy

In March 2004, Treasury will convene a third Strategic Planning Day to progress the ongoing management of financial systems reform.

Treasury will continue to provide administrative support to the inter-agency working groups. By June 2004:

- the Financial Systems Management Group will have undertaken negotiations with the common financial management information systems provider with the aim of developing a strategic whole-of-government partnership agreement and contract management arrangements; and
- the Budget Systems Working Group will have prepared detailed specifications for a common agency budget development and management system.

#### Progress

The third Strategic Planning Day was held on 17 March 2004. No new strategic issues were identified at the session. Each of the Working Groups reported on the progress made toward achieving their objectives and further areas of priority were identified, including:

*Financial Systems Management Group* - The Group undertook a survey of finance managers in September 2003 to identify issues to be incorporated in the proposed whole-of-government contract. The Group has commenced negotiations with the common financial management information systems provider with the aim of developing a strategic whole-of-government partnership agreement, including a single whole-of-government contract and contract management arrangements. Negotiations should be completed by 31 December 2004.

*Budget Systems* - The Budget Systems Working Group has completed the specifications for a common agency budget development and management system. The specifications have not been finalised for submission to the Inter Agency Steering Committee, pending the assessment of a test version of budget software provided by the common financial management information systems provider. This evaluation is expected to be completed by November 2004 and a demonstration and assessment will be provided to the Working Group.

#### 4.2.5 Accounting policy

The Secretary of the Tasmanian Department of Treasury and Finance is Chair of the Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC). HoTARAC advises Heads of Treasuries (HoTs) on emerging issues and their implications for accounting, reporting and financial management, relevant to the Australian, State and Territory Governments. HoTARAC's terms of reference specify that the Committee is to:

- develop a consensus view (if possible) on all major accounting and public finance reporting issues for submission to HoTs. This will include all significant public sector accounting and reporting issues being addressed by the Australian Accounting Standards Board (AASB), the Australian Bureau of Statistics and the Australian Council of Auditors General;
- undertake specific policy or research projects as directed by HoTs; and
- provide a forum for the development and exchange of ideas and research on contemporary financial management reforms.

Treasury provides secretariat support to HoTARAC and, jointly with other jurisdictions, develops public sector positions on accounting and reporting issues.

Treasury provides advice to agencies on accounting policy issues through the Treasurer's Instructions and guidelines issued under the FMAA. In addition, Treasury and the Auditor-General consider interpretative issues arising from Australian Accounting Standards.

The major accounting issues facing the public sector will be the changes associated with the Australian Accounting Standards Board's projects for the adoption of International Accounting Standards and the harmonisation of Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP).

#### 2003 Strategy

During 2003-04, continue to provide secretariat services to HoTARAC.

During 2003-04, continue, with other State, Territory and Australian Treasuries, to develop public sector positions on accounting and reporting issues.

#### **Progress**

The Tasmanian Treasury provided secretariat services to HoTARAC during 2003-04. During 2003-04, HoTARAC provided comment, undertook research and participated in technical meetings in relation to a number of emerging accounting and reporting issues, including:

- convergence and harmonisation with International Accounting Standards, including the preparation of submissions on Exposure Drafts released by the AASB in relation to the adoption of International Accounting Standards;
- harmonisation of Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP);
- Private Sector Provision of Public Infrastructure; and
- reviews of the International Accounting Standards Committee Foundation and the Public Sector Committee of the International Federation of Accountants.

HoTARAC's GFS/GAAP Harmonisation Working Group prepared a series of papers addressing convergence issues which were endorsed by HoTARAC in June 2003 and, following endorsement by Heads of Treasuries, were submitted to the AASB. Additional papers were prepared during 2003-04 to address issues such as the status of the General

Government Reporting Entity and the presentation of GFS aggregates in the financial statements.

The AASB has established a Project Advisory Panel (PAP) to assist in its consideration of technical and conceptual issues. The AASB has revised its timetable for GFS/GAAP harmonisation and now expects to issue an Exposure Draft by March 2005, and the Standard in June 2005.

#### **4.2.6 Treasurer's Instructions**

Treasury conducts an ongoing review of the Treasurer's Instructions. However, in recent years the review has concentrated upon responding to the increasingly significant and rapid changes to Australian Accounting Standards.

Treasury, in conjunction with agencies, commenced a full review of the Treasurer's Instructions during 2002-03. The initial phase of the review was completed in May 2003.

##### **2003 Strategy**

Treasury will complete the review of Treasurer's Instructions by 31 December 2003 and reissue the revised Treasurer's Instructions by 31 January 2004.

Treasury will present a proposal for a common approach to the development of agency specific financial management manuals at the October 2003 Financial Management Forum.

#### **Progress**

The final phase of the review of Treasurer's Instructions was completed in January 2004. The Treasurer's Instructions now have a consistent structure and use consistent terminology and simplified language. The Treasurer's Instructions are available on the Treasury Web site at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).

At the October 2003 meeting of the Financial Management Forum, it was agreed that an inter-agency Working Group would be formed to examine issues relating to financial risk management and internal control, commencing with the development of a best practice agency finance manual.

The Internal Control Working Group (convened by the Department of Health and Human Services) has examined the current form and content of Agency Finance Manuals. The Working Group is currently developing best practice guidelines for the development and maintenance of Agency Finance Manuals and will provide input to the development of an updated Treasurer's Instruction setting out agency requirements by November 2004.

#### **4.2.7 Whole-of-government Accrual Consolidation Reporting Application**

There are two main accrual-based standards for public sector statistical and financial reporting in Australia. Treasury prepares financial information in accordance with the

requirements of Australian Accounting Standard AAS 31 *Financial Reporting by Government* and Government Finance Statistics (GFS).

The Accrual Consolidation Reporting Application (ACRA) is the system developed by Treasury to facilitate the production of consolidated accrual financial, statistical and budget information.

Treasury has commenced a project to consider the future of ACRA, which includes the consideration of changes in the functionality of the Integrated BMFRS to accommodate present ACRA capabilities.

#### 2003 Strategy

By June 2004, complete a review of the functional requirements for whole-of-government Reporting.

#### Progress

The review of functional and user requirements for a whole-of-government reporting system was finalised in June 2004. Quotations to assist in the development of a detailed design specification were called in August 2004. Tenders for the development of a whole-of-government financial consolidation and reporting system will be called in November 2004.

#### 4.2.8 Improving whole-of-government and agency banking practices

The Tasmanian Government has contracts with the Westpac Banking Corporation (Westpac) for the provision of banking and revenue collection services, and with Australia Post for the provision of revenue collection services.

Treasury will continue to review transactional banking and revenue collection services to identify any areas of concern to agencies and consider appropriate measures to address any issues identified.

#### 2003 Strategy

During 2003-04, Treasury will work with Westpac to encourage agencies to continue the migration to electronic, cost effective processes that assist better business practices for agencies and their clients.

By December 2003, Treasury will complete a further review of transactional and revenue collection services to identify any areas of concern to agencies and will consider appropriate measures to address any issues identified.

