

**DEPARTMENT OF  
TREASURY AND FINANCE**

**ANNUAL REPORT  
1995-96**



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24 September 1996

The Hon Stephen Baker MP  
Deputy Premier and Treasurer  
8th Floor  
State Administration Centre  
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Dear Treasurer

I have pleasure in presenting to you the Department of Treasury and Finance Annual Report for 1995-96.

Yours sincerely

Gerard Bradley  
UNDER TREASURER

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## UNDER TREASURER'S OVERVIEW

The Department of Treasury and Finance experienced considerable change in 1995-96.

It is a credit to the previous Under Treasurer, Dr Peter Boxall, that I am able to report significant achievements from the department's implementation of policy and administrative initiatives.

Treasury and Finance led the preparation of the Government's State budget, delivered in May, which is expected to deliver a further reduction in the underlying deficit in the non commercial sector of Government and reduce debt in line with the Government's targets set in May 1994.

Finalisation of asset sales during the year, including that of BankSA, contributed to a reduction of \$720 million in the State's net debt position as at 30 June 1996. At year end the net debt position was \$7.75 billion (22 per cent of Gross State Product) compared to \$8.47 billion as at 30 June 1995 (26 per cent of State Gross Product).

Treasury and Finance was instrumental in several microeconomic reform initiatives during the year:

- ETSA, SA Water and Ports Corp were established as public corporations and a tax equivalent regime was put in place during the year, for these and other commercial entities in the public sector.
- Considerable work was undertaken following the Government's decision to separate generation from ETSA Corporation and in the State's preparation for the National Electricity Market.
- In collaboration with the Department of Premier and Cabinet, implementation commenced of measures outlined in the National Competition Policy Agreement between the Commonwealth and the States.

Progress continued in financial management and reporting during the year and preparation for the State's whole of government statement of financial position as at 30 June 1996 was well advanced by year end.

The department also played a leading role in a project aimed at improving the current arrangements for planning, administrative and governance issues in the State's non commercial public sector. The initiatives being contemplated have been put under the umbrella title of the Government Management Framework (GMF).

Subsequent to 1995-96, former Deputy Under Treasurer (Finance), Mr Alan Tregilgas has been appointed Executive Director of the GMF Reform Unit. On behalf of the department I wish to acknowledge Alan's valuable contribution during his time with us and to wish him every success in his new position.

1995-96 also saw some significant developments within Treasury and Finance:

- A departmental risk management assessment was completed during the year and a three year internal audit strategic plan has been established.
- Information technology (IT) systems have been reviewed and IT management strengthened. A corporate IT strategic plan is expected to be finalised early in 1996-97.
- An improved financial reporting and management framework for Treasury and Finance was approved and will be implemented over the next year.
- A comprehensive three year human resources plan which incorporates occupational health and safety initiatives was completed in March 1996.



## THE DEPARTMENT

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- A training and development policy statement was finalised and distributed.
- A corporate planning document was prepared to promote internal communication of the department's vision, challenges and aspirations. The first Corporate Plan of Treasury and Finance will be completed in early 1996-97.
- Branch business plans for 1996-97, which will underpin the Corporate Plan, were completed in June 1996.
- As part of a client services initiative, service managers were appointed for each agency to facilitate a 'one stop shop' approach for client contact.

In terms of the challenges ahead, we intend to enhance the strategic role of Treasury and Finance in the areas of economic and fiscal policy.

Preparation for the development of nationally competitive electricity and gas markets will continue. A community service obligation framework will be established to clarify the delivery of social objectives by commercial public sector entities.

A formal policy will be developed outlining the availability of and charges for Government guarantees to assist in monitoring and assessing the risk and level of guarantees. Emphasis will also be given to implementing a run-off structure for South Australian Asset Management Corporation to maximise the benefits from an orderly disposal of assets.

In the revenue area, continued emphasis will be placed on improved compliance. Implementation of a tax self assessment and electronic payment system is planned to realise efficiencies for both clients and the State Taxation Office. National rewrite projects on stamp duty and tax administration to reduce compliance costs and provide certainty for taxpayers will also continue.

A number of re-engineering processes will also commence in 1996-97 in association with the GMF project:

- redeveloping the financial management and information systems which support the budget and forward estimates to reflect a focus on outputs rather than inputs
- developing standard reporting requirements on an accruals basis in conjunction with the ABS and other States and Territories
- reviewing the central ledger system
- rewriting Treasurer's Instructions to ensure their relevance and consistency with recent financial management reforms.

To complement some of the initiatives inherent in the GMF, some reorganisation will occur of the business structure of Treasury and Finance to better reflect the advisory, purchaser, owner and service provision roles undertaken by the department for Government.

