



Contents

Features

- Demographic Change* 2
- Successful Sale of Businesses* 3

Special Interest Updates

- Financial Reporting* 3
- Financial Management Improvement* 4
- Government Procurement* 5
- Liquor and Gaming* 6
- Risk Management* 6
- State Revenue* 8

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HEADLINE NEWS

Demographic Change

The latest Report from the Demographic Change Advisory Council shows that workplace absences may be costing the Tasmanian economy more than \$550 million each year.

More on page 2

End of Financial Year - Prepare Now!

It is never too early to prepare for the smooth running of end of financial year management and reporting. Key dates for end of financial year files are available in this issue.

More on page 4

Financial Management Education

This program is for Tasmanian State Service employees who wish to improve their financial management skills, especially those with Budget responsibilities.

More on page 4

Fund Administration Agent Selected

The evaluation of tenders for the provision of fund administration services to the Tasmanian Risk Management Fund has been completed. Marsh Pty Ltd has been selected as preferred tenderer.

More on page 6

International Agreements

The Tasmanian Government, together with the Commonwealth and all other States and Territories, is a signatory to two international agreements that have an impact upon how government conducts its procurement.

More on page 5

Legislative Review

The review of the Tasmanian Financial Management Framework is progressing well with consultation on the draft Audit Bill 2008 now closed.

More on page 4

Mid-Year Financial Report as at 31 December 2007

The Mid-Year Financial Report as at 31 December 2007 presents the original General Government estimates disclosed in the 2007-08 Budget Papers. Revised Forward Estimates are also included.

More on page 3

Miscellaneous Amendment

The *Taxation & Related Legislation (Miscellaneous Amendments) Act 2008* received Royal Assent on 2 May 2008. It contains a number of minor amendments.

More on page 8

Motor Vehicle Contract

A tender process to renew the whole-of-government Motor Vehicle Contract is being undertaken by the Department.

More on page 8

Successful Sale of Businesses

The successful sales of the Hobart International Airport Pty Ltd and the Printing Authority of Tasmania were announced on 13 and 15 December 2007 respectively.

More on page 3

Water and Sewerage Milestone Reached

The reform of the Tasmanian water and sewerage sector reached a milestone recently with the passage of key reform legislation through the Legislative Council.

More on page 2

Demographic Change

The latest report from the Demographic Change Advisory Council has shown that workplace absences may be costing the Tasmanian economy more than \$550 million each year.

The paper, titled *Tasmania's Workforce: health impacts on participation and productivity in the face of an ageing population*, revealed the considerable impact of poor health on Tasmania's labour market and economy. Estimates are that around 33 000 Tasmanians may have reduced participation, or non participation, in the workforce due to ill health.

This is particularly significant for Tasmania because we have the oldest population in Australia and the incidence of disease and injury tend to increase with age.

When compared to the rest of the country, Tasmania's working age population also has a relatively high proportion of people with health conditions that directly impact on workforce participation and productivity.

More Tasmanians are overweight or obese, smoke more, suffer significantly greater rates of arthritis, back and neck problems, heart conditions and strokes, have higher levels of hypertension and greater levels of mental and behavioural problems.

The paper highlights numerous findings from other national studies that establish the link between poor health, poor participation in the workforce and lower rates of productivity.

For example:

- employees with poor health have up to nine times the annual sickness absence of healthy individuals, that is 18 days absence per year compared to two days per year; and
- the productivity lost due to workers operating below their capacity because of poor health is estimated to be about 2.5 per cent, or the equivalent of six working days per person per year.

The paper also outlines why there is an increasing emphasis on how employers may benefit from a healthy workforce (across all sectors — government, non-government, and business) and from encouraging workers to maintain their health and wellbeing.

While individuals clearly have the primary responsibility to maintain their own health, governments play a key role in providing health services, legislating to provide healthy and safe work environments and in educating the population about health and wellbeing.

Employers too can promote healthy workplaces, which will improve worker productivity, reduce absences and help to maintain and recruit quality staff. Studies show that the benefits of workplace health promotion programs outweighed the cost to the employer by almost three to one.