#### Progress

A strategy for whole-of-government banking is to increase efficiencies and lower costs by implementing new electronic receipting and payment systems that reduce labour intensive paper-based transactions. A performance measure in the renewed banking contract is to achieve a five per cent reduction in paper-based transactions within 12 months and achieve

continued efficiency gains thereafter. Westpac has been working with agencies during 2003-04 to implement electronic banking products such as BPAY, Payment Processing Service (PPS) and other electronic payment options. A new communication application, Straight Through Processing (STP), which allows accounting applications to send electronic payments directly to Westpac, avoiding the need to upload the files into Deskbank or Corporate Online, is currently being investigated

During 2003-04, an agency Survey was completed as part of the continuing review of the whole-of-government banking contract for Transactional Banking and Revenue Collection services. The review indicated that, overall, most agencies were satisfied with the level of service provided by Westpac. The appointment of the Hobart-based Government Client Services Manager was regarded favourably by the agencies. The results of the performance review were provided to agencies and Westpac in May 2004. The next review will be completed in December 2004.

#### **4.2.9 Departmental fees and charges**

*Costing Fees and Charges – Guidelines for use by Agencies* was issued in December 1998. The purpose of the Costing Fees and Charges Guidelines was to improve the basis on which fees and charges are applied and determined by Government agencies for certain goods and services provided to the community. A review of the Guidelines is appropriate to ensure that it is consistent with the overall financial management reform process of the Government. The review will cover any changes in the fee and charges environment, and any issues that may have arisen, in relation to basic concepts and principles, since the guidelines were released.

2003 Strategy
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By September 2003, review and issue new Costing Fees and Charges Guidelines.
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#### ***Progress***

The revised Costing Fees and Charges Guidelines were approved by Budget Committee in August 2003. The changes to the third edition of the guidelines relate to:

- introduction of the Goods and Services Tax and the abolition of the Australian Government Wholesale Sales Tax;
- inclusion of requirements resulting from National Competition Policy and the implications of competitive neutrality; and
- the introduction of the Accrual Budgeting Framework.

The Guidelines were implemented on a progressive basis. The Department of Infrastructure, Energy and Resources, the Department of Primary Industries, Water and Environment and the Department of Health and Human Services implemented the guidelines by December 2003. Following this, the Department of Education and the Department of Justice implemented the guidelines by April 2004. All remaining agencies will implement the Guidelines in 2004-05.

#### 4.2.10 Review of Financial Management Legislative Framework

During the past decade, there have been significant financial management reforms introduced in the Tasmanian General Government Sector including the implementation of accrual reporting and accrual budgeting. However, the *Public Account Act 1986* and the *Financial Management and Audit Act 1990* (FMAA), which comprise the key components of the financial management legislative framework, have not been significantly reviewed to complement these changes. Only minor amendments have been made, most recently in July 2003 to introduce a new financial reporting framework for the General Government Sector to accommodate the introduction of the accrual budget presentation.

##### 2003 Strategy

By October 2003, prepare a Scoping Paper outlining work undertaken to date and the process and extent of the review of the financial management legislative framework.

By December 2003, obtain endorsement from stakeholders, including the Treasurer, on the scope of the proposed review.

By April 2004, issue a Discussion Paper outlining the proposed financial management legislative framework and the process for its implementation.

##### *Progress*

During 2003-04, Treasury commenced a review of the Financial Management and Audit Act and the Public Account Act. In March 2004, the Treasurer endorsed a Scoping Paper outlining the process and extent of the review of the financial management legislative framework. An Issues Paper evaluating options for the structure of the Public Account and other conceptual issues is currently under consideration within Treasury. A Discussion Paper outlining the proposed financial management legislative framework and outlining a proposed implementation strategy will be released to major stakeholders for comment in the second quarter of 2004. Treasury will then consult with interested stakeholders, including agencies, non-business State Authorities and the Auditor-General, on options for further improvements to the Tasmanian financial management framework.

#### 4.3 Future Reforms

Improvements in financial management practices within Treasury and agencies have largely been the result of reform strategies identified through the FMRS. There has been a conscious effort to improve agency efficiencies and maximise the useability of financial reports and other management information. Through financial management reforms, relationships between Treasury and agencies have been continuously improved. Treasury appreciates the benefits obtained by consulting with agencies on matters that will impact on them.

During 2003-04, an analysis was taken of the FMRS work program since 1996. The analysis identified that many of the reform strategies identified at the inception of the FMRS have now become core business activities of agencies. As a result, there have been significant improvements in the accountability of the Government and agencies for financial performance and management of total resources.

From 2004-05, the FMRS will move towards consolidating the reforms that have been achieved over the past nine years. These major reforms have created significant progress towards total resource management, improving efficiencies and effectiveness within agencies. These major reforms have been developed and implemented to support the Government achieving its policies and objectives.

In response to the global economic environment, corporate governance and risk management continues to be a priority. Treasury will continue to develop a whole-of-government Risk Management Policy and Framework. This will also involve a review of procurement processes for service providers to the Tasmanian Risk Management Fund, including appointing panels of pre-qualified providers where appropriate.

The review of the financial management legislative framework will continue. Given the major reforms achieved to date, it is necessary for the legislative frameworks be reviewed and updated to complement the progress in financial management, achieved through the FMRS.

Treasury will continue to assist agencies in implementing financial management reforms, through providing guidance and advice. Established lines of communication between Treasury and agencies will be preserved, providing a platform for the provision of advice on financial management issues such as accounting, financial reporting and statistical reporting. Consultation with agencies during the development and review of Treasurer's Instructions and other financial management policies will remain a priority.

Monitoring, commenting on and implementing emerging financial reforms will remain a priority focus for Treasury. Through this monitoring process, Treasury is committed to supporting agencies through the provision of information and advice on emerging issues. The transitional impacts of the shift to international standards will be addressed by adopting a whole-of-government approach to developing policies and processes to deal with the changes. Treasury will also continue to liaise with the Auditor-General and other jurisdictions, through HoTARAC, on emerging accounting issues and financial reforms.

# 5 Financial management-procurement

## 5.1 Progress to date

A key aim of the Government's procurement policy is to maximise opportunities for local businesses to compete, on a fair basis, for government contracts and to receive an increasing share of these contracts through being competitive with mainland firms on price and quality.

To achieve this aim, the Government has implemented a range of procurement reforms to enhance opportunities for Tasmanian small to medium sized enterprises (SMEs) to compete for government business.

The Procurement Advisory Group, established by the Government, continues to review and monitor government procurement policies and agency tendering processes, with a specific focus on enhancing the capacity of Tasmanian businesses to competitively bid for government business. Since its formation, the Group has contributed to a number of significant initiatives including the online advertising of tenders, protection of local business from dumped goods, the development of a procurement complaints process and monitoring system, the establishment of Tender Review Committees and processes for the disclosure of information.

The Government has two very clear objectives:

- giving Tasmanian business the information it needs to be able to successfully compete for government contracts; and
- helping local business work together to win bigger contracts.

In 2002-03, the Government awarded 498 contracts (with a combined value of \$466.6 million). Of these, 401 were awarded to local contractors and suppliers, circulating \$406.5 million in the local economy. Overall, Tasmanian businesses won over 92 per cent of all government tenders that they competed for in 2002-03.

## 5.2 Continuing initiatives

### 5.2.1 Assisting agencies with procurement activities

Treasury is continuing to pursue a number of initiatives to enhance the skills and understanding of agency staff involved in procurement.

## 2003 Strategy

Treasury will:

- review and rewrite the Treasurer's Instructions in relation to procurement, by December 2003;
- in conjunction with New South Wales, Queensland and the Office of the Crown Solicitor, participate in the review of the current Government Information Technology Contract and order forms to determine if they are still meeting the Government's requirements, by December 2003;
- survey SMEs and agencies, to identify tendering issues and identify why Tasmanian SMEs are unsuccessful when bidding for Government business, by December 2003; and
- based on the survey of SMEs and agencies, identify and improve areas of ambiguity in tender documentation and processes, by June 2004.