Since my appointment in June, I have been impressed with the quality and professionalism of Treasury and Finance staff.

Our objective for Treasury and Finance to be recognised as the Government's pre-eminent source of economic and financial advice largely depends on the continued dedication and hard work of staff.

On behalf of Treasury and Finance, I also acknowledge the support of the Treasurer and his staff throughout the year.

Gerard Bradley  
UNDER TREASURER

# THE DEPARTMENT

## Corporate Statement

The Department of Treasury and Finance plays a key role in advising and assisting the Government, in particular the Treasurer, on economic and financial matters. Treasury and Finance takes a lead role in policy development in these areas and in the implementation of those policies across the public sector.

Departmental operations not only encompass the traditional Treasury and Finance functions associated with economic policy, the State Budget and the management of the Government accounts but also include functions undertaken by the State Taxation Office, the South Australian Government Financing Authority (SAFA), South Australian Government Captive Insurance Corporation (SAICORP) and the State Superannuation Office.

The principal client of Treasury and Finance is the Treasurer. Other important stakeholders are cabinet ministers, both individually and collectively, agencies and employees in the public sector and members of the public—especially the State's taxpayers.

In performing its duties, Treasury and Finance has primary administrative responsibility for a range of legislation, including the Acts for Appropriation and Supply, Public Finance and Audit, the Government Financing Authority, and Public Corporations; Acts relating to State taxation; and legislation relating to public sector superannuation arrangements and for the regulation of lotteries and gaming. All legislation administered by the Treasurer, relating to the Treasury and Finance portfolio, is listed in Appendix D.

## Mission Statement

*To promote the highest standards in economic and financial management, best practice in financial services and a culture of excellence.*

## Corporate Values

To this end, the department is guided by the following corporate values:

- *to meet the requirements of our clients through the application of the highest professional standards in our work*
- *to provide strong leadership in the public accountability of the management of the State's finances and the provision of economic and financial advice*
- *to promote the efficient use of resources in the South Australian Public Service to meet the strategic goals of the Government*
- *to develop a culture of excellence where a commitment to teamwork, professionalism, integrity, staff development and staff participation are highly valued.*



## Our Role

Treasury and Finance is responsible for the following core functions.

### Advice:

- Economic policy and microeconomic reform issues
- Fiscal policy and budget management issues
- Debt and asset management policy
- Accounting policy and whole of government financial management issues

### Services:

- Collecting the State's tax revenue and enforcing taxation legislation, by the State Taxation Office
- Raising and managing the State's debt funding through SAFA, which is constituted of the Under Treasurer supported by an Advisory Board
- Administering the State's Public Sector Superannuation schemes, through the Superannuation Office which reports to an independent board established under the *Superannuation Act 1988*
- Insuring and advising on the risks of State Government agencies, through SAICORP, a subsidiary of the Treasurer established under the *Public Corporations (Treasurer) Regulations 1994*
- Providing support services to other departments through Corporate Services Branch

### Regulation

- Administering the *Lotteries and Gaming Act 1936* and the *Collections for Charitable Purposes Act 1939*
- Administering the *Friendly Societies Act 1919*

### Programs

These functions are addressed in the following programs.

- Economic Advice
- Reform of State Enterprises
- Budgetary Management and Advice
- Development and Implementation of Accounting Policies and Financial Management Systems
- Advice on Public Sector Debt and Assets
- Management of State Government Borrowing and Investment Activities
- Administration and Enforcement of State Taxation Legislation
- Lottery and Gaming
- Insurance and Superannuation
- Support Services

The brief summaries of each program that follow. Program highlights are reported in detail in the next section of this report.

