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### Cover for agency related entities

Agencies are reminded that it is a requirement to seek approval from Treasury for cover for agency related entities. **Only entities specifically approved by Treasury since 21 December 2006 are covered by the TRMF.** See page 2 for details.

## Welcome

Welcome to the July 2009 edition of the Tasmanian Risk Management Fund newsletter, *riskmatters*, published by the Department of Treasury and Finance.

Treasury will be consulting with agencies and industry representatives to commence consideration for a review of the pre-qualification system for building and construction. See page 3 for details.

On page 4 we provide information on new requirements under the recently amended *Public Works Committee Act 1914*.

Also in this issue are details of whole-of-Government guidelines for the management of volunteer activity (page 2), advance notice of a review of agency assets (page 2), and an update on the tender to provide an audit of the TRMF's Fund Administration Agent (page 1).

Di Hope  
Editor

## Fund news and updates

### Audit of the TRMF Fund Administration Agent

Deloitte Touche Tohmatsu has been contracted to provide an audit of the TRMF's Fund Administration Agent.

In addition to the contract above, Finity Consulting Pty Ltd has been appointed to provide a one-off audit to develop qualitative performance indicators and to benchmark the Fund's claims management against a best practice framework.

# Guidelines for State Agency Management of Volunteer Activity

Guidelines are available from the Department of Premier and Cabinet to help improve the management of volunteer activity in the public sector.



The guidelines establish broad principles and suggest approaches to the management of volunteers in the public sector which allow for flexibility to accommodate the varied agency operational requirements.

The guidelines are available at [www.dpac.tas.gov.au](http://www.dpac.tas.gov.au).

**Volunteers acting within the scope of the activities authorised by an agency and who are under the direct control and supervision of an agency are covered by the TRMF.**

For further information about personal accident and liability cover provided to agencies, see the TRMF page on the Treasury website at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).

## Advance notice – review of agency assets

In August 2009, Treasury will again be asking agencies to provide an updated list of assets.

A questionnaire will be supplied to agencies in early August 2009 and agencies will have until mid-October to respond.

The data collected will be used by the Actuary for the calculation of contributions for the 2010-11 financial year.

## Cover for agency related entities

Only agency related entities that have been specifically approved by Treasury in writing after 21 December 2006, are currently covered by the TRMF.

**Agencies should not assume that the activities of entities approved prior to 21 December 2006 are covered by the TRMF.**

Agencies requiring cover for an entity must submit a formal written request to Treasury together with comprehensive evidence of how the entity meets the three criteria for cover.

Information on the three criteria is included in the TRMF's Policy and Disclosure Document available on the TRMF website at [www.treasury.tas.gov.au/trmf](http://www.treasury.tas.gov.au/trmf).

Entities currently covered by the TRMF are listed in the Policy and Disclosure Document.

## Injury Management Model

Agencies are reminded that under the Return to Work and Injury Management Model, you will be required to develop an Injury Management Program and appoint Injury Management Coordinators.

Please note that the implementation date has been extended to late 2009. Contact WorkCover Tasmania at [www.workcover.tas.gov.au](http://www.workcover.tas.gov.au) for details.

# Building and Construction Pre-qualification System - review

Treasury is undertaking preparatory work for a review of the pre-qualification system for building and construction contractors.

**Pre-qualification is a requirement for contractors/consultants seeking to be awarded contracts for government building and construction projects exceeding \$100 000.**

Although agencies and industry representatives are generally supportive of the current pre-qualification system and recognise its value, initial feedback is that there is scope for improvement.

To assist in determining where improvements can be made, agencies and industry bodies will be consulted. Consultation is expected to take place in August 2009.

## Pre-qualification helps minimise risks.

It is more likely that pre-qualified contractors will deliver satisfactory time, cost and quality outcomes as these contractors are known to government and have been judged to have met minimum criteria.

The financial failure of a contractor, for example, is a major risk minimised through the pre-qualification system. In order to pre-qualify, contractors need to be able to demonstrate that they have the necessary financial resources to undertake the work at the level of registration requested.

Further information on pre-qualification is available at the purchasing website [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au).

# Fire damaged school – amazing repair effort

It took contractors just six days to repair the Timsbury Road Primary School after it was damaged by fire in April this year.