## Progress

The information contained in the Treasurer's Instructions relating to procurement, together with related guidelines and policies, were extensively reviewed during 2003-04. Considerable time was taken to ensure that the revised Instructions are clear, concise and remove previous areas of ambiguity and confusion. Draft Instructions were provided to agencies for comment and review in April 2004. It is anticipated that the final Instructions, incorporating agency feedback, will be released to agencies by 30 September 2004.

During 2003-04, Treasury examined the newly implemented New South Wales Procure IT contracts to determine if they would be suitable to replace the existing Government Information Technology Contract (GITC). Prior to undertaking a full review of Procure IT, Treasury will wait to see the outcome of NSW's own evaluation of the new contracts after 12 months of use. In the meantime, Treasury is working with the Office of the Crown Solicitor to revise the information provided to agencies via the procurement Web site regarding Tasmania's current GITC. The Crown Solicitor will offer training to agencies to explain issues associated with usage of the GITC, for example the completion of the Official Order. This training will be completed by 30 December 2004.

In September 2003, the Procurement Advisory Group (PAG) endorsed the conducting of a Survey of Tasmanian businesses in relation to their ability to win business with the State Government. The PAG agreed that the information gained from the Survey would be highly useful in providing direction on a broad range of procurement related projects and initiatives in the future. The aim of this Survey was to identify areas in which Tasmanian businesses can be provided with further assistance to enhance their ability to compete for State Government purchasing opportunities. The Survey was undertaken from January to March 2004 with 351 businesses providing a response. A Report which analyses the responses and provides suggested initiatives to further assist local businesses will be circulated to agencies and businesses for comment in September 2004. The implementation of the resulting initiatives will occur during 2004-05.

## 5.2.2 Internet commerce

Electronic commerce solutions offer a range of benefits to streamline and improve the procurement function, providing electronic purchasing options to individuals, businesses and governments that range in complexity from simple purchases over the Internet to electronic marketplaces.

The Government is a major buyer in Tasmania, spending millions of dollars on the procurement of goods and services. There are, therefore, potentially significant efficiencies to be made through electronic procurement (eg in reducing transaction costs, obtaining better value for money and making more informed choices and decisions). By furthering electronic procurement, the Government can also provide impetus to suppliers to conduct business on-line with other businesses and the general community.

### 2003 Strategy

Treasury will:

- provide a facility for the electronic lodgement of tenders by December 2003;
- release a Discussion Paper “eProcurement in the Tasmanian Government – The Way Forward”, drawing together the findings of the eProcurement in Government Survey and the eProcurement Pilot Project, by October-2003; and
- in consultation with agencies, prioritise and implement the key strategies identified in the Discussion Paper *eProcurement in the Tasmanian Government – The Way Forward*, by June 2004.

### Progress

During 2003-04, significant enhancements were made to electronic procurement processes. The Government’s purchasing Web site now provides for electronic downloading of tender documents 24 hours a day seven days a week. Businesses can also register with the site to receive automatic notification when a relevant tender is placed on the site.

Considerable work has been undertaken in developing the eLodgement facility, which will allow businesses to lodge their tender responses electronically. Given the need to ensure such a system is highly dependable and secure, the system has undergone a rigorous development, testing and audit process. Refinements and improvements are also being made to the site to make it easier for agencies to load tender information. It is expected that all system work will be fully completed and that the system will go live in October 2004.

During 2003-04, Treasury, in consultation with agencies, developed the Paper *eProcurement in the Tasmanian Government – The Way Forward*. This Paper draws together the findings of the eProcurement in Government Survey and the eProcurement Pilot Project. The Paper was endorsed by the Procurement Advisory Group and the Minister for Finance and subsequently released to agencies in June 2004. A range of initiatives and ongoing actions will be progressed by Treasury and agencies over the coming year in conjunction with other strategic procurement initiatives.

### 5.2.3 Strategic procurement

The procurement of information technology goods and services is one area where there exists the potential for obtaining significant savings from a more strategic procurement approach. Treasury, in conjunction with the Department of Premier and Cabinet (DPAC), plans to collect data from agencies to identify categories of information technology purchases that could provide cost savings and other benefits through strategic sourcing arrangements.

A more strategic approach to agency procurement functions may lead to a better understanding by agencies of current procurement activities, and assist them to identify what they want to achieve through procurement (eg linking procurement decisions to service delivery outcomes) and clarify what is preventing them from achieving their procurement goals (such as limitations in systems, processes and skilled staff). Incorporating procurement into agency strategic planning processes, streamlining processes and improved training, will assist agencies to achieve their objectives.

#### 2003 Strategy

During 2003-04 Treasury will:

- in conjunction with the Department of Premier and Cabinet, Treasury will collect and analyse data on agency IT procurement activities and develop strategic sourcing options by 31 December 2003; and
- examine and report on options for further progressing Government procurement objectives and delivering value for money through more strategic procurement practices.

#### Progress

DPAC surveyed agencies in relation to their agency IT procurement activities in March 2003, however the process took longer than anticipated due to technical problems associated with the survey process. Treasury received the results of the survey in February 2004. Treasury is currently preparing a report in relation to strategic procurement options for IT equipment based on the survey findings, including recommendations, for consideration by the Inter Agency Steering Committee in the second half of 2004.

During 2004, Treasury prepared a Paper outlining practical actions and initiatives that could be undertaken to progress Government procurement objectives and delivering value for money through more strategic procurement practices. The Paper focuses on four key areas for action:

1. **procurement profiling**, which involves developing a better understanding of what is bought, how and from whom;
2. **procurement planning**, which means determining in advance the most appropriate process that will deliver the best outcome;
3. **eProcurement**, including the implementation of actions identified in the Paper *eProcurement in the Tasmanian Government – The Way Forward*; and
4. **education and training**, including both formal courses and electronic training resources.

The Procurement Advisory Group (PAG) considered the paper at its March 2004 meeting and a number of potential strategic procurement initiatives suitable for adoption in Tasmania were identified. The paper was subsequently released to agencies for comment in April 2004. During 2004-05, Treasury will work cooperatively with agencies to identify further strategic procurement initiatives that can realistically be undertaken in each agency.

#### **5.2.4 Broaden Business Opportunities with Government Entities**

Government Business Enterprises (GBEs) and State-owned Companies (SOCs), in conjunction with inner-Budget agencies, are major purchasers of goods and services in Tasmania. Together, they represent an important source of revenue to the Tasmanian economy. Whilst they all have differing purchasing needs, and operate in different commercial environments, it is important that they are encouraged to adopt best practice procurement to ensure that the Government's procurement strategies are achieved.

Treasury's aim is to build stronger relations with GBEs, SOCs and local government, and create better linkages with each, so that SMEs can readily identify business opportunities. Treasury's role will be to actively provide procurement resources, policies and practices that may be beneficial to other organisations and assist with the Government's overall strategy of enhancing opportunities for local business. Treasury will liaise directly with both GBEs and SOCs to promote best practice purchasing.

##### **2003 Strategy**

*During 2003-04, further pursue the Government's commitment to supporting local businesses, through utilising its procurement resources through:*

- participation in the development and review of Local Government Partnership Agreements to ensure that opportunities to incorporate procurement related initiatives are considered;
- encouraging GBEs, SOCs and local government to utilise the tenders Web site to promote business opportunities to local SMEs; and
- actively market procurement training and associated tools developed for inner budget agencies, to GBEs, SOCs and local government.