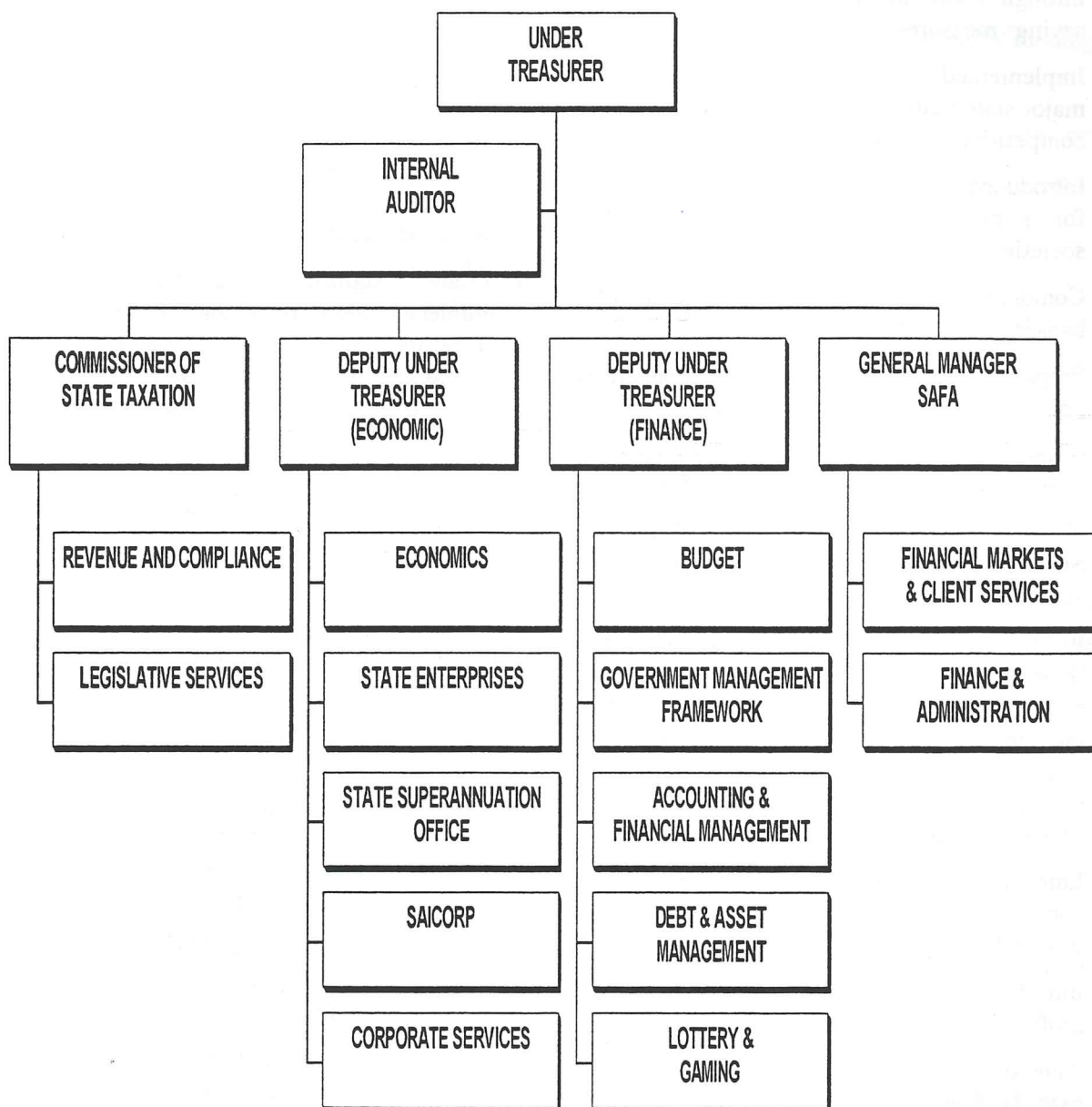
| BRANCH  | PROGRAM   |
|---|---|
| <p><i>Economics Branch</i></p> <p><i>Rob Schwarz</i></p>                          | <p><b>Economic Advice</b></p> <p>Advise on the economic and financial environment in SA; advise on Commonwealth–State financial relations; advise on State taxation measures to secure revenue for government expenditures in a way which provides economic growth and equity.</p>  |
| <p><i>State Enterprises Branch</i></p> <p><i>Phil Gaetjens</i></p>                | <p><b>Reform of State Enterprises</b></p> <p>Advise on measures to ensure that the government commercial sector is efficient and competitive, and on microeconomic reform issues generally; contribute to the integrity of the State's financial infrastructure through regulation and monitoring of selected State-owned and State-based financial institutions.</p> |
| <p><i>Budget Branch</i></p> <p><i>Peter O'Neill</i></p>                           | <p><b>Budget Management and Advice</b></p> <p>Advise the government on budgetary, financial and resource issues with a view to ensuring that prudent budgetary targets are set and achieved</p> <p>Further budgetary and financial reform in the non commercial sector.</p>   |
| <p><i>Accounting and Financial Management Branch</i></p> <p><i>Linda Hart</i></p> | <p><b>Development and Implementation of Accounting Policies and Financial Management Systems</b></p> <p>Develop and implement accounting and financial management policies and systems across the public sector so that relevant, reliable and accurate financial information is available to the Treasurer, agency management and the public.</p>                    |
| <p><i>Debt and Asset Management Branch</i></p> <p><i>Gino DeGennaro</i></p>       | <p><b>Advice on Public Sector Debt and Assets</b></p> <p>Advise on the management of the State's debt, financial guarantees and performance improvements for assets; advise on the financial evaluation of proposals for private provision of infrastructure and services.</p>  |

