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Report of the Auditor-General

No. 10 of 2024-25

Effectiveness of shared services arrangements in the General Government Sector

26 May 2025

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Foreword

In his State of the State address on 4 March 2025, the Premier committed to "seek out economies of scale through shared services models". This had also been identified in the *Independent Review of the Tasmanian State Service* in 2021 which recommended a review of the potential scope, costs and benefits of consolidating transactional services in government into a shared service. The *Government Response to the Independent Review of the Tasmanian State Service* (Government Response) stated work would start in December 2023 and end in June 2026.[1] However, at the time of this report work had not commenced.

Central government agency guidance and governance along with collaboration between government agencies and innovation is necessary to achieve this outcome. An absence of this means:

- individual agencies, particularly small agencies receiving shared services, do not have the whole of system information needed to make informed decisions on cost and performance

- providers and recipients start at the beginning each time a new shared services arrangement is created

- providers and recipients do not benefit from guidance that communicates better practice and has been adapted to prevent issues experienced by those that have transitioned to shared services before them.

Taking action to address these findings will create a shared services model that is fit-for-purpose.

I thank staff from the Department of Natural Resources and Environment Tasmania, Department for Children, Education and Young People, Environment Protection Agency, Royal Tasmanian Botanical Gardens, and TasTAFE for their involvement and cooperation in this audit.

Martin Thompson
Auditor-General

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[1] Tasmanian Government (n.d.) *Government Response to the Independent Review of the Tasmanian State Service*, DPAC, p3, accessed 17 December 2024.

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2025
PARLIAMENT OF TASMANIA

Effectiveness of shared services arrangements in the General Government Sector

26 May 2025

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

Acknowledgement of country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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Executive summary

What we concluded

Shared services arrangements were, in part, effectively designed and delivered. Exceptions related to:

- inadequate planning for shared service arrangements because of the speed at which Machinery of Government (MOG) changes needed to be implemented

- inadequate assessments to support decisions to renew arrangements

- documented agreements missing key elements that could reasonably be expected in a contemporary Service Level Agreement (SLAs)

- performance assessment of shared service arrangements lacking formality and appropriate performance measures.

I was unable to form a conclusion about the efficiency or economy of shared service arrangements as sufficient evidence was not available.

Shared services

When a government agency performs standardised, high-volume administrative services on behalf of another government agency. In general, these services include:

- **People and culture services**: human resources information systems, recruitment and selection, and payroll management.

- **Finance services:** accounts payable and receivable, financial reporting, taxation, budget management, and financial management.

- **Information and Communications Technology (ICT) services:** business systems, ICT infrastructure support and helpdesk services, web services, cyber security, identity and cloud services, and records management.

- **Portfolio management:** communications, right to information, and ministerial services.

- **Asset management:** building facilities and fleet management.

Services within each arrangement reviewed varied. Some agreements included services not typically outsourced through a shared services arrangement such as data modelling, emergency management, organisational change, organisational development, industrial relations, and internal audit.

Our key findings

A collaborative, whole-of-government approach is needed to support the planning, delivery and oversight of shared services

While many shared services arrangements are in place across government, there is no whole-of-government strategy or guidance relating to their planning, delivery and oversight. Departments can draw from their experience in developing and implementing other shared services agreements. However, the recipient does not have similar experience to draw on.

This information gap, between provider and recipient, resulted in performance being below expected performance in several areas. For example:

- the detail included in agreements varied – the more recent the agreement was, the more detail it contained

- recipients over-relied on the effectiveness of the provider's control environment – there was no mechanism that allowed recipients to confirm the adequacy of these controls or seek assurance that they were operating effectively.

A whole-of government strategy and guidance is needed to address the findings identified in this audit and support the development of more effective shared services agreements.

Machinery of Government (MOG) changes impacted on the planning, delivery and oversight of shared services

In 2 of the arrangements examined, MOG changes were the reason the shared services arrangements were established. However, the speed in which the parties must react to a MOG and enact these arrangements means there can be insufficient time to perform robust planning and analysis (by both the provider and the recipient). Challenges include, but are not limited to:

- determining whether the arrangement is consistent with strategic objectives

- determining whether the arrangement is financially advantageous

- determination of risks associated with the arrangement and development of associated risk mitigation strategies

- assessment of the provider's ability to provide the services to the desired standard

- consideration of alternate arrangements (given the provider is mandated).

Further, we note that MOG changes *requiring* a shared services arrangement between 2 specific parties impede those parties from applying better practice. For example, it impedes their ability to assess value for money of service delivery by alternate providers.

The time taken to review whether the arrangement was fit for purpose was too long, with the assessments taking place only when the arrangement was renewed. The assessment was also inadequate as it did not consider efficiency or economy in adequate detail.

Data is needed to assess and monitor service quality, cost, value-for-money and capacity

The provider and the recipient managed the agreements through regular operational meetings. There was limited evidence of using defined performance measures to objectively monitor service delivery and monitoring those performance measures over time.

Providers did not assess the true cost of delivering services (including ongoing assessments of capacity to provide). Likewise, recipients did not formally assess whether the arrangement was value-for-money. As such, when both the provider and recipient are government agencies, there is no overall assessment of whether the arrangement is the most cost-effective way to deliver the services from a whole-of-government perspective.

The lack of data means that, when renewing arrangements, providers and recipients relied mostly on feedback provided in operational meetings. Where data was used, it was not captured consistently over time.

Our recommendations

We recommend that the Department of Premier and Cabinet (DPAC) …	DPAC's response
1. develop a strategy to achieve standardised, high-volume administrative services that is more effective, efficient and economic. The strategy should include a definition of shared services to ensure arrangements are consistent.	it is currently developing a functional leadership framework for the Tasmanian State Service that identifies and supports the delivery of shared services and capabilities across agencies.
2. create comprehensive whole-of-government guidelines for both providers and recipients on the establishment and management of shared service arrangements, which define roles, responsibilities, risk management, reporting protocols and performance measures.	it anticipated that the functional leadership framework will include guidance on the successful establishment of shared services, including roles, responsibilities, risk management, reporting protocols and performance measures.
3. require regular reports on the effectiveness, efficiency, and economy of arrangements from service providers to ensure the whole-of-government strategy and guidelines are fit-for-purpose.	reporting arrangements will be considered as part of the functional leadership framework.