This and future information papers to be released by the Council will contribute towards a much better understanding of, and possible responses to, demographic change in Tasmania.

The Council will soon release a discussion paper highlighting various strategies that the Tasmanian community could introduce to minimise the impact of some demographic change related challenges that were identified in the Council's Issues Paper, which was released in October 2007.

The Demographic Change Advisory Council is a Tasmanian Government initiative in partnership with key sectors of the community.

An electronic copy of the Information Paper can be found on the Council's website at www.dcac.tas.gov.au.

Contact: Alison Watt on 1800 116 735 or email contact@dcac.tas.gov.au

Water and Sewerage Milestone Reached

The reform of the Tasmanian water and sewerage sector reached a milestone recently with the passage through the Legislative Council of the Water and Sewerage Corporations Bill 2008 and the Water and Sewerage Industry Bill 2008.

The Corporations Bill provides for the vesting of the water and sewerage assets, liabilities and employees currently within councils and bulk water authorities into four new businesses, three regional corporations (based on the geographic regions of the south, north and north-west) and a fourth common services corporation.

The corporations will be owned by councils, but will have independent boards of management, appointed for their expertise, who will be responsible for the stewardship of the businesses.

The Industry Bill provides for a more robust regulatory regime, central to which will be the creation of an economic regulator for the sector. The regulator will ensure appropriate customer service standards are set and sufficient revenues are recovered by businesses to ensure sustainability.

While the passage of the Bills through the Legislative Council is an important step, they are yet to be debated in the House of Assembly where they are scheduled for introduction on 27 May 2008.

Thereafter, considerable effort will be required from state and local government and the bulk water authorities to achieve full operational commencement of the new businesses by the target date of 1 July 2009.

This work will involve a detailed due diligence phase as well as a range of activities associated with establishing start-up capability for the new businesses by early 2009.

Contact: Stewart Sharples on 03 6233 9580 or email stewart.sharples@treasury.tas.gov.au

Successful Sale of Businesses

The successful sales of the Hobart International Airport Pty Ltd and the Printing Authority of Tasmania were announced on 13 and 15 December 2007 respectively. The process for the sale of the Southern Regional Cemetery Trust is continuing.

The Government's intention to sell these three businesses was first announced by the Treasurer in last year's State Budget with the aim of reinvesting proceeds in strategic infrastructure development.

HIAPL was sold to a consortium, whose partners are Macquarie Capital Group Limited, Macquarie Global Infrastructure Fund III and Tasmania's own Retirement Benefits Fund Board, for \$350.5 million.

Through the involvement of RBFB, HIAPL will continue strong ownership links with Tasmania. HIAPL will benefit from the Macquarie Group's extensive airport management and ownership experience in Australia and overseas.

Proceeds from the sale of PAT were approximately \$3 million. The successful purchaser is PrintLinx Pty Ltd, a family owned and operated business based in Port Melbourne, Victoria. PrintLinx is a substantial offset printer that has been operating for over 40 years, employing in excess of 90 people.

All management and employees at both the PAT and HIAPL were made offers of employment by the new owners. In Tasmania, PrintLinx Pty Ltd is trading as Print Applied Technology, retaining the PAT acronym and logo.

Contact: Richard Sulikowski on 03 6233 2600 or email richard.sulikowski@treasury.tas.gov.au

Financial Reporting

Mid-Year Financial Report as at 31 December 2007

The Mid-Year Financial Report as at 31 December 2007 was gazetted on Thursday 14 February 2008 and is prepared in accordance with section 26 of the *Financial Management and Audit Act 1990*.

The Report presents the original General Government estimates disclosed in the 2007-08 Budget Papers, revised General Government estimates for the current financial year and results for the six months ended 31 December 2007. Revised Forward Estimates for the General Government Sector are also included, as are original and revised estimates for the Public Non-Financial Corporations Sector and the Total Non-Financial Public Sector.