## THE DEPARTMENT

| BRANCH  | PROGRAM   |
|---|---|
| <p><i>SA Financing Authority</i></p> <p><i>Rick Harper</i></p>  | <p><b>Management of State Government Borrowing and Investment Activities</b></p> <p>Deliver a range of cost-effective financial services to the highest possible standard, tailored to meet the various individual needs of public sector clients, emphasising the core activities of fund raising and prudent liability management.</p>  |
| <p><i>State Taxation Office</i></p> <p><i>Mike Walker</i></p>   | <p><b>Administration and Enforcement of State Taxation Legislation</b></p> <p>Manage the State's taxation system in a way that provides maximum value to both Government and taxpayers; achieve maximum feasible compliance through targeted activities, together with rigorous application of available sanctions; apply fair, efficient and responsive taxation management principles in the provision of informed policy advice.</p> |
| <p><i>Lottery and Gaming Branch</i></p> <p><i>Doug Kitchin</i></p>  | <p><b>Lottery and Gaming</b></p> <p>Monitor the conduct of lotteries and fundraising by non-profit groups.</p>  |
| <p><i>State Superannuation Office</i></p> <p><i>Ross Christie</i></p> <p><i>SA Government Captive Insurance Corporation (SAICORP)</i></p> <p><i>Brian Daniels</i></p> | <p><b>Insurance and Superannuation</b></p> <p><b>Superannuation Services</b><br/>Advise on superannuation policy issues and administer the Government's various superannuation schemes.</p> <p><b>Insurance Services</b><br/>Advise on insurance and related matters, and administer the Government's insurance and risk management arrangements.</p>   |
| <p><i>Corporate Services Branch</i></p> <p><i>John O'Flaherty</i></p>   | <p><b>Support Services</b></p> <p>Provide efficient and effective support services to the Executive and to Treasury and Finance in administration, financial management, human resources and information technology support.</p>  |



## Organisational Structure



## PROGRAM HIGHLIGHTS SUMMARY 1995-96

- Assisted the Government in bettering its planned deficit and debt reduction targets through coordination of further reform and savings measures.
- Implemented a tax equivalent regime for major state trading enterprises, consistent with competitive neutrality objectives.
- Introduced a performance monitoring regime for public corporations and for friendly societies.
- Commenced a review of the Government's banking and related arrangements.
- Prepared and promulgated asset management policies and procedures documents.
- Conducted a three stage risk management education and training program for South Australian public sector organisations.
- Successfully introduced the new contributory superannuation scheme (Triple S).
- Reviewed the operations of the Superannuation Office and identified the need to employ additional resources and strengthen the management structure to overcome significant deficiencies in providing management and services at the level required of a modern superannuation administrator.
- Introduced a Code of Practice relating to the conduct of charitable collections with effect from 1 January 1996.
- Introduced new tax arrangements for highly profitable gaming venues to increase revenue.
- Amended Lottery and Gaming Regulations to ease the fundraising restrictions on non-profit organisations affected by the impact of gaming machines.
- Finalised the departmental Enterprise Bargaining Agreement.
- Commenced arrangements for commercially operating agencies to assume responsibility for managing their own debt liabilities, together with the development and implementation of measures to monitor the performance of SAFA as the State's debt managers.
- SAFA assumed management responsibility for the treasury portfolio of the South Australian Asset Management Corporation.
- Made significant progress in the implementation of a new front and back office Treasury Management System and the introduction of a portfolio based risk management framework within SAFA.
- Reduced SAFA's balance sheet size by a further \$3.4 billion through the application to debt retirement of the proceeds of sale of State assets and through the liquidation of non-core reinvestment and other asset holdings.
- Effectively integrated State Taxation Office staff into a new organisational structure based upon functional rather than tax head lines thereby improving services and decreasing overall costs.
- Enacted new *Petroleum Products Regulation Act 1995* which merged and simplified licensing and other regulatory requirements applying to petroleum products.
- Made significant progress on the development of a tax self assessment and electronic payment system.
- Launched the Stamp Duty Rewrite Exposure draft in South Australia and issued it for consultation to relevant industry participants in July 1995. Released the first draft of the Taxation Administration Bill for comment in November 1995.
- Prepared departmental financial reports for the first time on an accrual basis.