We recommend that providers …	Providers' summarised responses

4. improve capacity assessments by:
 	
   a. conducting initial capacity assessments to ensure providers can meet service demands
 	
   b. reassessing capacity regularly, especially after significant operational or strategic changes.
	AGREED – capacity assessments and ongoing reviews should be:
	
	• undertaken in the context of the whole-of-government guidelines
	
	• commensurate with the size of the arrangement.

We recommend that providers and recipients …	Providers' and recipients' summarised responses

5. improve performance review and feedback mechanisms by:
 	
   a. agreeing structured performance measurement mechanisms, including Key Performance Indicators (KPIs) aligned with strategic objectives
 	
   b. conducting regular performance reviews
 	
   c. establishing formal feedback mechanisms to regularly obtain constructive feedback from recipients and use feedback to identify areas for service delivery improvement and ensure recipient satisfaction.
	AGREED – providers and recipients will work in a collaborative manner to:
	
	• establish and improve performance management of their respective arrangements
	
	• align their Services Level Agreements with the whole-of-government guidelines.

6. implement thorough financial monitoring to evaluate both direct and indirect costs of services. Ensure that service costs reflect actual value over time and adjust pricing models as needed.	AGREED – in the absence of a whole-of-government benchmark, providers will consult with recipients on establishing a cost management mechanism. The Department for Education, Children and Young People (DECYP) noted that complex arrangements may require periodic independent advice which is an additional cost for parties.

7. improve risk management by:
 	
   a. identifying risks unique to shared services arrangements and establish accountability for managing these risks
 	
   b. developing processes for identifying risks when changes impact shared services arrangements
 	
   c. developing processes for monitoring changes in risk and the effectiveness of risk management strategies.
	AGREED – in the absence of a whole-of-government framework, they will undertake risk assessments:
	
	• in accordance with their risk management frameworks
	
	• as part of the periodic review of their Service Level Agreements.

Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008* (Audit Act), a summary of findings or Report extract was provided to the Minister and other persons who, in our opinion had a special interest in the Report, with a request for submissions or comments. Submissions and comments we receive are not subject to the audit nor the evidentiary standards required in reaching an audit or review conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views expressed by the responders were considered in reaching review conclusions. Section 30(3) of the Audit Act requires this report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions were received from the following, all of which agreed with the recommendations:

- Minister for Education

- Department for Education, Children and Young People (DECYP)

- Department of Natural Resources and Environment Tasmania (NRE Tas)

- Department of Premier and Cabinet (DPAC)

- Environment Protection Agency (EPA)

- Royal Tasmanian Botanical Gardens (RTBG)

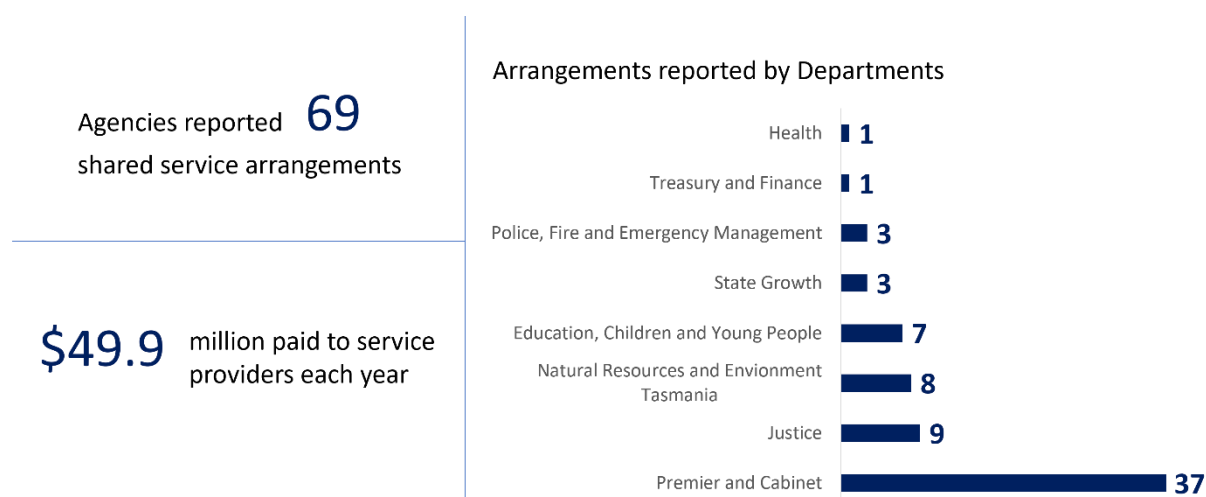- Tasmanian Technical and Further Education (TasTAFE).

These submissions are included in full at Appendix C.

1. Introduction

Key facts on shared services arrangements

1.1   Shared services occur when a government agency performs standardised, high-volume administrative relating to people and culture, finance, ICT, portfolio management and asset management for a smaller government entity. They may also involve bespoke services for another government agency. For example, the NRE Tas provides EPA with:

- data modelling for the EPA in relation to the salmon industry

- joint emergency management arrangements that are critical to the EPA being able to respond effectively to marine pollution events.

1.2   Figure 1 provides key facts about shared services arrangements reported by departments in 2024.

Figure 1: Key facts about shared service arrangements

Agencies reported **69** shared service arrangements

$49.9 million paid to service providers each year

Arrangements reported by Departments

Department	Count
Health	1
Treasury and Finance	1
Police, Fire and Emergency Management	3
State Growth	3
Education, Children and Young People	7
Natural Resources and Envionment Tasmania	8
Justice	9
Premier and Cabinet	37

Source: Tasmanian Audit Office

1.3   Potential benefits of shared services arrangements include:

- lower operating costs for smaller agencies

- more flexible services that can scale up or down as needed

- less duplication across government agencies.

1.4   There are also risks related to shared services arrangements. For example, recipients:

- adopt the service provider's systems even when they do not align with their needs

- rely on the provider's risk management practices which involves:
  - adopting the provider's risk tolerance level[2]
  - trusting the provider's risk identification and assessment is comprehensive
  - assuming the controls the provider has in place to manage risk are well-designed and effective.

There is no guidance to support planning for and managing shared services arrangements

1.5 Despite the number of arrangements reported in Figure 1, there is no whole-of-government guidance to support planning for and managing shared services arrangements. To conduct the audit in the absence of such guidance, we developed performance expectations about how government agencies might best plan for and manage shared services agreements that meet their needs.