The 2007-08 General Government Fiscal Balance is estimated to be a surplus of \$126 million, an increase of \$157 million on the original Budget estimate of a deficit of \$31 million. The variation is primarily due to strong growth in the residential and non-residential property markets and some large commercial transactions that increased Government conveyance duties by \$80 million and strong growth and wages, leading to an estimated increase of \$26 million in payroll tax receipts.

General Government Net Debt is estimated to be negative \$940 million as at 30 June 2008, an improvement of \$484 million from the original Budget estimate of negative \$456 million.

Further details, and a copy of the Mid-Year Financial Report are available on the Treasury website at www.treasury.tas.gov.au.

Contact: David Tadd on 6233 2515 or email david.tadd@treasury.tas.gov.au

End of Financial Year Sale - Bargains Galore!

Not really, sorry, but now that we have your attention...it's never too early for agencies to start preparing, so that end of year financial management and reporting processes run smoothly.

Soon agencies will receive a memorandum detailing the cut off dates for processing transactions and journals affecting Public Account data and the dates for providing summary cash and accrual files to Treasury. This year the memorandum will also include guidance on processing approved Consolidated Fund carry forwards.

It would be greatly appreciated if agencies would implement a cut off date for processing payments and the draw down of approved Consolidated Fund carry forwards before Monday 30 June 2008.

The key dates for end of financial year files are as follows.

Date	Requirements
16 June 2008	Summary Cash File only
2 July 2008	Summary Cash File only
9 July 2008	Summary Cash and Accrual Files finalising Preliminary Outcomes and Public Account data
16 July 2008	General Government Eliminations Survey
15 August 2008	Publication of Preliminary Outcomes Report
15 August 2008	Submission of Agency Financial Statements to the Auditor-General
22 August 2008	Summary Cash and Accrual Files and a copy of the Agency Financial Statements provided to Treasury
12 September 2008	Final Summary Cash and Accrual Files and Final Agency Financial Statements provided to Treasury
31 October 2008	Publication of Treasurer's Annual Financial Report

The files due for submission by midnight 9 July 2008 will be used for preparing the *Preliminary Outcomes Report 2007-08* to be published by 15 August 2008. This information will also be used to finalise the Public Account outcomes for 2007-08. No further adjustments affecting Public Account outcomes should be made after this date without the agreement of Treasury.

The final summary cash and accrual files for 2007-08, including any changes incorporated following submission of the financial statements to the Auditor-General, will be required by no later than 12 September 2008. This information will be used to produce the 2007-08 Treasurer's *Annual Financial Report*.

To ensure accurate reporting, it is imperative that agencies advise any adjustments in writing to Treasury prior to the finalisation of figures, and forward revised summary cash and accrual files which agree with any adjusted figures.

Contact: David Tadd on 03 6233 2515 or email david.tadd@treasury.tas.gov.au

Financial Management Improvement

Legislative Review

The review of the Tasmanian Financial Management Framework is progressing well with consultation on the draft Audit Bill 2008 now closed. Responses were received from a wide range of stakeholders, with many valuable comments provided. Thank you to those people who took the time to provide feedback. The Audit Bill will be revised where appropriate and is expected to be introduced into Parliament during the Spring 2008 session.

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

Financial Management Education and Training Program

This program is aimed at all Tasmanian State Service employees who wish to improve their financial management skills, especially those with Budget responsibilities. It was established in 2004 and is specifically designed and targeted at Tasmanian State Service employees.

To date, over 1 200 people have attended various training sessions either through The Training Consortium or agency in-house training sessions. In February 2008, we successfully ran two days of training with modules from the Program, with positive feedback being received from participants.

For those people who missed out, there are further dates coming up later in 2008. The details are available below, or through the Training Consortium website, www.ttc.tas.gov.au.