# ECONOMIC ADVICE PROGRAM

The objectives of the Economic Advice Program are to provide advice to the Government on:

- the economic and financial environment in South Australia and its impact on the budget outlook
- taxation measures to secure revenue to finance Government expenditures in a way which promotes economic growth and equity
- Commonwealth-State relations, with a view to securing a fair share of Commonwealth funding for the State.

## HIGHLIGHTS

- TER implemented for major State Trading Enterprises
- New tax arrangements for gaming machines introduced to increase revenues from high profit gaming venues
- Submissions to the Commonwealth Grants Commission prepared on the State's fiscal needs

## Outcomes Over 1995-96

### **Economic and Financial Analysis**

Economic monitoring of the national economic backdrop and its implications for the South Australian economy continued. As foreshadowed, a strong recovery in South Australia's farm output boosted economic growth in 1995-96 and employment continued to grow.

Presentations to the credit rating agencies during the year focused on the achievements being made in budgetary reforms relative to the targets originally set in 1994.

Economic policy advice focused on the need to support growth in the trade-exposed business sector.

Projects included assisting Debt and Asset Management Branch with the preparation of contracting out guidelines and development of risk weighted discount rates for project evaluation.

### **Revenue**

Tax Equivalent Regime (TER) payments by State Trading Enterprises commenced during 1995-96. The first instalments of income tax equivalent payments were paid in June 1996 with monthly wholesale sales tax equivalent payments commencing from August 1995. In addition to the Joint Commonwealth-State TER Standing Committee, Treasury and Finance was represented on a technical sub-group convened in 1995-96 to monitor uniform TER practice across States and Territories.

The branch continued to prepare and update rolling five-year forward estimates of State taxation revenues and financial assistance grants, monitor revenue performance against actual experience, and provide briefing material on revenue matters for Parliament, credit rating agencies, and National Fiscal Outlook reports.

### **Commonwealth– State Relations**

Written submissions on the Commission's research program were prepared for the Commonwealth Grants Commission 1999 review of relativities. Agency responses to the Commission's requests for information were coordinated and staff attended conferences convened by the Grants Commission.

The branch continued to prepare briefing material for Premiers' Conference and Council of Australian Governments meetings, and reports to Loan Council and the National Fiscal Outlook.

Further analysis of Commonwealth funding to South Australia included monitoring the impact of changes to indexation arrangements for specific purpose payments and the results of the Grants Commission's 1996 Update.

### **Planned Initiatives for 1996-97**

### **Economic and Financial Analysis**

Increase liaison with business and economic departments on economic conditions.

Encourage rating agencies to adopt a more favourable view of South Australia's budgetary and economic outlook.

Publish a quarterly economic report.

Review the scope for revenue raising instruments to reflect environmental objectives.

Review arrangements for compulsory third party insurance provision covering single Government provider and multi-insurer market alternatives.

### **Revenue**

Extend coverage of TER to include business units and to encompass State and Local, as well as Commonwealth taxes.

Prepare forward estimates of taxation receipts and general purpose Commonwealth grants.

Update tax expenditure data.

Continue negotiations with the Commonwealth to seek compensation for loss of wholesale sales tax exemptions from privatisation.

Negotiate the Commonwealth tax status of State Government entities with the Commonwealth.

Continue to review State taxation policy.

**Commonwealth-  
State Relations**

Seek improvements to the monitoring system for financial assistance grants and specific purpose payments.

Undertake further work on major issues of fiscal equalisation, including Commonwealth Grants Commission's relativities review and vertical fiscal imbalance.

Host and coordinate the Grants Commission's workplace discussions in South Australia at a range of Government activities in country and metropolitan areas.

Prepare and coordinate the State's major submission to the Commonwealth Grants Commission 1999 methodology review.



# REFORM OF STATE ENTERPRISES PROGRAM

The objectives of the State Enterprises Program are to:

- contribute to an effective and efficient commercial and financial sector in Government by encouraging competition and structural reform in the Government's commercial sector and monitoring the performance of the Government trading and financial enterprises
- provide microeconomic reform policy advice to improve the efficiency and competitiveness of the South Australian economy
- support and regulate a sound friendly society sector in South Australia.

## HIGHLIGHTS

- ETSA Corporation and SA Water Corporation established on 1 July 1995 under the *Public Corporations Act 1993*
- Performance monitoring regime established for public corporations and friendly societies
- Deprival asset valuation methodology implemented for public corporations
- *Friendly Societies Act 1919* amended
- Contributions made to the implementation of national reform commitments for government business reforms and selected reforms in the electricity, water and gas industries
- Separation of generation from ETSA Corporation approved

## Outcomes Over 1995-96

### Trading Enterprises

The first and most significant phase of corporatisation has been completed for ETSA Corporation, Ports Corporation and SA Water Corporation. These enterprises are subject to the *Public Corporations Act 1993* which sets out the governance arrangements, accountability mechanisms and performance framework of public corporations.