1.6 Our performance expectations:

- were developed, with support from our technical expert engaged in the audit, using:
  - audits of shared services in other jurisdictions
  - better practice from private sector arrangements
- are communicated through our audit criteria
- can be used to guide the establishment of shared service arrangements in the future
- are outlined in the guiding principles at the start of Chapters 2 and 3.

Relevant recommendation from the Independent Review of the Tasmanian State Service (July 2021)

1.7 The Independent Review of the Tasmanian State Service (the Review) assessed the suitability of the current governing framework for Tasmania's present and future needs. The Review aimed to instigate transformative changes in structures, services and practices within the public service.[3]

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[2] A risk tolerance level is the amount of risk an agency is willing to accept to achieve its objectives.

[3] DPAC (2021) *Independent Review of the Tasmanian State Service Final Report*, DPAC, p117, accessed 17 December 2024.

1.8   Recommendation 20 of the Review was:

> That the government fund the Department of Treasury and Finance (Treasury) to review the potential scope, costs and benefits of consolidating transactional services in government into a shared service.

1.9   The Government Response to the Review classified this recommendation as 'Stage 2' with work expected to start in December 2023 and end in June 2026.[4]

1.10   In the planning of this audit, Treasury advised that it had not progressed this recommendation as it had not received funding to do so.

1.11   Within this context a review of progress in implementing the recommendations of the Review, which were all supported or supported in-principle by the government.

1.12   In October 2024, DPAC released a report stating that 15 recommendations were complete, and another 20 recommendations were in progress.[5] What this report did not communicate is that, in comparison to the schedule set by the Government Response to the Review, the implementation of:

- 1 recommendation that was in progress was behind schedule

- 35 recommendations should have commenced, but had not (including the recommendation relating to the potential scope, costs and benefits of consolidating transactional service in government into a shared service)

- 7 recommendations were not due to commence until June 2025.

1.13   The implementation of most of these recommendations was the responsibility of DPAC and Treasury.

2025 State of the State address

1.14   On 4 March 2025, the Premier announced in the 2025 State of the State address that the government would seek out economies of scale through shared service models.

1.15   The lack of progress on the relevant recommendation from the Review, and the findings of this audit, suggest that further information is needed regarding the potential scope, costs and benefits of consolidating transactional services into a shared service.

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[4] Tasmanian Government (n.d.) *Government Response to the Independent Review of the Tasmanian State Service*, DPAC, p3, accessed 17 December 2024.

[5] Department of Premier and Cabinet (2024), *Tasmanian State Service Review Progress Update*, accessed 4 March 2025.

2. Planning for shared services arrangements

In this chapter, we assess how well shared services arrangements were planned by service providers and recipients. In addition to the guiding principles (shown below) for developing shared services arrangements, we considered whether the rationale for entering the arrangements was clear, with all viable options for accessing the services considered.

Guiding principles for developing shared services arrangements

While the functions in shared services arrangements are evolving, People and Culture, Finance and ICT are still dominant.[6]

Several better practice models and guidance outline the tasks needed to successfully plan and implement a shared services arrangement. Figure 2 outlines key principles from these models that help develop an effective shared services arrangement.

Figure 2: Guiding principles for shared services arrangements[7]

Define a shared vision and scope	Create a shared vision and clearly define the arrangements scope. Identify the services needed, set clear objectives, and align the arrangement with organisational strategy.
Assess feasibility	Perform a thorough feasibility study to assess benefits, costs, risks, and impacts on current operations. Include both financial analysis and non-financial factors such as employee impact.
Define governance structures	Establish governance structures early to clarify key matters, such as: • terms and conditions of the arrangement • decision-making authority • performance monitoring mechanisms • data ownership • dispute resolution. Maintain ongoing engagement with business units via SLAs and performance metrics.
Engage stakeholders early	Identify key stakeholders early and engage with them regularly to ensure buy-in and address concerns proactively.

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[6] Deloitte (2023), Global Shared Services and Outsourcing Survey, accessed 6 February 2025

[7] Deloitte (2011) *Shared Services Handbook – Hit the Road*, accessed 6 February 2025

Design detailed processes	Create detailed process designs that: • specify who will do each task, where they will do it (location), and how they will do it (technology) • consider legal and regulatory requirements • manage risks specific to the arrangement.
Plan for change management	Implement strong change management strategies, including training programs for employees transitioning to new roles. Communicate changes clearly at all levels of the organisation. Manage job changes sensitively.
Embed a continuous improvement culture	Post-implementation, focus on continuous improvement. Regularly reassess models, processes, and systems based on user and stakeholder feedback. Build a culture where incremental improvements are standard practice.
Monitor progress and measure benefits regularly	Track progress using predefined KPIs and metrics from the original business case. Regularly review and update SLAs and pricing models based on changing needs and demands.

Chapter summary

All shared service agreements reviewed were a continuation or renewal of existing services. Providers (larger agencies) generally treated recipients (smaller agencies) as a 'business unit' within their agency, rather than an external client. This approach has both benefits and limitations. Benefits include keeping costs low and delivering minimal change to organisational structures and processes. Limitations relate to:

a) aligning the arrangements with the strategic objectives of the provider and recipient

b) having sufficient transparency around the value of shared services

c) identifying, assessing, and managing risks specific to shared services arrangements.

MOG changes impacted 2 of the 3 arrangements reviewed. The speed in which providers and recipients needed to develop these arrangements risked undermining any initial cost saving objectives. While providers and recipients did some planning prior to entering arrangements following a MOG change, we expected that providers and recipients would later take the time to consider whether the arrangement was fit for purpose. The earliest point that this was assessed was often when the arrangements were due for renewal. Assessments were therefore not being performed in a timely enough manner to be considered adequate.

The contractual agreements used by parties often fell short of being effective SLAs, with older arrangements less detailed than more modern arrangements. Gaps in SLAs related to risk management, compliance, performance measurement, information security, privacy, conditions for cancelation, and penalties for not meeting the terms of the agreement. These

gaps can lead to:

a) a lack of understanding of accountability for service delivery and quality which erodes trust between the parties

b) inconsistent service delivery and quality causing service disruptions

c) misunderstandings about responsibility resulting in duplicated tasks.