5-May-08	Full Day	Accounting Processes
6-May-08	Half Day	Managing Grants
6-May-08	Half Day	Performance Information
8-May-08	Half Day	Intro to Budgeting and Accountability Framework
11-Sep-08	Half Day	Managing Grants
11-Sep-08	Half Day	Performance Information
12-Sep-08	Half Day	Using Reports to Manage Your Budget
12-Sep-08	Half Day	Financial Fundamentals
9-Oct-08	Half Day	Intro to Budgeting and Accountability Framework
9-Oct-08	Half Day	Understanding Your Budget Drivers
20-Nov-08	Full Day	Accounting Processes
21-Nov-08	Half Day	Guide to Developing a Business Case
21-Nov-08	Half Day	Financial Fundamentals

All modules are available through The Training Consortium in their generic format. Each module is also available for delivery in-house, either in the generic format or tailored to agency-specific needs.

Contact: *Suzi Ransom* on 03 6233 2881 or email suzi.ransom@treasury.tas.gov.au

Government Procurement

International Agreements

The Tasmanian Government, together with the Commonwealth and all other States and Territories, is a signatory to two international agreements that have an impact upon how government conducts its procurement. These agreements have recent changes or adjustments.

Australia – United States Free Trade Agreement – new thresholds

The Procurement Chapter of the Australia – United States Free Trade Agreement (AUSFTA) applies where the procurement has an estimated dollar value equal to or in excess of the agreed thresholds (which are

reviewed every two years). The AUSFTA requires that service providers from the United States be afforded the same treatment by the Tasmanian Government as local providers.

Adjusted government procurement thresholds under AUSFTA came into effect on 1 January 2008. For goods and services, the new procurement threshold is AUD \$679 000 (inclusive of GST) – reduced from \$705 000. For construction services the new procurement threshold is AUD \$9.570 million (inclusive of GST) – reduced from \$9.933 million.

Revised Australia New Zealand Government Procurement Agreement

The Australia New Zealand Government Procurement Agreement (ANZGPA) is a cooperative arrangement which recognises the benefits to Australian and New Zealand suppliers of treating Australia and New Zealand as a single government procurement market.

A revised version of the ANZGPA was signed at the end of 2007. The major changes relate to the expansion of the ANZGPA to include construction (previously, only services related to construction activities were included, eg architectural, design and engineering services) and the requirement to ensure that the application of e-commerce procurement methods is consistent with the ANZGPA. A copy of the ANZGPA can be obtained from the Australian Procurement and Construction Council website at www.apcc.gov.au. It is not envisaged that these changes will have any significant impact on current Tasmanian Government procurement practices.

Contact: *Bindi Essex* on 03 6233 3323 or email purchasing@treasury.tas.gov.au.

General Enquiries

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Evaluating Fees for Consultants and Contractors

Treasury has developed a Good Practice Guide for Evaluating Fees for the Engagement and Use of Consultants and Contractors. The Guide provides information on methods that will help achieve best value for money including requesting specific details of fees, ensuring that all out-of-pocket expenses are included in the quotation/tender price and examples for evaluating the total cost. The Guide is available on the 'Buying for Government' section under resources at www.purchasing.tas.gov.au. While this is a best practice guide, Treasury has already adopted the methods as mandatory for its own procurement practices.

Contact: *Bindi Essex on 03 6233 3323 or email bindi.essex@treasury.tas.gov.au*

Contract News

Motor Vehicle Contract

A tender process to renew the whole of government Motor Vehicle Contract is being undertaken by the Department. Following this process a panel of suppliers will be appointed to provide a range of vehicles for use by the Tasmanian Government and other approved entities.

The final selection of vehicles will take into consideration the Government's recently announced environmental and safety policies, as well as whole of life costs and executive and operational requirements.

The Government is looking to maximise vehicle safety for its employees through the introduction of mandatory safety features, in addition to reducing its carbon footprint through carbon emission strategies. The new contract will provide the Government with the flexibility to acquire safer and more environmentally friendly vehicles as technology evolves.

Over 20 tender submissions were received from vehicle suppliers offering approximately 1 000 vehicles for consideration and are being evaluated by the tender evaluation group.

The three year contract commences on 1 July 2008 and will offer a comprehensive range of passenger and light commercial vehicles.

The provision will be maintained to remove vehicles, should there be limited demand or they no longer meet the Government's safety and environmental policies.