As required under the Act, a charter for each corporation sets out the nature and scope of their operations and a performance statement sets out performance targets as agreed between the corporation's board and the Government.

A review of the Public Corporations Act resulted in the development of guidelines for subsidiaries established under the Act.

The Treasurer approved the deprival method of valuing assets to help corporations determine the appropriate valuation methodology for their initial balance sheet. Under this methodology, current cost values are applied to those assets that would be replaced and recoverable amounts are applied to those assets that would not be replaced.

The three major corporations are now subject to quarterly performance monitoring.



**Financial  
Institutions**

On 7 December 1995 a number of amendments to the *Friendly Societies Act 1919* were proclaimed which improved the regulatory and monitoring powers of the Treasurer over the activities of friendly societies as an interim measure, pending the introduction of national supervisory arrangements for friendly societies in 1997.

Consistent with the objective to support a sound friendly society sector, a program of quarterly financial monitoring of the friendly societies began during the year.

**Microeconomic  
Reform**

State Enterprises Branch contributed to the development of the Government's microeconomic reform policy during 1995-96. Significant progress was made with implementing the National Competition Policy (NCP) as agreed by Heads of Government at the April 1995 meeting of the Council of Australian Governments. The branch helped prepare Government policy statements on competitive neutrality and the application of competition principles to local government, published in June 1996 and assisted in preparing a timetable for reviewing South Australian legislation which might restrict competition, also published in June 1996.

The branch contributed to the development of the *Government Business Enterprises (Competition) Act 1996* which establishes an independent source of prices oversight for government businesses which have monopoly market power. The Act also establishes a complaints mechanism for alleged infringements of the principles of competitive neutrality. The pricing oversight provisions are likely to apply to ETSA Corporation and SA Water Corporation in the first instance.

Preparations for a National Electricity Market (NEM) continued during 1995-96. At the request of the South Australian Government, the Industry Commission reviewed the structure of the electricity industry in the State and released its report in April 1996. It recommended restructuring of ETSA to increase competition in the electricity industry and to meet commitments made by the Government in relation to competition policy. The generation arm of ETSA will be separated from ETSA Corporation and become a distinct Government owned corporation from 1 January 1997.

State Enterprises Branch continued to support the Electricity Sector Reform Unit in 1995-96 by providing staff resources (1.6 FTEs) and participating in various working groups. The Government established the unit in April 1995 to oversee and coordinate electricity reform in South Australia.

The Branch also contributed to the development of water policy initiatives through representation on the State Water Policy Committee. The committee is responsible for reviewing and developing policies for the water industry in South Australia to ensure the State achieves maximum benefits from its water resources in the context of reforms being pursued through COAG and the Murray-Darling Basin Commission.

### **Planned Initiatives for 1996-97**

#### **Trading Enterprises**

Apply considerable effort to separating generation from ETSA Corporation and establishing the new, independent entity as a public corporation pursuant to the Public Corporations Act.

Publish a commercial policy manual outlining policies for corporatisation issues developed from the draft Corporatisation Position Papers distributed in 1995-96.

Develop a community service obligation (CSO) framework to establish clear proponent and provider roles, enabling corporations (providers) to pursue commercial objectives while providing CSOs within contract specifications and allowing proponents to pursue maximum social returns by competitively tendering for CSO provision.

#### **Financial Institutions**

Delays in the introduction of national supervisory arrangements for friendly societies have extended Treasury and Finance's role in the regulation and supervision of friendly societies to at least 1 January 1997.

#### **Microeconomic Reform**

Develop a performance monitoring regime for certain financial institutions (deferred until 1996-97 because of emphasis in 1995-96 on monitoring friendly societies). Different monitoring systems will be required for those institutions in which the Government is owner/shareholder to those in which it does not have a direct ownership stake.

Continue to provide advice on microeconomic reform initiatives including continued structural reform, improved regulatory frameworks, opportunities to increase competitive influences in the State and competitive neutrality issues.

Advance preparations for South Australia's entry into the National Electricity Market. Finalise details of transitional arrangements and network pricing required in the National Electricity Market.

Continue to progress with arrangements for increasing competition in the gas industry including the development of access regimes to provide free and fair trade in gas throughout Australia.



# BUDGETARY MANAGEMENT AND ADVICE PROGRAM

The objectives of the Budgetary Management and Advice Program are to:

- advise the Government on budgetary, financial and resource issues with a view to ensuring that prudent budgetary targets are set and achieved
- further budgetary and financial reform in the non commercial sector.