All agreements were a continuation of services already delivered by the service providers

Background to the creation of the shared services arrangements in scope

The TasTAFE and EPA agreements resulted from MOG changes:

- On 1 July 2013, Tasmanian Polytechnic transferred from then Department of Education (now DECYP) and merged with the Skills Institute to create TasTAFE. Then, on 1 July 2014, TasTAFE became a State authority.[8]

- On 1 December 2021, the EPA moved out of the NRE Tas to become an independent State authority.[9]

The RTBG agreement was the formalisation of a long-standing arrangement.

2.1 While the agreements came about for varied reasons, they all:

- were a continuation of services already delivered by the providers

- resulted in providers treating the recipients as 'business units' of the relevant department.

2.2 The approach taken has resulted in positive findings. For example:

- providers maintained their existing organisational structure and resourcing levels

- recipients:

    - had confidence that providers would continue to deliver the services

    - avoided the need to recruit suitably skilled staff to deliver the services within their organisation

    - relied on the provider's well-established training and development programs.

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[8] State Service (Restructuring) Order (No. 3) 2014.

[9] State Service (Restructuring) Order (No 2) 2021.

2.3 It has also resulted in performance that fell below our expectations in 3 areas:

These areas were …	We found …	Improving …
the alignment with strategic objectives	older arrangements lack a clear statement about the rationale for entering these relationships and their linkage to providers' and recipients' strategic objectives.	the alignment of agreements with strategic objectives ensures that all activities related to the agreement are working towards, not against, those objectives.
value for money and cost of services	providers access resources for shared services as needed, rather than formally allocating resources to providing shared services. This means there is a lack of transparency in the value of shared services.	information on value for money and cost of services allows: • providers to assess whether the benefit of providing the services is greater than the cost • recipients to evaluate whether they get better value from continuing with the arrangement or seeking alternatives arrangements, such as building the capacity and capability within its own organisation.
risk management	neither providers nor recipients considered the risks of entering shared services arrangements, relying instead on the providers' existing control frameworks. providers applied the same risk management strategies to recipients of shared services as they did to other parts of their department, treating them as internal business units the parties involved did not adequately consider the evolving risks relating to shared services arrangements when they renewed the agreements.	risk management processes lead to: • better oversight of risks unique to the provision or receipt of the specific shared services arrangement • communication of the relevant risks and establish accountability for managing these risks • a process for identifying when changes impacting on the shared services arrangement expose the provider or recipient to new or unacceptable risks • alignment between the recipient and the service provider relating to responsibilities relating to key risks.

There was limited time to plan agreements resulting from machinery of government changes

2.4   Before entering SLAs:

- providers assessed processing costs, resource allocations, and other financial and non-financial capacities, but not in the detail required to monitor value for money of the agreement over time

- recipients identified the services they needed to include in the agreement.

2.5   Several factors influenced services recipients built into the agreement, including:

- whether there were alternate solutions for service delivery – for example, State budget arrangements mean that some recipients cannot access alternatives (such as another department or private entity providing the services)

- whether the recipient was previously part of the provider's department or had a long-standing operating arrangement with the provider

- the need to maintain continuity of business operations.

2.6   While the root causes of the inadequate planning of shared services arrangements generated by MOGs are well understood, the results can undermine the initial cost-saving objectives. Limited time to plan may:

- compromise quality due to hastily established processes

- cause stakeholder dissatisfaction due to insufficient engagement

- overlook regulatory compliance with potential legal repercussions

- result in an SLA or agreement which is not appropriate or lack detail, which can have implications if service delivery does not meet expectations

- create financial overruns caused by poorly planned integrations requiring costly rework or unanticipated service demands at the whole-of-government level.

Following the machinery of government change, the adequacy of the arrangements was not sufficiently reassessed

2.7   After an arrangement was in place and the continuation of services assured, we expected that providers and recipients would consider if the arrangement remained fit for purpose.

2.8   The earliest point that providers and recipients assessed this was when the arrangements were due for renewal.

2.9   When renewing SLAs, providers did not always assess whether:

- their workload or the recipient's workload had materially changed over time

- the provider had the capacity and capability to meet the needs of the department and shared services recipient(s).

2.10   For example, further MOG changes, post-implementation of an SLA, resulted in additional work for both providers and recipients that impacted on the effective operation of the SLA.

2.11   Other areas commonly overlooked in this assessment were whether:

- organisational changes on shared services arrangements impacted the arrangements – for example, if services were flexible enough to adapt to changes in the recipients' requirements

- arrangements represented value for money for both provider and recipient – for example, if the recipient could receive services in a different way that offered better value for money, such as acquiring the services from an alternate public sector agency, private sector provider or by performing the activities in-house.

2.12   There was insufficient evidence provided to confirm that non-financial aspects were considered before renewing the arrangements. We expected to see non-financial assessment on areas such as the following: cultural alignment, service quality standards, stakeholder engagement and risk management processes. Consequently, the impact of these factors on the "holistic" cost and value of the arrangements might have been overlooked.

2.13   Our findings are consistent with those made in the Review. The Review:

- identified that the Tasmanian State Service is held back by its current design, particularly due to the inefficiencies and uncoordinated investments resulting from duplicated capabilities across agencies

- highlighted that the Tasmanian State Service cannot afford to duplicate capabilities across agencies, given its small size and the need to deliver a full suite of services comparable to larger jurisdictions.

2.14   To address this, the Review recommended consolidating standardised, high-volume administrative services in government into a shared service.

2.15   However, this audit identifies that whole-of-government strategy and guidance on planning for and managing shared services arrangements, including consistent measures to monitor performance, would make the delivery of standardised, high-volume as well as bespoke functions more transparent. This increased transparency could lead to coordinated investment in improving the efficiency and effectiveness of service delivery without the need to consolidate transactional services.

Contractual agreements often fell short of being effective SLAs

2.16   The details in SLAs varied, as shown in Table 1. Older arrangements reviewed were less detailed than more recent arrangements.

2.17   Insufficient information in SLAs can lead to:

- a lack of clarity on accountability for service delivery, which erodes trust between parties

- inconsistent service delivery causing service disruptions

- misunderstandings about responsibility resulting in duplicated tasks.