##### **Progress**

Treasury has worked with local government to improve linkages between State and local government procurement opportunities. To this end, links have been established between the Government's purchasing Web site and the local government LOGONS Web site to make it easier for businesses to identify tendering opportunities at both levels of government.

During 2004, Treasury has worked closely with the Local Government Division (LGD) of the Department of Premier and Cabinet as part of the review of procurement provisions contained in the *Local Government Act 1993*. Treasury will continue to work with the LGD on the project through the remainder of 2004, and is seeking to streamline the procurement requirements in the *Local Government Act 1993* and develop a framework for local government procurement that links with the Government's procurement objectives.

Treasury also will work with the LGD and the Local Government Association of Tasmania in respect of training local government buyers in best practice procurement. It is anticipated that procurement training and tools for local government will be developed following the review of the Local Government Act.

Procurement requirements proposed for GBEs were included in draft Ministerial Charters circulated to GBEs for consideration and review in April 2004. It is anticipated the Charters, including procurement requirements, will be finalised during 2004-05.

### **5.3 Future Reforms**

#### **5.3.1 Continuing Procurement Initiatives**

Treasury will continue to pursue the Government's objectives of maximising opportunities for local business to compete, on a fair basis, for government contracts. Tasmanian businesses will continue to have access to information that will assist them to successfully compete for government contracts. Particularly, Treasury will look to consolidate the reforms achieved over the past nine years, and identify opportunities for new reforms.

Through monitoring Government contracts awarded over \$50 000, Treasury can identify where the successes are being achieved, and areas where greater assistance and information are required.

Treasury will also work to help broaden opportunities for Small and Medium Enterprises (SMEs) through working with GBEs and SOCs to encourage a commitment at the State level to furthering Tasmanian business. This commitment to supporting local industry does not compromise the importance of value for money, a competitive business environment and ethical conduct. In an increasingly competitive business environment, quality and value are prime considerations, and local businesses recognise that they are competing for government contracts at a national level. Local businesses ability to successfully compete at a national level has been confirmed by their improved performance in securing government contracts. Currently, Tasmanian businesses win around 95 per cent of tenders for which they compete.

In the interests of improving efficiencies and streamlining process, Treasury is dedicated to further developing eProcurement initiatives. Formal and electronic training resources will give State procurement officers the necessary skills to get the maximum benefit out of the procurement process. Electronic access to Treasurer's Instructions, Guidelines and tender documents, eLodgement of tender submissions and electronic collection of survey data will become the principal means of interaction and information sharing between Treasury, tenderers and agencies. This will also ensure that policies and procedures are up-to-date and accessible at all times.

#### **5.3.2 Public Works Tender Board Guidelines**

The *Public Works Tender Board Order 1997* established the Public Works Tender Board which is responsible for building construction and civil works (roads and bridges). The Order gave agencies increased authority to conduct tenders under delegation from the Public Works Tender Board.

The Public Works Tender Board Guidelines provide advice in relation to devolved tendering and contracts procedures for building and civil construction works, and refer to a wide range of associated documents, including the Procurement Practices Manual. The Guidelines are essentially unchanged since their introduction in 1997.

During 2004-05, Treasury will review the Guidelines and associated documents and the way that they are presented. The review will:

- clearly identify mandatory requirements within the Treasurer's Instructions;
- where appropriate, align the building and construction and goods and services procurement processes;
- simplify, where possible, the documentation and policies that agencies are required to follow when undertaking building and construction procurement; and
- provide additional electronic resources to assist agencies with building and construction procurement.

# 6 Financial management – Government Businesses and other State Authorities

## 6.1 Progress to date

Treasury has been involved in a range of activities to reform, and improve the financial performance and commercial focus of, Government businesses. These include:

- a review of the *Government Business Enterprises Act 1995* (GBE Act), resulting in enhancements to the framework under which Government Business Enterprises (GBEs) operate. The enhancements were made via the *Government Business Enterprises Amendment Act 2002* commencing on 27 November 2002;
- a review of the financial management and reporting arrangements for State Authorities which will be further considered as part of the major review of financial management legislation, which commenced in 2003-04; and
- implementation of a Shareholder Value Added (SVA) measurement and reporting regime in December 2000. In broad terms, SVA measures the extent to which a business adds value for its shareholders by generating net returns that exceed the weighted average cost of capital of the business.

The GBE Act provides a framework that enables Tasmania's GBEs to manage their operational affairs with greater independence and maximise their commercial performance, whilst providing for improved strategic oversight and accountability. This framework provides for enhanced economic efficiency and effectiveness of GBEs.

## 6.2 Continuing Initiatives

### 6.2.1 The legislative framework for Government Business Enterprises

In 1999, the GBE Act had been in operation for four years. At that time, Treasury initiated a review to improve the administration of the Act and to ensure that it remained in step with best practice. The review was completed in November 2000.

After extensive consultation with all GBEs and portfolio departments, Cabinet considered the Review findings in March 2002. Cabinet approved a number of legislative and non-legislative recommendations for improvements to the GBE Act. The *Government Business Enterprises Amendment Bill 2002* was subsequently prepared and received Royal Assent on 27 November 2002.

Following the enactment of the *Government Business Enterprises Amendment Act 2002*, Treasury issued new Treasurer's Instructions relating to reporting requirements for the corporate plan, financial statements and the annual report of GBEs.

## 2003 Strategy

By December 2003, complete a review of GBE Ministerial Charters to ensure consistency with the *Government Business Enterprises Amendment Act 2002*, and any other requirements of the recommendations of the GBE Act Review Group.

### Progress

With the enactment of the *Government Business Enterprises Amendment Act 2002*, Treasury undertook a review of the GBE Ministerial Charters to ensure that the broad policy expectations established by portfolio Ministers in respect of GBEs remain consistent with the Act. The initial review of Ministerial Charters has been completed and provided to GBEs for comment. Ministerial Charters are to be finalised, taking into account GBE comments, during 2004-05.

### **6.2.2 Developing appropriate management of Community Service Obligations (CSOs) and Community Service Agreements (CSAs)**

Community Service Obligations (CSOs) are recognised non-commercial activities undertaken by a GBE on behalf of the Government. The CSO contract with a GBE enables the Government to achieve its economic, social and other objectives, without impacting on the commercial performance of the GBE.

The key elements of a CSO are:

- a specific directive from Government must exist (either in legislative form or a direction underwritten by legislation) to perform the non-commercial activity; and
- the activity is one which would not be performed if the GBE were free to act commercially (that is, the GBE incurs a net cost in providing the CSO).

Similar arrangements exist in relation to SOCs and Community Service Agreements (CSAs). CSAs are the equivalent of CSOs for GBEs.

## 2003 Strategy

During 2003-04, negotiate a new three-year contract with The Public Trustee for the delivery of CSO services.

During 2003-04, monitor the negotiation by the Department of Infrastructure, Energy and Resources of a new contract with Metro Tasmania Pty Ltd.