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

Risk Management Update

Fund Administration Agent Selected

The evaluation of tenders for the provision of fund administration services to the Tasmanian Risk Management Fund has been completed, and Marsh Pty Ltd has been selected as preferred tenderer.

Marsh will continue as Fund Administration Agent for three years from 1 July 2008, with two options to extend for a further two years.

Contact: *Alison Lyne on 03 6233 3677 or email alison.lyne@treasury.tas.gov.au*

TRMF Annual Report

The 2006-07 Tasmanian Risk Management Fund Annual Report is now available in HTML and PDF format on the TRMF website. The report can be found under Annual Reports at: www.treasury.tas.gov.au/trmf.

Contact: *Di Hope on 03 6233 6597 or email di.hope@treasury.tas.gov.au*

Liquor and Gaming

New Chairman of Tasmanian Gaming Commission

Peter Hoult has been appointed as the new Chairman of the Tasmanian Gaming Commission and commenced duties on 1 February 2008. Peter was previously the Secretary of the Department of Health and Human Services (2007) and the Secretary of the Department of Justice (2004-2007).

"Peter will bring a wealth of experience in public administration and a keen interest in regulatory matters to the Commission in ensuring the integrity of the gaming industry in Tasmania", the Treasurer the Hon Michael Aird MLC said.

Peter Hoult replaces Clyde Eastaugh, who served on the Tasmanian Gaming Commission for more than 12 years and who had been Chairman of the Commission from November 2003 until 31 January 2008.

Professor Kate Warner and Ms Elizabeth Thomas continue as members of the Commission.

Contact: Peter O'Sullivan on 03 6336 2380 or email peter.o'sullivan@treasury.tas.gov.au

Control of Alcohol Consumption in Sullivans Cove

After a period of consultation with the public and industry, new regulations were put in place to prohibit the consumption of alcohol on Salamanca lawns, Parliament House grounds and other parks in the Sullivans Cove precinct during certain hours. Tasmania Police reported that the new initiatives provided them with considerable assistance and support in managing the risk to public safety. In particular, the new laws assisted police to maintain a safe and controlled environment for the large crowds that congregated in this area to celebrate during the Christmas-New Year period.

Inspector Tim Dooley, officer in charge of Hobart Uniform Division of Tasmania Police, reported there were fewer public assaults and general injuries than in previous years, with more families returning to the public park areas to enjoy festivities and watch the fireworks on New Year's Eve. Police did not charge revellers for having liquor in prohibited areas, but advised them to dispose of the alcohol or move back to areas where consumption was legal.

The Hobart City Council also reported that their clean up crews had fewer problems with refuse in the general Sullivans Cove area, with less packaged liquor brought into the precinct. In addition, there were fewer issues with broken glass on the Salamanca lawns, which has been an important public safety issue in the past.

Alcohol consumption was prohibited between 10 pm to 10 am daily and from 3 pm to 10 am from 10 December 2007 to 1 January 2008. The new laws and designated dates and times will be reviewed by the relevant authorities to see if further changes are required to improve the management of the sale and consumption of liquor for the next festive season.

Contact: Peter O'Sullivan on 03 6336 2380 or email peter.o'sullivan@treasury.tas.gov.au

Commissioner for Licensing Encourages Licensed Premises to Invest in Staff Training

The Commissioner for Licensing has advised licensees, managers and supervisors of licensed venues to focus on staff training to improve the licensed and gaming environments for both patrons and staff.

The Commissioner, Wendy Sawford, expressed concern that in recent months some licensees were not taking their responsibilities for the safe service of alcohol and the responsible conduct of gaming as seriously as they should.

The Commissioner noted that some licensees had expressed the view that responsible service of alcohol, in particular, is a burden imposed on them, rather than a fundamental duty that must be observed. "A liquor licence is a 'privilege' not a 'right' and with it goes the responsibility to serve alcohol responsibly," said the Commissioner.