Table 1: Details expected to be included in SLAs compared to actual performance

Details expected[10]	DECYP-TasTAFE agreement	NRE Tas-RTBG agreement	NRE Tas-EPA agreement
Rationale, objectives, goals, roles, and responsibilities	🟡	✓	✓
Summary of service	✓	✓	✓
Detailed service levels	✓	✓	✓
Exclusions	✖	✖	✖
Service quality	✖	✓	✓
Service responsiveness	🟡	✓	✓
Performance measures	🟡	✓	✓
Risk management and compliance	🟡	✖	✖
Security and privacy	✖	✓	✓
Governance and reporting, type, frequency, and format)	✓	✓	✓
Financial arrangements (cost, billing, and payment terms)	✓	✓	✓

[10] The 'details expected' have been identified based on a review of a sample of contemporary agreements and are considered the minimum we would expect to see in general. However, we acknowledge that this is not a definitive list, as agreements may need to be tailored.

Details expected[10]	DECYP-TasTAFE agreement	NRE Tas-RTBG agreement	NRE Tas-EPA agreement
Issues management and dispute resolution	✓	✓	✓
Conditions for cancellation	🟡	✗	✗
Failure to meet goals	✗	✗	✗
Penalties on failure to meet terms	✗	✗	✗
Review and amendment	✓	✓	✓
Signatures	✓	✓	✓
Version history	✓	✓	✓

Legend

✓	Mostly addressed
🟡	Partially addressed
✗	Not addressed

3. Managing established shared services arrangements

In this chapter, we assess how well shared services arrangements were managed by service providers and recipients. We considered whether:

- ongoing performance of the arrangements was monitored and managed through performance reporting and feedback

- service providers considered the cost of and capacity to deliver services

- recipients were aware of the value of services provided.

Guiding principles for managing shared services arrangements

The implementation of a shared services arrangement can require both the provider and recipient to invest a significant amount time and resources. Whilst the implementation itself may be considered a success, over time issues may arise such as:

- expectation gaps regarding the services being provided

- service delivery standards and expectations not being met

- turnover of key staff at provider and/or recipient

- value-for-money assumptions not being realised.

SLAs and KPIs

Detailed SLAs and KPIs can also help prevent such issues from arising as they align expectations, anchor perceptions and provide factual reference points.

KPIs should be measured before migration to the shared services arrangement and again at regular intervals afterward. This data will allow factual comparisons of the pre- and post-Arrangement performance levels and demonstrate whether the agreed SLAs are being adhered to by both the provider and recipients. These comparisons should be widely publicised at least monthly to show the positive impact of moving to a shared services arrangement environment.

A suggested methodology for determining and ranking performance measures is as follows[11]:

Critical Service Levels	Metrics deemed critical to business operations
KPIs	Metrics deemed to be important measures of process performance
Performance reports	Reporting items required to provide relevant insight into process performance

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[11] Deloitte (2014) Guiding principles to service level agreements, accessed 12 February 2025

Surveys

In addition to SLAs and KPIs, surveys are an effective method of generating credibility and creating a positive image of the shared services arrangement. The use of customer surveys demonstrates that the provider is focused on its recipient and is committed to providing good levels of service. Again, the output of the customer surveys can be used to determine areas that require further attention and highlight the need to refine SLAs in line with changing customer requirements.

Maturity framework model

The performance of the shared services arrangement (from the perspective of both the provider and the recipient) should also be regularly assessed using a suitable maturity framework model[12] and results benchmarked against the original business case and communicated to all relevant stakeholders. Although parties may be reluctant to share this information, both the provider and the recipients need a point of reference to:

   a)   assess service delivery performance

   b)   where performance is satisfactory

   c)   where it needs to improve.

Business partner relationship

Underpinning these tools is the development of a business partner relationship between provider and recipient. This means that when issues do arise, the provider and recipient work together to resolve issues as a team, before the need for significant escalation.

Chapter summary

The assessment of ongoing performance monitoring, reporting, and feedback mechanisms highlighted that, while operational issues were resolved effectively through regular meetings, structured performance measures and documentation were insufficient.

Communication between parties was generally effective, with strategic and operational decisions discussed and communicated as needed. However, it was noted that performance was often measured informally, lacking systematic tracking of KPIs and proper documentation. This deficiency hampered both providers and recipients' ability to identify areas for improvement and maintain continuous service enhancement.

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[12] A maturity model framework is a structured method used to assess the performance and development stages of a shared services arrangement. From both the provider's and recipient's perspectives, it serves as a tool to evaluate current capabilities, identify areas for improvement, and guide strategic planning. Key components include defined levels of maturity, criteria for each level, and metrics for performance evaluation. Publicly available examples of effective maturity model frameworks for assessing shared services arrangements include the Shared Service Maturity Optimisation Framework available at Deloitte (2011) *Shared Services Handbook – Hit The Road, accessed 6 February 2025*

Another significant observation was the reliance on service providers' control environments without mechanisms for recipients to confirm the adequacy of these controls. This approach limited accountability for unique risks and hindered proper overall risk management.

Financial management practices were found lacking, as thorough monitoring and measurement of both direct and indirect costs were not performed. This process gap prevented recipients from evaluating value-for-money and providers from understanding the full cost of delivering services.

The chapter emphasises the need for establishing structured performance measures, consistent feedback mechanisms, and comprehensive capacity assessments. The lack of these elements may have led to missed opportunities for service improvement, risk management, and financial transparency, ultimately impacting the efficiency and effectiveness of shared services arrangements.

Performance measures and documentation on managing arrangements was insufficient

3.1 Parties to shared services arrangements:

- effectively communicated strategic and operational decisions by consulting each other before making changes and ensuring they provided updates as needed

- usually resolved issues at the service level, providing timely updates and minimising the need for escalation.

3.2 However, defined performance measures were rarely assessed, with performance discussions often informal and undocumented. Feedback mechanisms were inconsistent, focusing on issue resolution rather than constructive feedback.

Communication of strategic and operational decisions was effective

3.3 We observed that both parties communicated strategic and operational decisions that could impact on service delivery. For example:

- strategic decisions were discussed in account management meetings and directly communicated to the recipient as needed

- providers and recipients consulted the impacted party before making any strategic changes

- documentation and reporting of strategic decisions were provided through internal channels and committees

- updates regarding policies and service delivery were communicated as required.