## Progress

The following table lists the Government's current CSO/CSA arrangements:

GBE/SOC	Type	Term Expiry	
The Public Trustee	CSO	30 June 2007	
Metro Tasmania Pty Ltd	CSA	30 June 2005	Extended for one year, subject to review of passenger services
Hydro Tasmania – Bass Strait Islands	CSO	30 June 2005	
Aurora Energy Pty Ltd	CSA	30 June 2006	

A Working Group was established in November 2003 to negotiate a new three-year contract with The Public Trustee. The new CSO contract approved by the Treasurer in April 2004, was executed to take effect from 1 July 2004.

During 2003-04, the Department of Infrastructure, Energy and Resources (DIER) and Metro Tasmania Pty Ltd entered into negotiations for a new CSO contract. However, the terms of the current contract have been extended to allow DIER to complete a review of passenger services. A new contract will be negotiated upon completion of this review.

### 6.2.3 Review of dividend policy for Government businesses - Discussion Paper

There is a trade off between paying dividends, funding the expansion of Government businesses and the Government's industry development and net debt reduction policies. A review of the *Dividend Policy Guidelines* was conducted in the context of these factors.

In February 2003, a Discussion Paper, *Review of Government Business Dividend Arrangements*, was completed and provided to all Government businesses and other major stakeholders for comment. The Paper examined the underlying principles that should be considered in the Government's dividend policy framework, including the rationale for each principle, and analysed whether the current policy framework appropriately satisfied each of those principles.

#### 2003 Strategy

By June 2004, develop for the Treasurer's consideration, a revised general dividend policy for Government businesses.

## Progress

Two forums were held for Government businesses on 11 and 12 December 2003 to discuss the draft dividend policy statements and to receive feedback from businesses prior to the

dividend policy statements being provided to the Treasurer for consideration. A key theme emerging from the forums was that the increased focus in the dividend policy on business capital programs and structures is a positive development.

A revised dividend policy was drafted by Treasury and approved by the Treasurer in January 2004. The main changes to the dividend policy include:

- greater recognition of the integral relationship between business capital programs, capital structures and dividends;
- formalising the mechanisms for achieving a reasonably stable stream of dividend payments by Government businesses; and
- greater incorporation of shareholder objectives and preferences in regard to dividends from Government businesses.

The key components of the new dividend policy provided the basis for the drafting of a new Treasurer's Instruction for Government businesses, and a new statement of Shareholders' Expectations for State-owned Companies.

The revised dividend policy will be applied to dividends payable in respect of the 2004-05 financial year and beyond.

#### **6.2.4 Infrastructure projects**

The *Private Sector Participation in Public Infrastructure Provision – Policy Statement and Guiding Principles for Private Sector Participation in Public Infrastructure Provision*, were completed and approved by the Treasurer, released to agencies during July 2000 and are published on the Treasury Web site.

The Guidelines:

- ensure consistency in the Government's approach to the public infrastructure market;
- provide clear guidance on the Government's requirements for risk sharing;
- encourage innovative cost effective solutions with appropriate risk/return allocations;
- provide advice to the private sector and to agencies as to how the Government will handle the issue of intellectual property; and
- provide reasonable assurance to industry that the Government intends to follow acceptable proposals through to completion.

During 2001, Heads of Treasuries established a Working Group on Private Sector Involvement in Public Sector Infrastructure (PPPI). Tasmanian Treasury has played an active role in progressing issues on the Working Group's work program. The formal role of the Working Group concluded at the Heads of Treasuries meeting in November 2002. A Ministerial Council on Public Private Partnership was formed during 2003-04 to develop a greater level of consistency in PPP arrangements in Australia.

## 2003 Strategy

During 2003-04, Treasury will provide, as required, advice on the utilisation of private sector capital for public infrastructure projects.

### **Progress**

Treasury has continued to participate in interjurisdictional forums regarding the participation of the private sector in public infrastructure. In addition, Treasury has provided advice on the Affordable Housing Strategy and Meander Dam Project, in particular managing the competitive proponent selection process and thorough examination of risk transfer and value for money considerations.

### **6.2.5 Roles and responsibilities of Government business Board members**

Following the GBE Act Review, an interdepartmental Working Group has been examining options for increasing Board member's skills, competencies and understanding of roles and responsibilities.

The purpose of the Review is to establish an Induction Framework for Tasmanian Government business board appointments (both GBE and SOC) to enable current and aspiring directors to be able to fulfil the role of a board member to an appropriate level of competence.

## 2003 Strategy

Subject to Cabinet approval of the Induction Framework, develop and implement by March 2004, an induction program for new Board directors for Government businesses.

### **Progress**

During 2003-04, the Working Group reviewed comments received from the Government businesses in regard to the draft Induction Framework. The framework was finalised, taking into account the feedback received, and approved by Cabinet on 28 June 2004. The new induction program will be implemented during 2004-05.

### **6.2.6 Government Business Divestment Strategy**

During 2002-03, Treasury assessed the Government's ongoing ownership of each business in its portfolio against a public interest test to determine whether the equity invested in the businesses was the best strategic use for the community.

Treasury's application of the public interest test across the current government business portfolio highlighted a number of businesses for which there was no compelling argument for ongoing Government ownership, and in which there appears strong interest from the private sector. The review also highlighted several areas for further investigation given the complexities of the businesses concerned.

The Government considered the review in March 2003 and decided that three GBEs would be sold, namely:

- Civil Construction Services Corporation;
- Tasmanian Grain Elevators Board; and
- the Stanley Cool Stores Board.

The Government also decided that, while there remains a good case for ongoing Government ownership of Forestry Tasmania and the Hobart Ports Corporation Pty Ltd, Treasury (in consultation with relevant government agencies and the businesses concerned) should undertake detailed investigations into possible non-core asset sales from those businesses as an important element of the Divestment Strategy. The Government requested Treasury to consider the future ownership arrangements for the Launceston Silverdome.

To enable the divestment of the three GBEs, Treasury coordinated the drafting and introduction into Parliament of enabling legislation, the *Government Business Enterprise (Sale) Bill 2003*, which received Royal Assent on 4 July 2003.

#### 2003 Strategies

During 2003-04, progress the Government's Divestment Strategy regarding the sale of the Civil Construction Services Corporation; Tasmanian Grain Elevators Board; and the Stanley Cool Stores Board.

During 2003-04, undertake further investigation into the sale of non-core assets in relation to Forestry Tasmania.

During 2003-04, undertake further investigation into the sale of non-core assets in relation to the Hobart Ports Corporation Pty Ltd.

During 2003-04, undertake further investigation into the future ownership arrangements for the Launceston Silverdome.

#### **Progress**

Civil Construction Services Corporation (CCC) was sold to Works Infrastructure Pty Ltd, a wholly owned subsidiary of Downer EDI Ltd, on 22 October 2003 for a sale price of \$7.586 million. The sale of CCC to Works Infrastructure Pty Ltd will enable the business to grow and diversify, with real benefits to employees, customers and suppliers. All jobs, except six management positions, were secured. The residual assets and liabilities of CCC that were not sold to Works Infrastructure Pty Ltd were transferred to the Government in May 2004.

The sale of the Tasmanian Grain Elevators Board to Tas Silos Pty Ltd (Tas Silos) was completed on 12 December 2003 following a competitive tender process. The headline sale price was \$4.329 million. Of the 14 TGEGB employees, nine were provided offers of employment by Tas Silos. Three TGEGB employees accepted the offer of employment and one employee retired prior to accepting an offer from Tas Silos. Of the remaining TGEGB staff, five have been redeployed to the State Service and employment of the remaining five has been terminated in accordance with the terms of their fixed-term appointments. The

transaction is estimated to realise cash proceeds of \$3.3 million in 2003-04, with these funds transferred to the Economic and Social Infrastructure Fund (ESIF). The residual assets and liabilities of the TGEB that were not sold to Tas Silos were transferred to the Government in May 2004.