## HIGHLIGHTS

- Prime focus of the 1996-97 Estimates of Receipts and Payments document changed to presenting agency estimates on a GFS basis
- Through coordination of further reform and savings measures, assisted the Government in bettering its planned deficit and debt reduction targets
- Pivotal role performed in key structural processes across Government including major structural reform of the public sector, advice on contracting out and competitive tendering

## Outcomes Over 1995-96

### **Budget Presentation**

Financial policy advice and coordination of the budget and forward estimates was consistent with the Government's platform of:

- eliminating the underlying deficit in the non commercial sector
- accommodating within the budget context resources for high priority areas particularly economic development, health and education.

Advice was provided to the Treasurer on overall fiscal policy and targets for the State's non commercial sector, on strategies for achieving established Government financial targets, and on new policy and spending proposals by Cabinet.

The budget documents were prepared to a high professional standard for Parliament, ensuring accountability and transparency in the management of financial resources.

### **Budget Presentation and Reporting**

Forward estimates of receipts and expenditure for each agency and in aggregate for the non commercial sector were prepared and revised, and financial performance at the agency level and in aggregate terms for the non commercial sector was monitored against the Budget and forward estimates.

Consistent with the Commission of Audit recommendations and the Government's financial focus, the budget papers have been revised to improve analysis and presentation of data, based on international statistical conventions for Government finances for the non commercial sector.

The presentation of 1996-97 agency estimates on the Government Financial Statistics (GFS) basis was the prime focus of the Estimates of Receipts and Payments document. Quarterly media releases were prepared for the first time on a GFS basis ensuring consistency between these releases and the presentation of budget estimates. This new presentation format will assist users to make effective comparisons both over time and between jurisdictions and will greatly improve accountability and transparency.

Further discussions were held with the Australian Bureau of Statistics (ABS) and other States on developing standard reporting requirements which reflect the adoption of accrual based accounting by all public sector entities.

### **Public Sector Restructuring and Reform**

The branch performed a pivotal role in advising on and being closely involved in coordinating the following key structural processes across Government.

#### **Contracting Out and Tendering**

Progress was made during the year on contracting out initiatives particularly within the health and public transport sectors.

Work on the establishment of contestable markets in relation to TransAdelaide in order to expose it to market forces, included the strategic transfer of assets to the Department of Transport for commercial leasing.

The branch was instrumental in providing advice on the transfer of assets and debt between agencies.

#### **Government Management Framework**

The Government Management Framework (GMF) consists of a series of public sector management reforms intended to improve the effectiveness and efficiency of public sector service delivery and to ensure that Cabinet policy objectives drive planning, budgeting and management processes across and within agencies.

As a principal stakeholder for GMF, the branch contributed to its development and implementation by participating in the integration of the budget process with Government strategy and policy, and working on the concept of output budgeting, tentatively planned for introduction for a group of pilot agencies in the non commercial sector in the 1997-98 budget presentation.

#### **Workforce Management and Wages Policy**

Development of the Government's wages policy in the public sector played a significant role in the Government's fiscal management strategy during the year, because wages, salaries and related costs form a large component of the Government's current outlays.



### **Planned Initiatives for 1996-97**

#### **Budgetary Reforms**

With the debt and deficit reduction strategy firmly in place, further the implementation of budgetary management reforms and processes.

Strengthen the links to strategic and corporate planning processes within Government by shifting the focus of determining budget allocations to an outputs basis rather than the traditional input approach. This will improve the effectiveness of business decisions made by Government and enhance public sector financial management.

Embark on measures instrumental in achieving this important objective, including:

- redeveloping financial management, workflow processes and information systems for development of budget and forward estimates to release resources to focus on the business aspects of agencies and identify strategic issues
- ensuring staff are appropriately and professionally developed in business techniques to increase the branch's capability to provide Government with better information for more effective business decisions
- developing a strategy to further improve client relationships.

#### **Public Sector Restructuring and Reform**

Continue to contribute to the development and implementation of the GMF at conceptual management and project levels through:

- closer integration of the budget process with Government policy and strategy
- development of output budgeting to the point where it can progressively be published in future documents.

# ACCOUNTING POLICIES AND FINANCIAL MANAGEMENT SYSTEMS PROGRAM

The focus of the Accounting Policies and Financial Management Systems Program is on:

- developing and administering accounting and related policies and legislation for the public sector
- coordinating improvements in accounting and financial reporting (including the introduction of accrual accounting)
- implementing whole of government financial systems
- managing the Government's central accounting, banking and cash management functions
- preparing the Treasurer's and other financial statements
- developing the accounting and financial management skills of the public sector
- administering Fringe Benefits Tax arrangements.