Operational issue resolution was effective

3.4 Parties often addressed issues at the service level, with only a few issues requiring escalation to management. For example:

- account managers signed-off communications relating to service disruptions and changes impacting recipients

- providers gave timely updates on issues impacting service delivery and maintaining effective communication via emails or phone calls

- operational issues were resolved in a timely manner

- issues were escalated and addressed through regular meetings on service delivery.

Performance measures were rarely assessed

3.5 Operational issues were managed through day-to-day communication between the provider and recipient. Providers also obtained some performance related information primarily through service tickets logged or issues resolved.

3.6 This approach created risks that could be addressed through performance measurement and structured meetings to supplement performance measurement.

An area for improvement related to …	For example …	This may result in …
performance measurement	none of the arrangements engaged in structured[13] performance measurements.	inability to identify areas needing improvement hinders continuous service enhancement and fixing issues before unnecessary escalation.
	delivery and receipt of performance measures was performed verbally in general and was not documented or retained.	unavailability of a record and/or evidence by either party in the event of a legitimate dispute or escalation.
	performance measures and metrics are detailed in some agreements, yet there is no performance tracking or reporting on these measures.	excessive SLAs which lack meaningful impact for both parties involved and eventually overlooked and forgotten over time.

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[13] Key expectations of a structured performance measurement mechanism include the establishment of clear performance indicators aligned with strategic objectives, regular performance reviews, and continuous improvement initiatives. Performance metrics should cover service economy, efficiency, effectiveness, and stakeholder satisfaction. Regular feedback loops and adaptive strategies will be vital in addressing any service delivery gaps, ensuring the arrangement remains responsive to the evolving needs of all parties involved.

An area for improvement related to …	For example …	This may result in …
structured meetings to supplement performance measurement	with varying frequency according to service line requirements (e.g., more regular meetings in IT compared to Finance, HR, or Asset Management).	performance-related issues may remain unaddressed due to lack of systematic tracking and standardised KPIs, leading to declining service quality.
	providers rely on feedback during these meetings to highlight issues and concerns, discuss general issues, upcoming projects, priorities, and address urgent issues timely.	poor quality performance data, decision-making processes may become flawed, resulting in suboptimal service arrangements that do not represent value-for-money.

Parties did not provide structured and regular feedback

3.7 While there are examples of good communication between parties, we expected a structured formal feedback mechanism. Such a mechanism would allow the:

- recipient to provide information on service delivery

- provider to assess whether it can improve any aspects of service delivery.

3.8 The feedback we observed was inconsistent, not documented and the focus was on issue resolution, not constructive feedback to enhance service delivery.

3.9 Recipients prioritised maintaining stable relationships over evaluating performance, which undermines the effectiveness of the service arrangement. While providers did not proactively seek feedback to identify opportunities for service delivery enhancement or to measure recipient satisfaction.

3.10 The absence of constructive feedback creates a risk that issues relating to service delivery are not addressed, leading to dissatisfaction.

Case study

During the audit, we observed a situation which illustrates the importance of performance measurement, structured meetings and regular, formal feedback.

The parties initially participated actively in regular meetings to discuss shared service performance, but these meetings became inconsistent due to strategic changes by both parties and further MOG changes affecting service delivery

The reduced frequency of operational and strategic meetings led to parties focusing primarily on relationship management instead of rigorously evaluating performance, including:

- identification and rectification of performance issues

- measurement of recipient and provider satisfaction

- assessment of value-for-money considerations.

Recipients trusted that service providers had adequate controls

3.11 Neither provider nor recipient could demonstrate that they had considered risks specific to the services provided under the arrangement. The:

- provider treated the provision of services as "business-as-usual" operations and implemented its own policies and procedures

- recipient had no ability to seek assurance that controls addressing risks specific to the services were in place and operating effectively.

3.12 This approach:

- limits the provider's or the recipient's ability to own the unique risks arising from these arrangements, resulting in a lack of clear accountability for issues and increasing the likelihood of service disruptions

- may create vulnerabilities that, when not adequately addressed by providers or recipients, are an opportunity for exploitation.

Parties did not adequately monitor the value and cost of services provided

3.13 Transparent, detailed information on the benefits and costs of providing shared services was not available. This information would:

- allow the value and cost of services provided to be accurately estimated and monitored

- confirm whether the benefit of shared services outweighs the cost from a whole-of-government perspective.

An area for improvement is …	For example …	This may result in …
the initial assessment of value and cost.	arrangements tended to follow the initial assessment, often prepared hastily in response to a MOG change, with minor changes to services.	recipients paying for services that cost more than their value and providers provide services at a cost which they cannot recover through the current arrangement.
	arrangements tended to anchor to initial cost models, with costs only increased by inflation each year and some minor changes.	a misalignment between service cost and actual value over time.

An area for improvement is …	For example …	This may result in …
ongoing assessment of value and cost.	differences between the provider and the recipient regarding the perceived "value" of services.	providers assuming they are delivering more services than they are compensated for, while recipients expect more services assuming they are paying over the market value, leading to dysfunctional relationships.
the methodology used to estimate value and cost.	service costs are underpinned by Full-Time Employment (FTE) assumptions that have not been validated, as the provider's staff are delivering both internal services and shared services, and their time on these services is not tracked. Additionally, service costs are linked to FTE even when they are ad hoc or do not follow a regular or established pattern.	over- or underestimation of the actual value of the services.

Providers' capacity assessments were not robust

3.14 Continuous capacity assessment is essential for maintaining high standards of service delivery. Regularly evaluating their capacity allows providers to ensure consistent and reliable service, efficiently utilise resources, and prevent both underutilisation and overburdening. Accurately measuring capacity enables providers to scale services smoothly in response to changing demands without compromising service quality, which is crucial for adapting to evolving needs internally and externally while maintaining consistent service to recipients.

3.15 Failure to conduct comprehensive capacity assessments has the potential to lead to several adverse outcomes:

An area for improvement related to …	For example …	This may result in …
the initial capacity assessments	capacity assessments were initially conducted under stable conditions and did not allow for contingencies to reflect expected changes in operations. Under these circumstances, shared services arrangements continued without the need for significant re-evaluation.	an inaccurate assessment of the actual capacity to deliver services.