The sale of the Stanley Cool Stores Board (SCSB) to RockTas Investments Pty Ltd (RockTas), via a competitive tender process, was completed on 10 December 2003. The sale price achieved for the business was \$1.325 million. The two full time employees of the SCSB accepted offers of employment by RockTas. The transaction is estimated to realise cash proceeds of \$2 million in 2003-04, with these funds transferred to the ESIF. The residual assets and liabilities of the SCSB that were not sold to RockTas were transferred to the Government in May 2004.

With the completion of the sales and the transfer of the residual assets and liabilities to the Crown, each of the three GBEs have been wound up under the provisions of *the Government Business Enterprises (Sale) Act 2003*. The *Civil Construction Services Act 1994*, the *Grain Reserve Act 1950*, and the *Stanley Cool Stores Act 1945* were repealed via Royal Proclamation in May 2004.

The Government's divestment announcement in March 2003 also outlined proposals to investigate the possible divestment of non-core assets from Forestry Tasmania and the Hobart Ports Corporation Pty Ltd (HPC), as well as exploring the future ownership arrangements of the Launceston Silverdome.

A detailed study was undertaken by a Committee comprising representatives of Treasury, the Department of Infrastructure, Energy and Resources (DIER) and the HPC to review the business of the HPC and consider the scope for, and implications of, the sale of non-core assets, in the context of the HPC remaining a viable core port business.

The Committee's report identified a number of divestment options for Government consideration. The sale of the Hobart International Airport was considered, with the Government agreeing to retain that asset under the full ownership of the HPC. Having considered the divestment options, the Government's intention is, in consultation with the HPC Board, and consistent with the overall Waterfront Strategy, to finalise the scope of divestment of HPC non-core assets by mid 2004-05, with the majority of sale proceeds expected to be realised in 2005-06.

Detailed consideration of potential asset sales from Forestry Tasmania has been held over to enable Forestry Tasmania to undertake detailed studies into alternative silviculture techniques in Tasmania's public old growth forests. No returns from potential Forestry Tasmania asset sales have been factored into Treasury's revenue forecasts.

The Government has established a Committee comprising representatives from Treasury, the Department of Economic Development, the Department of Primary Industries, Water and Environment and the Tasmanian International Velodrome Management Authority to prepare advice on the potential options for, and implications of, the divestment of the Launceston Silverdome. The Government has since decided to cease investigating divestment options for the Silverdome as it expects the facility to play an important role in providing sporting infrastructure in the northern region of the State.

### **6.3 Future Reforms**

Building on the foundations of sound relationships, Treasury will continue to strengthen its interaction with Government businesses and consolidate its value-adding role for Government businesses and Shareholder Ministers.

A priority for Treasury is to enhance shareholder advice provided to the Government, through better understanding and monitoring of Government businesses. Through increased awareness and understanding of issues emerging within Government businesses, Treasury will be in a better position to deal with these important issues and provide quality and timely advice to the Government businesses and Shareholder Ministers.

Treasury is reviewing its current shareholder advice practices and reporting framework, as well as private sector models and arrangements in other jurisdictions to develop a “good practice” model for providing shareholder advice to the Government. This model will be strengthened through streamlining the reporting process. The Treasury Data Management Working Group is responsible for implementing more efficient and effective data management, including data collection and data sharing within Treasury, which will complement the monitoring and reporting role.

Corporate governance is increasingly in the public domain, and in light of the many corporate failings over the past decade, has become a major priority for Treasury and Government businesses. Treasury is working to ensure that the corporate governance framework aligns the objectives of Boards of Government businesses with those of the Shareholder Ministers. A new induction framework for Government business Board members will improve the standard of Director skills and knowledge, enhancing the decision-making process, reducing risk exposure to businesses and the Government.

# 7 Education and Communication

## 7.1 Progress to date

Financial management reforms need to be marketed and communicated effectively if agencies, the Government, the Parliament and the public are to gain maximum benefit from them. The Stocktake and Evaluation Process, undertaken in 1999, identified that Treasury was not marketing reform, nor assisting with reform implementation as effectively as it needed to. Agencies indicated that “many of the financial management reforms introduced had not been fully implemented and had not infiltrated agencies”. The main concern was how the reform strategy was being implemented. Agencies required a better understanding of proposed reforms, benefits from reform, as well as sufficient agency resources to carry out full implementation.

On the basis of the findings of the Stocktake and Evaluation Process, Treasury has developed an overall communication strategy. In addition, there have been significant efforts to improve communications with other agencies and key stakeholders during the past five years.

The results of the 1999 Stocktake and Evaluation also restated the importance of establishing effective education and training strategies. Previous work had been undertaken, with consideration being given to issues such as competencies, and specific education programs had been implemented to support the introduction of specific financial management reforms. However, education and training was generally perceived as a second level priority and in a time of scarce resources, programs were often deferred or abandoned altogether.

The Accrual Budget and Financial Management (ABFM) Project provided the impetus to take a longer and broader view on education and training issues. In particular, the Project recognised that education and training needs are ongoing and longer term in both planning and implementation. The Government also has made a public commitment to improving other aspects of financial management and is aware that this is a long-term project.

Treasury endorsed the Improving Skills and Competencies in Financial Management Project as a new initiative for 2002-03. In response to the KPMG *Report of the Survey of Financial Management in Inner Budget Agencies* (the Survey), the inter-agency Education and Training Working Group identified the need to develop a detailed Education and Training Program (the Program) within the framework of the Tasmanian Government’s Financial Management Education and Training Strategy (the Strategy).

## 7.2 Continuing initiatives

### 7.2.1 Electronic provision of information

The Internet allows Treasury to provide timely and accurate information (both internally and to the community at large) more efficiently.

The Treasury Web site is a key means of improving communication with agencies. Treasury will continue to monitor the effectiveness of its Web site and implement improvements to increase access and functionality.

#### 2003 Strategy

Improve Treasury's electronic communication by:

- enhancing the Budget and Financial section on the Treasury Web site by September 2003; and
- continuing to improve the useability of Treasury Web sites to improve functionality and access for users.

#### Progress

Treasury's Web site is an obvious place to centrally locate financial management information, as it is readily accessible to agencies and the general community.

During 2003, the structure of the Budget and Financial section of the Treasury Web site was reviewed to determine how information could be better presented and more readily accessible by users. A restructure of this section of Treasury's Web site was launched in November 2003.

The restructure now provides easier access to core financial management information such as Treasurer's Instructions and Guidelines and highlights information that is likely to be of interest to users.

Treasury will continue to utilise the Treasury website to provide useful and up-to-date information to agencies and the community at large. The Internet is a universally accepted information and communication tool, and is the initial point of contact for many users seeking information about Treasury publications and general information about public sector financial management. Updating and enhancing functions on the Treasury Web site has become an inherent and important function within the Department.

#### 7.2.2 Information on the public finance framework

Given the considerable changes that have taken place, it is important that agencies are kept informed of the Government's overall financial reform agenda and the progress that has been made. It is also important for Treasury to be aware of the views of agencies, and other stakeholders, when developing new elements of the framework.

#### 2003 Strategy

Convene meetings of the Financial Management Forum, in October 2003 and May 2004, to facilitate the sharing of financial information between agencies and to progress whole of government initiatives.