"Accreditation of staff in Responsible Serving of Alcohol training programs and the continual practice and observance of RSA strategies is in the best interests of the industry and importantly provides the public with the knowledge and security that they are entering premises that support a safe and responsible environment. Also RSA provides a legal safety net for licensees and staff, by reducing their legal liability," she said.

The Liquor and Gaming Branch no longer delivers RSA training, but a list of approved providers can be accessed from the Department of Treasury and Finance website at www.treasury.tas.gov.au.

Responsible Conduct of Gaming courses are currently delivered by the Australian Hotels Association and the Drysdale Institute of TAFE Tasmania.

Contact: Peter O'Sullivan on 03 6336 2380 or email peter.o'sullivan@treasury.tas.gov.au

Licensing Board Approves Off Licences for Woolworths

The Licensing Board granted two licences for off licences in Launceston and Sorell and released their written decisions in December 2007.

Both applications attracted objections from the Australian Hotels Association and from residents and licensed premises located within the vicinity of the proposed developments.

The applicant argued that the new business premises would offer an alternative to existing arrangements, provide convenience to shoppers for liquor and add to price competitiveness in the locality.

Objectors expressed concerns on a number of levels, including the increased traffic flow and pressure on car parking in the locality, the link between outlet density and increase in liquor consumption and general lessening of the amenity of the area. In handing down its decision, the Board accepted that general planning issues are the province of local government authorities and not a matter for the Board. The Board also accepted that the research on outlet density did not conclude that the premises would increase liquor consumption in the locality, or would contribute to the harm associated with liquor consumption in the locality.

The full transcript of the Board's decisions can be read on the Department's website at www.treasury.tas.gov.au - follow the links to "Liquor Licensing" and then to "Licensing Board Decisions."

Contact: Peter O'Sullivan on 03 6336 2380 or email peter.o'sullivan@treasury.tas.gov.au

Burnie Liquor Accord

A proposal to establish a "liquor accord" in Burnie was the subject of an information session and forum in September 2007.

Liquor accords are a strategy adopted in most urban and regional centres across Australia and allow licensees to voluntarily participate to introduce practical solutions to address alcohol related problems. Licensees can work together with government and community representatives on ways to improve the operation of licensed venues and liquor licensing.

The forum was addressed by Paul Arnold (General Manager, Burnie City Council), Inspector Stuart Scott (Acting Commander of Police, NW District) and Leon Atkinson-MacEwen (Director, Liquor and Gaming Branch, on behalf of the Commissioner for Licensing). The forum was attended by 44 people including representatives from 22 licensed premises.

A workshop for interested stakeholders to plan the establishment of the accord took place in February, following the busy seasonal trading period.

Contact: Peter O'Sullivan on 03 6336 2380 or email peter.o'sullivan@treasury.tas.gov.au

State Revenue

Miscellaneous Amendment

The *Taxation & Related Legislation (Miscellaneous Amendments) Act 2008* received Royal Assent on 2 May 2008. The Act contains a number of changes to legislation administered by the State Revenue Office, including the *Duties Act 2001*, the *Land Tax Act 2000*, the *First Home Owner Grant Act 2000* and the *Taxation Administration Act 1997*.

A number of minor amendments are contained within the Act to clarify the original policy intent of the Acts, delete redundant provisions, make adjustments to administrative practices and to ensure continued consistency with the comparable Acts of other jurisdictions.

A copy of the Act and the fact sheet, second reading speech and clause notes for the Bill can be found on the State Revenue Office website, www.sro.tas.gov.au

Contact: Glenn Bounds on 03 6233 2694 or email glenn.bounds@treasury.tas.gov.au

Payroll Tax Harmonisation

New payroll tax legislation was tabled in Parliament in April 2008 and this has been passed by the House of Assembly. This legislation will ensure that Tasmania's payroll tax system will be aligned to key aspects of changes introduced in New South Wales and Victoria. In the event that the Bill is approved in the Legislative Council, these changes will be effective from 1 July 2008.

Contact: Glen Bounds on 03 6233 2694 or email glenn.bounds@treasury.tas.gov.au