An area for improvement related to …	For example …	This may result in …
subsequent capacity assessments	when some organisations were significantly impacted by multiple MOG changes or a shift in their strategic directions since entering shared services agreements, there was no evidence of a comprehensive re-assessment of their capacity or capability to continue providing the agreed services.	service disruptions and an inability to effectively respond to changing demands or emergencies.
prioritisation of tasks	when larger departments act as shared service providers for internal business units and external agencies, recipients often face uncertainty regarding prioritisation and the provider's capacity to manage various tasks efficiently.	uncertainty in service quality, timing, and continuity.

Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my performance audit on the design and delivery of shared services arrangements in the General Government sector.

Audit objective

The audit objective was to express an opinion on the economy, efficiency and effectiveness of the design and delivery of shared services arrangements.

Audit scope

We assessed the performance of the service provider and recipient in the shared services arrangements listed in Table 2 for the last 5 years (2019-20 to 2023-24).

Table 2: Arrangements within the audit scope

Service provider	DECYP	NRE Tas	
Recipient	TasTAFE	EPA	RTBG
Established in	2019	2021	2022
Services include			
Finance	✓	✓	✓
People and culture	✓	✓	✓
ICT	✓	✓	✓
Portfolio	✗	✓	✓
Asset	✗	✓	✓

The audit assessed:

- either establishment or renewal of the arrangement
- ongoing management of the arrangement.

The audit did not assess:

- arrangements other than those identified in Table 2
- general performance of the services in scope.

Audit approach

We conducted this audit in accordance with the *Australian Standard on Assurance Engagements ASAE 3500 Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, to express a reasonable assurance opinion.

The audit assessed the responsible agencies performance against the following criteria:

1. Were shared services arrangements planned effectively?

    *   Did service providers and recipients assess the objectives and feasibility of the arrangement?

    *   Does the arrangement adequately define and capture the services to be delivered (including performance measures)?

    *   Did service providers and recipients outline adequate controls to manage risks under the arrangement?

2. Is the performance of shared services arrangements appropriately monitored and improved?

    *   Is the ongoing performance of the arrangement monitored and are services measured and reported effectively?

    *   Did service providers monitor the cost of providing the services?

    *   Did recipients assess whether the arrangement represented value for money?

    *   Are service providers and recipients using available performance information to improve the arrangement?

Responsibility of management

Beyond the *Financial Management Act 2016*, there is no framework for developing or managing shared services arrangements.

Service providers and recipients:

a) work together to create the terms of shared services arrangements

b) monitor performance of services to ensure they meet expectations and remain suitable.

Responsibility of the Auditor-General

My responsibility was to express a reasonable assurance conclusion on the economy, efficiency and effectiveness of the design and delivery of shared services arrangements.

Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, *Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this audit.

Appendix B – Transmittal letter

Tasmanian Audit Office

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Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
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26 May 2025

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 10 of 2024-25 – Effectiveness of shared services arrangements in the General Government Sector

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of this report is to express an opinion on the economy, efficiency and effectiveness of the design and delivery of shared services arrangements in the General Government Sector.

As the House of Assembly and Legislative Council are not sitting on this day, 26 May 2025, under section 30(5) of the *Audit Act 2008*, this report is taken to have been laid before both houses and to have been ordered to be published by both houses upon it being received by you. In accordance with section 30(7) of the *Audit Act 2008*, would you kindly cause the report to be laid before the House of Assembly or Legislative Council on the next sitting-day of the House or Council.

Yours sincerely

Martin Thompson
Auditor-General

Appendix C – Submissions and comments received

The following are the responses received for this report.

Response from the Minister for Education

Thank you for your correspondence of 30 April 2025 and for sharing the performance audit report you intend to table on 26 May 2025 regarding Shared Services in the General Government Sector.

I note this report and trust it has been shared with applicable agencies for comment.

Thank you again for writing to me and please pass my thanks on to your audit team for their work on this audit.

Hon Jo Palmer MLC
Minister for Education

Response from the Department for Children, Education and Young People

I refer to your letter of 30 April 2025 seeking a formal response to the performance audit on Shared Services in the General Government Sector.

Regarding the inability to inform a conclusion on the efficiency or economy of shared service arrangements, DECYP considers that TasTAFE has had financial benefit from DECYP's scale as an organisation and the relevant service provider teams and systems, including for example benefits in key cost items such as variable software licences.

Recommendation 4: Capacity assessment

DECYP agrees that it is important to conduct initial and ongoing capacity assessments to deliver shared services.

The level of detail of such assessment should be commensurate with the size of the shared service provider and the entity receiving the services.

Recommendation 5: Performance Measurement and Feedback Measures

DECYP agrees with the need for improved performance review and feedback mechanisms for shared service arrangements.

Recommendation 6: Financial Monitoring

DECYP notes that complex shared services arrangements may require periodic independent advice which comes at an additional cost for the parties.

DECYP and TasTAFE have previously had such detailed analysis undertaken which then provided a robust basis for future material pricing adjustments as needed.

Recommendation 7: Risk Management

Management of shared services risks will be considered against DECYP's risk management framework.

Ginna Webster
Secretary, Department for Children, Education and Young People

Response from the Department of Natural Resources and Environment Tasmania

Thank you for your letter of 30 April 2025, advising me of your intention to table a performance audit on the 'Shared Services Arrangements in the General Government Sector' and inviting me to make a formal response to the report.

The Department of Natural Resources and Environment Tasmania's management response is attached for inclusion.

Recommendation 4: Capacity assessment

NRE Tas supports this recommendation in principle but notes that capacity assessment and review should be undertaken in the context of the whole-of-government guidelines to be developed. NRE Tas is committed to reassessing capacity as part of Service Level Agreement (SLA) reviews and in response to any significant operational or strategic changes.

Timeline: To be confirmed pending completion of the whole-of-government strategy and guidelines to ensure consistency.

Recommendation 5: Performance Measurement and Feedback Measures

NRE Tas supports this recommendation in principle and will review and update SLAs to align with the whole-of-government guidelines, where appropriate, in consultation with its client entities.

Timeline: To be confirmed pending completion of the whole-of-government strategy and guidelines to ensure consistency.

NRE Tas also notes that the Department's SLAs already include some Key Performance Indicators (KPIs) and a regular review and feedback mechanism.

NRE Tas is documenting a formal schedule of reviews (due to be completed by end of June 2025). NRE Tas will discuss the inclusion of additional KPIs with its client entities as part of the next cycle of SLA reviews over the next 18 months.