## **Progress**

Two Financial Management Forums were held in October 2003 and March 2004 to discuss a range of financial management issues of interest to agencies. In addition, an end-of-year reporting and Australian Accounting Standards update session was held, in conjunction with the Tasmanian Audit Office, in May 2004.

A number of issues, which were identified at the 2003 Strategic Planning Day, are being progressed by inter-agency working groups. The Financial Management Forum monitors the progress of the working parties established to investigate systems, information and education and training issues. At the March 2004 Financial Management Forum, an additional Working Group was established to examine issues related to risk management and internal control. This Working Group is convened by the Department of Health and Human Services, and has representative members from 11 agencies.

### **7.2.3 Calendar of events**

Treasury publishes an annual Calendar of Events, which provides agencies with information on Budget, Financial Management and Reporting cycles.

2003 Strategy

Publish an integrated 2003-04 Budget and financial reporting calendar in October 2003.

## **Progress**

An integrated 2003-04 Budget Management and Financial Reporting Cycle calendar was provided to agencies and placed on the Treasury Web site in September 2003.

This timetable is seen as an important planning tool for agencies. Following discussions at the 2003 Financial Management Strategic Planning Day, the timetable was expanded into an integrated budgeting and financial reporting calendar incorporating Treasury requests for information. The calendar will continue to be updated annually.

### **7.2.4 Financial management newsletter**

Treasury published the first issue of its newsletter @treasury.tas in October 2000. This issue, and subsequent issues, may be accessed through the Treasury Web site. Treasury is committed to a process of continuous improvement in delivering timely, relevant and useful information to external clients and stakeholders.

2003 Strategy

During 2003-04, continue to advise on financial management reform issues through the regular Treasury newsletter @treasury.tas.

## Progress

A number of articles, relating to financial management issues, were published during 2003-04 in *@treasury.tas*. These included articles on:

- the publication of various Treasury Financial Reports, including Consolidated Financial Statements, Consolidated Fund Quarterly Statements, Loan Council Outcomes reports and the Treasurer's Financial Statements;
- updates in relation to the Accrual Budgeting and Financial Management Project;
- Budget issues including the Budget development timetable and the 2004-05 Budget Community Consultation Process;
- the new financial reporting framework and legislation changes; and
- upcoming adoption of International Accounting Standards from 1 January 2005.

### 7.2.5 Communication strategy

Treasury has an integrated communications strategy incorporating a wide range of communication tools. The Treasury and Finance Web sites and the newsletter *@treasury.tas* are aimed at external audiences. Specific elements, such as the *purchasing.tas.gov.au* web site, are aimed at meeting the primary communication needs of specific target audiences. Seminars, forums, advisory groups and specialist news sheets are examples of other communication tools that have been used, with varying degrees of effectiveness, by different branches.

#### 2003 Strategy

By 31 December 2003, implement recommendations for methods of streamlining Treasury's data requirements, associated data collection processes, effective sharing and use of data by branches and standardisation of terminology.

## Progress

Treasury established an internal Data Management Working Group in December 2002 to investigate and make recommendations on methods of streamlining Treasury's data requirements, associated data collection processes, effective sharing and use of data internally and standardisation of terminology.

The Data Management Working Group completed its review of data collection and sharing processes in February 2004. The Working Group key recommendations were presented to agencies at the Financial Management Forum in March 2004. The Working Group identified strategies and provided recommendations to increase the efficiency of the data collection processes, minimise the impact on agencies and government businesses providing data to Treasury and improve the efficiency of the use of the data collected within Treasury.

Treasury is currently developing protocols to improve its internal data management process, which will be completed by November 2004. The data management process includes the collection, storage and access to data, based on the provision of information from a single

data set. The protocols will also improve the process for collection of information from GBEs and SOCs.

### 7.2.6 Improving knowledge and skills in financial management

Appropriate financial management knowledge and skills are needed to ensure the consistent application of Government financial management policies and procedures and accurate and timely information upon which to base financial and other management decisions by both departmental decision-makers and the Government.

2003 strategy

The inter-agency Education and Training Working Group will:

- finalise the detailed financial management education and training program by September 2003; and
- arrange for delivery of 2003-04 training modules by October 2003.

#### Progress

In June 2003, Treasury appointed Major Training Services Pty Ltd to develop a detailed Education and Training Program for inner-Budget agencies covering the period 2002-03 to 2006-07. The *Financial Management Education and Training Program for Tasmanian Government Agencies* was finalised in October 2003, and takes into consideration the financial management education requirements for each target group, options for delivery and the content outline for each training program. Options for linkage to existing training programs within agencies was also identified.

In December 2003, Major Training Services Pty Ltd was appointed to develop the initial five modules identified in the Report, *Financial Management Education and Training Program for Tasmanian Government Agencies*. The modules were developed in consultation with agencies through pilot training sessions. The Program was endorsed by the Treasurer in May 2004, and launched in June 2004. The launch of the Program was initiated with a series of training sessions, which were run in the south, north, and northwest of the State. In accordance with the recommendations included in the Report, a panel of training providers was appointed in July 2004.

In July 2004, each agency was provided with a copy of the training material, including Participants Manual, Trainer's Guide and PowerPoint presentation slides for each module. A number of delivery options are available to agencies, including in-house training, through The Training Consortium or by engaging a member of the accredited training providers.

The Program is managed through an inter-agency Working Group. The successful achievement of Project deliverables will be measured for each of the identified stakeholder groups. Outcome measures identified in the Strategy include a quantifiable improvement in financial management skills within agencies. This will be measured by a further survey in 2005-06 against the benchmark Survey that was completed in February 2003.

### 7.2.7 Procurement training

#### 2003 Strategy

- Customise the PACCER course, Service Contract Management, by December 2003.
- Conduct a formal review of the current procurement training program and consult with agencies to assess further training needs, by January 2004.

#### Progress

Feedback from the Department of Premier and Cabinet's Training Consortium in 2002-03 indicated demand for training in respect of Service Contract Management. The PACCER Service Contract Management course was modified to meet the Tasmanian requirements and align it with the Tasmanian Government procurement framework of policies and procedures. The course modification was completed and added to the Procurement training program in December 2003.

Treasury worked with the Procurement Reference Group and Treasury's training administration agent (The Training Consortium) during 2003-04 to assess the need for more specialised training courses and the most appropriate delivery mechanisms.

A formal review of the current procurement training program is currently in progress. Surveys on the procurement training program were sent to agencies in March 2004. In late 2004, a more detailed survey will be circulated to those who have undertaken a procurement training course, requesting feedback on the transfer of skills acquired back into the workplace. It is anticipated that a report on the responses will be finalised by December 2004.

### 7.3 Future Reforms

Education and communication continues to be an integral element in the successful accomplishment of Treasury's goals and objectives. Strategies identified in the Financial Management Reform Strategy over the past nine years have been implemented within Treasury and have become natural functions of the Department. This has served to break down some of the barriers between Treasury and agencies and has opened up lines of communication between the agencies. Treasury's commitment to a stakeholder focus has been recognised, and accepted as a serious and ongoing commitment.

A commitment has also been made to pursuing effective education and training strategies, for the purpose of improving skills and competencies in financial management. Consultation with agencies continues to be a priority for the development of education and training programs. This promotes ownership of the training programs, demonstrates the benefits to the agency of improving financial management skills and competencies, and ensures that the programs are relevant and encourage knowledge and skills transfer in the work place.