According to Facilities Services Staff at the Department of Education, the loss adjuster appointed by the TRMF's Fund Administration Agent, worked miracles in quantifying damage and coordinating repairs.

The work included cleaning, electrical, plumbing, building and painting repairs worth approximately \$200 000.



Before and after photographs taken where the fire started under the building.

Congratulations also to the officers of the Facilities Services Unit of the Department of Education for their role in this project.

# New requirements - Public Works Committee Act

The Government has recently amended the *Public Works Committee Act 1914* to help agencies meet tight timeframes for the delivery of infrastructure works under the Nation Building – Economic Stimulus Plan

**There has been an increase in the threshold for referral of public works projects to the Parliamentary Standing Committee on Public Works.**

The amendments increase the limit above which public works must be referred to the Parliamentary Standing Committee on Public Works, from \$2 million to \$5 million.

**The amendments also expand the scope of the Committee to enable it to scrutinize all public works above \$5 million proposed to be undertaken by a general government sector body.**

Formerly, only projects funded from the Consolidated Fund were required to be referred. Now any public works project exceeding \$5 million undertaken by a general government sector body is to be referred to the Committee **regardless of the source of the funding.**

A general government sector body is defined as a Government department within the meaning of the *State Service Act 2000* together with any State authority classified in the Treasurer's annual report as an entity within the general government sector.

The amendments to the *Public Works Committee Act 1914* became effective on 16 June 2009.

For further information please email [purchasing@treasury.tas.gov.au](mailto:purchasing@treasury.tas.gov.au).

## Procurement training

Major Training Services has been awarded a contract to develop and deliver procurement training courses for the Tasmanian public sector.

The material for 'Procuring Goods and Services' and 'Managing Contracts' has been developed and the first one-day course on 'Procuring Goods and Services' is scheduled for 4 August 2009. The courses are applicable to all Government buyers and provide a solid grounding in procurement principles, processes and decision making.

More information is available from The Training Consortium at [www.ttc.tas.gov.au](http://www.ttc.tas.gov.au).

## Workers compensation comparison

WorkCover Tasmania has written to Treasury on a report that highlights differences in the performance of the Tasmanian State Service to other insurer segments

It is understood that WorkCover Tasmania and Marsh Pty Ltd will be coordinating a meeting with agency representatives to discuss the results of the report.

## New Treasurer's Instructions on the timely payment of invoices

The Government is a major purchaser of goods and services in Tasmania and the cash flow of many businesses relies on Government paying its bills on time. As a general principle, agencies should pay all creditors on time.

From 1 May 2009, under the new Treasurer's Instructions 1125 (goods and services) and 1230 (building and construction/roads and bridges), Departments are required to pay invoices (that are correctly rendered by suppliers) within the period specified in the contract with the supplier. Where the contract is silent on payment terms, the Department must pay within 30 days of the date of a correctly rendered invoice. Where an invoice is not paid on time, interest (or an amount of \$25, whichever is the greater) is to be automatically paid by the Department to the supplier.

Where a contract already prescribes a rate of interest payable for overdue payments, the amount of penalty/interest payable is to be either that specified in the Treasurer's Instruction or that outlined in the pre-existing contract conditions, whichever is the greater.

Treasury has advised the Fund Administration Agent of this requirement and is developing processes to help expedite the processing of TRMF invoices.

## TRMF meetings and notices

### Occupational Health and Safety Working Group

An inter-agency Occupational Health and Safety Working Group holds meetings on an 'as required' basis, to share knowledge of occupational health and safety issues affecting government agencies.

The meetings are facilitated by Treasury.

If you would like further information about the Working Group, or would like to propose an issue for discussion, please contact Di Hope on 6233 6597 or e-mail [Treasury](mailto:trmf@treasury.tas.gov.au) at [trmf@treasury.tas.gov.au](mailto:trmf@treasury.tas.gov.au).

### TRMF Steering Committee

The role of the TRMF Steering Committee is to serve as a consultative forum through which agencies can provide input into the operations of the Fund and feedback to Treasury, the Fund Administration Agent and the Actuary.

The Steering Committee is representative of the agencies participating in the Fund.

The next meeting will be held on Tuesday, 29 September 2009.

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