Recommendation 6: Financial Monitoring

NRE Tas supports this recommendation in principle and will update SLAs to align with the whole-of-government guidelines, where appropriate, in consultation with its client entities.

NRE Tas notes a standardised approach to covering indirect costs is in practice, through the NRE Tas Corporate Charge Policy. This Policy provides a standard charge for corporate services per FTE and is scheduled to be reviewed every three years.

In the absence of a whole-of-government benchmark, NRE Tas will discuss adoption of this charging model with its client entities as part of the next cycle of SLA reviews over the next 18 months. However, NRE Tas also notes that some client entities may not have the financial capacity, and considerations will need to be given in those circumstances.

Recommendation 7: Risk Management

NRE Tas supports this recommendation in principle and will update SLAs to align with the whole-of-government guidelines, where appropriate, in consultation with its client entities.

Timeline: To be confirmed pending completion of the whole-of-government strategy and guidelines to ensure consistency.

In the short term, NRE Tas will work with its client entities as part of the next cycle of SLA reviews over the next 18 months to establish appropriate risk registers.

Jason Jacobi
Secretary, Department of Natural Resources and Environment Tasmania

Response from the Department of Premier and Cabinet

Thank you for invitation to respond and provide comment on the recommendations within the 'Performance audit of Shared Services Arrangements in General Government Sector'.

The Department of Premier and Cabinet has been responsible for coordinating actions arising from the Independent Review of the Tasmanian State Service (TSSR). Shared services were identified within the TSSR as an opportunity for cost savings and delivering value through improved services. As identified in the Auditor-General's report, many shared service arrangements exist across the State Service, and there are opportunities for reviewing them to ensure they are delivering value, in the right way, and are value for money.

The Department is in the process of establishing an Efficiency and Productivity Unit. A focus of this unit is considering the role of shared services in the Tasmanian State Service. We are also developing a new functional leadership framework for consideration by Government which will support a rigorous examination of the merits of consolidating resources across Agency boundaries to improve the quality and efficiency of public services.

The Efficiency and Productivity Unit will consider the recommendations within the Auditor-General's report, as well as expert advice on best practice for shared service arrangements, in developing a functional leadership framework.

Recommendation 1: Whole-of-government strategy

The Department is currently developing, for consideration by Government, a functional leadership framework for the Tasmanian State Service that identifies and supports the delivery of shared services and capabilities across Agencies.

Recommendation 2: Whole-of-government guidelines

It is anticipated that the functional leadership framework will include guidance on the successful establishment of shared services, including roles, responsibilities, risk management, reporting protocols and performance measures

Recommendation 3: Whole-of-government reporting and monitoring

Reporting arrangements will be considered as part of the functional leadership framework.

Shane Gregory
Associate Secretary, Department of Premier and Cabinet

Response from the Environment Protection Agency

The EPA agrees with the three key findings of the audit and endorses each of the seven recommendations contained within the audit report.

Reflecting on its experience, the EPA acknowledges that having to enact an SLA born out of a machinery of government change, at short notice, has been well described by the audit report.

The EPA is supportive of a whole-of-government strategy and framework for standardised, high-volume administrative services as described in the report and would welcome further guidance being available for providers and recipients.

The EPA has commenced conversations with NRE Tas to improve arrangements for performance reviews, financial monitoring and risk management under the current SLA prior to the next major review in 2028.

Catherine Murdoch
Chief Executive Officer, Environment Protection Agency

Response from the Royal Tasmanian Botanical Gardens

Thank you for providing the Royal Tasmanian Botanical Gardens an opportunity to comment on the performance audit undertaken of the shared services in the general government sector.

We have reviewed the contents of the audit and concur with the statements and conclusions presented.

The Royal Tasmanian Botanical Gardens is committed to continue improving the effectiveness of its shared services arrangement with the Department of Natural Resources and Environment Tasmania.

Daniel Leesong
Chair, Royal Tasmanian Botanical Gardens

Response from TasTAFE

Thank-you for the opportunity to formally respond to the audit on the above topic.

The report and manner of the engagement has been welcomed by TasTAFE and we encourage a discussion of how shared services can better occur into the future.

TasTAFE acknowledges the findings in the report and provides the following comments in response.

Recommendation 5: Performance Measurement and Feedback Measures

TasTAFE acknowledges the recommendation and will work in a collaborative manner with our provider to establish, or where relevant improve, and monitor performance measurement mechanisms over the next 24 months.

Recommendation 6: Financial Monitoring

TasTAFE acknowledges the recommendation and notes that regular financial monitoring of the direct cost of the arrangement is being undertaken. Internal indirect cost management mechanisms will be established over the next 24 months.

Recommendation 7: Risk Management

TasTAFE acknowledges the recommendation and will complete a risk management review and establish a monitoring processes of our shared service arrangements within the next 24 months.

William McShane
Interim Chief Executive Officer, TasTAFE

Appendix D – Our role, audit mandate and standards applied

Our role

The Auditor-General and Tasmanian Audit Office are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are

- how public sector entities manage resources

- how public sector entities can improve their management practices and systems

- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our reports page on our website.

Mandate

Section 23 of the *Audit Act 2008* states that:

(1)   The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:

    (a)   examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;

    (b)   investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;

    (c)   investigating any matter relating to public money or other money, or to public property or other property;

    (d)   examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;

    (e)   examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;

(f)   examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –

(i)   on behalf of the State entity; or

(ii)   in partnership or jointly with the State entity; or

(iii)   as the delegate or agent of the State entity;

(g)   examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

(2)   Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

(a)   the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and

(b)   the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

Acronyms and abbreviations

DECYP	Department for Education, Children and Young People
DPAC	Department of Premier and Cabinet
EPA	Environment Protection Authority
FTE	Full-Time Employment
Government Response	*Government Response to the Independent Review of the Tasmanian State Service*
ICT	Information and Communication Technology
KPI	Key Performance Indicators
MOG	Machinery of Government
NRE Tas	Department of Natural Resources and Environment Tasmania
RTBG	Royal Tasmanian Botanical Gardens
SLA	Service Level Agreement
TAO	Tasmanian Audit Office
Treasury	Department of Treasury and Finance
the Review	Independent Review of the Tasmanian State Service
TasTAFE	Tasmanian Technical and Further Education