Consistent with adopting a stakeholder focus, Treasury will continue to promote the importance and benefits of information and knowledge transfer at all levels. This will be achieved by supporting and continuing the initiatives that have been implemented to date, as

well as by identifying opportunities for further enhancements. A dynamic approach responding to external factors will also ensure that relevance and efficiencies are optimised.

Through consultation with agencies, Treasury acknowledges that financial data management is an integral element of maintaining successful relations with agencies. Treasury is committed to reviewing its current data management practices, including data collection from agencies, to improve the accuracy and quality of data produced by Treasury. The Inter Agency Steering Committee has set a strategic direction for data management, in anticipation that common information development and ownership generally within the Tasmanian Government will assist agencies in the delivery of services to the community and achievement of effectiveness and efficiency.

## 8 Conclusion

All governments are responding to the changing environment in which they are delivering services to the community. These environmental issues include limited financial resources, the concentration of resources on core functions, commercialisation and corporatisation of selected activities and a greater reliance on the private sector to provide goods and services to governments.

Governments introduced contemporary budgetary, financial management and accountability practices to enhance public sector financial management. Considerable progress has been made in Tasmania in the implementation of many of these reforms as part of the integrated financial management strategy.

It is now over eight years since the initial Financial Management Reform Strategy was announced. The Stocktake and Evaluation process, completed in 1999, provided valuable information on the progress of the Financial Management Reform Strategy. Its findings and recommendations have been integrated into the Financial Management Reform Strategy.

In particular, Treasury recognises the needs of agencies in implementing financial management reforms. This was reflected in the phased arrangements that governed the implementation of accrual budgeting. The phased approach should allow agencies sufficient time to bed down the changes that are associated with this major financial management reform.

During 2004-05, an analysis of the FMRS work program identified that the FMRS has progressed into a critical phase of financial management reform. The success of the major financial management reform initiatives is highly reliant on consolidating these reforms within Treasury, agencies and government businesses. Through a focussed consolidation phase, the reform initiatives will become core business activities, resulting in more efficient and effective financial management for the State. Treasury recognises that important elements of the consolidation phase are support, education and communication. Treasury is committed to ensuring that the financial management initiatives provide sound foundations for continued improvements to financial management processes.

To assist in this process, a broadly based strategy for education and training in financial management has been progressed and a detailed Education and Training Program for inner Budget agencies is continued to be developed and promoted. This Program will address areas of greatest need, including agency and whole-of-government budget development and management processes, business and strategic planning, agency and whole-of-government compliance requirements and various aspects of accounting operations.

Treasury is committed to responding to the current economical and environmental conditions, and recognising the importance of contemporary financial management practices and procedures. In response to the changing environment, the FMRS will undergo a thorough evaluation and assessment in 2004-05, and re-confirm its stated objectives for financial management and the future direction for reform.

## 9 Appendix 1 – Relevant Treasury Publications in 2003-04

- @treasury.tas – Treasury Newsletter*; November 2003, April 2004 and June 2004. \*
- Comfin News*; September 2003 and December 2003. \*
- Riskmatters – Tasmanian Risk Management Fund Newsletter*; September 2003, December 2003 and March 2004. \*
- eProcurement in the Tasmanian Government – The Way Forward*; June 2004.
- Budget Paper No 1 “Budget Overview 2004-05”*; May 2004. \*
- Budget Paper No 2 “Operations of Government Departments 2004-05”*; May 2004. \*
- 2004-05 Budget at a Glance*; May 2004. \*
- 2004-05 Budget – With Business*; May 2004. \*
- 2004-05 Budget – With the Community*; May 2004. \*
- Tasmanian Government Financial System*; May 2004. \*
- State and Local Government – Working Partnership*; May 2004. \*
- National Competition Policy – Progress Report*; April 2004. \*
- Significant Business Activities and Local Government in Tasmania*; April 2004. \*
- Consolidated Financial Statements for the State of Tasmania 2002- 03*; March 2004. \*
- Motor Vehicle Fleet Purchase and Use Guidelines*; March 2004. \*
- Mid-Year Financial Report as at 31 December 2003*; February 2004. \*
- The Competition Index 2003 – A State-by-State Comparison*; February 2004. \*
- 2002-03 Tasmanian Risk Management Fund Annual Report*; January 2004. \*
- Revised Dividend Policy Guidelines for Government Businesses*; January 2004. \*
- Department of Treasury and Finance Annual Report 2002-03*; November 2003. \*
- Tasmania’s Population 2003 – An information paper on recent trends and State Government policies*; October 2003. \*
- Loan Council Outcomes Report 2002-03*; October 2003. \*
- Tasmania’s Financial Management Reform Strategy – 2003 Progress Report*; September 2003. \*
- Treasurer’s Financial Statements for the year ended 30 June 2003*; September 2003. \*
- Statement of the Consolidated Fund for the year ended 30 June 2003*; July 2003. \*

\* Available at the Treasury Web site, <<<http://www.treasury.tas.gov.au>>>

## 10 Appendix 2 - Relevant Addresses in 2003-04

### **“Re-Inventing Governance”**

Presentation by Philip Mussared, Deputy Secretary, to the School of Government University of Tasmania, 4 September 2003

### **“Tasmanian Government Office Accommodation”**

Presentation by Cheryl Norris, Senior Property Officer, Procurement and Property Branch, to the Government Real Estate Group, Brisbane, 10 September 2003

### **“Contributing to Policy Thinking: Observations from Experience”**

Address by D W Challen, Secretary, to the Professional Development Program, 16 October 2003

### **“The State of the Tasmanian Economy”**

Presentation by Rob Nicholl, Deputy Secretary, to the TCCI and Commonwealth Bank Tasmanian Survey of Business Expectations Luncheon, 30 October 2003

### **“Government Assistance to Industry: A Treasury View”**

Presentation by D W Challen, Secretary, to the Department of Economic Development Board, 6 November 2003

### **“Accounting Standards and the Financial Reporting Framework for the Public Sector – The Way Forward”**

Address by D W Challen, Secretary, to the CPA Australia National Public Sector Convention, Perth, WA, 21 November 2003

### **“Revised Dividend Policy”**

Presentation by Adrian Christian, Director, Commercialisation and Financing Branch and Ben Daley, Senior Business Analyst, Commercialisation and Financing Branch, to the Government Businesses Forum, 11 and 12 December 2003

### **“The State of the Tasmanian Economy”**

Presentation by Rob Nicholl, Deputy Secretary, to the Tasmanian Mineral Council Business Forum, 27 February 2004

### **“State Revenue Conference”**

Opening address by D W Challen, Secretary, 22 March 2004

### **“National Tax Reform: A Treasury Perspective”**

Presentation by Rob Nicholl, Deputy Secretary, to the State Revenue Conference, 23 March 2004

### **“Tasmania’s Financial Situation”**

Presentation by Philip Mussared, Deputy Secretary, to the Managing Policy Program, 20 April 2004

### **“Policy and the State Budget Process”**

Presentation by Philip Mussared, Deputy Secretary, to the Managing Policy Program, 20 April 2004

**“The 2003-04 Budget”**

Address by D W Challen, Secretary, to the Institute of Public Administration Australia, 24 May 2004

**“A Risk Management Approach to the Government Vehicle Fleet”**

Presentation by Kim Hudson, Assistant Director Procurement and Property Branch, to the Fleet Managers Forum, 28 May 2004