## HIGHLIGHTS

- In preparation for publication of a whole of government consolidated Statement of Financial Position as at 30 June 1996, tested new consolidation software and established procedures for data collection from agencies
- Commenced review of the Government's banking and related arrangements
- The Treasurer approved a review of Treasurer's Instructions based on an internal control framework
- CA Masterpiece mandate amended to include CA ACCPAC
- 22 agencies have now implemented CA Masterpiece/ACCPAC systems

## Outcomes Over 1995-96

### Accrual Accounting

Assistance and advice was given to agencies as they prepared for the introduction of accrual accounting for 1996-97. Additional policy statements and guidelines have been issued.

### Whole of Government Reporting

Considerable work was undertaken in developing the consolidation process, evaluating and testing consolidation software and establishing procedures for data collection in preparation for the publication of a whole of government consolidated Statement of Financial Position as at 30 June 1996.

### Review of Treasurer's Instructions

The first phase of the review of Treasurer's Instructions (TIs) has been completed, laying the foundation for rewriting the TIs on the basis of an internal control framework and eliminating the need for the current prescriptive approach.

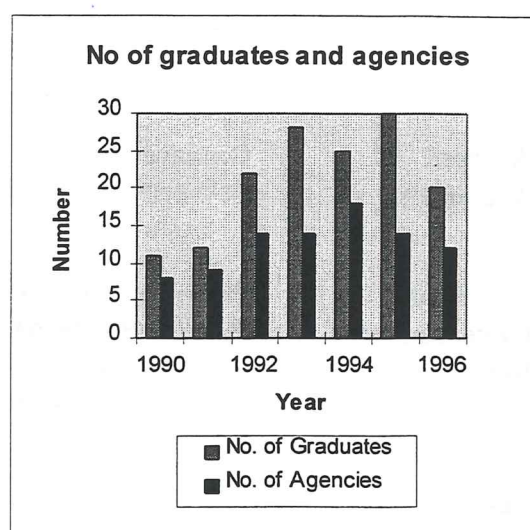
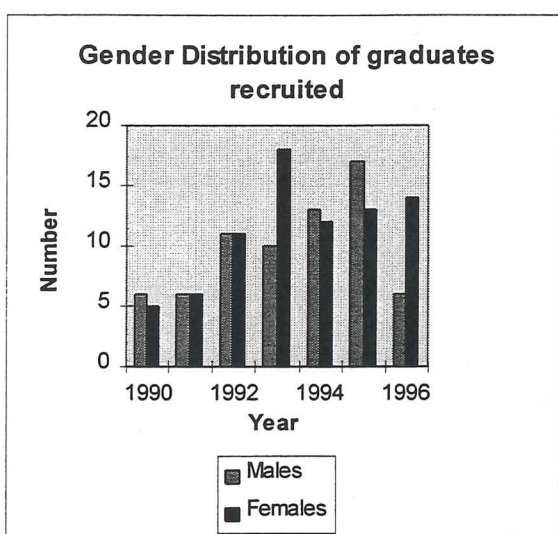


## Financial Management Training

Over 400 staff from public sector agencies attended accrual accounting training workshops during the year. In addition, discussion groups on accounting and financial systems issues have been established with the assistance of the Australian Society of Certified Practising Accountants (ASCPA) and the Australian Users of Computer Associates Masterpiece (AUSCAM).

## Graduate Development Program

A total of 20 graduates were recruited and placed in a range of agencies as part of the Graduate Development Program and their on the job training was supplemented with regular courses in personal and professional development.



## Central Accounting

Procedures have been developed for the central ledger to accommodate those agencies which have implemented CA Masterpiece. Extra responsibilities relating to cash management and the Treasurer's loans to the non commercial sector were assumed from SAFA. Revised arrangements for provision of Fringe Benefits Tax advice to agencies were implemented, including an update service and training in relation to legislative changes.

## Banking Review

A Banking Review Team was established to review present banking arrangements and examine future opportunities for Government banking. The team is expected to report in 1996-97.

## Systems

The initiative to introduce common financial systems throughout the public sector (the Financial Application Systems Team (*FAST*) Project) progressed well during the year, with 22 agencies having now adopted either CA Masterpiece or the PC based version CA ACCPAC, exceeding the target of 21 agencies by the start of the 1996-97 year.

## ACCOUNTING POLICIES AND FINANCIAL MANAGEMENT SYSTEMS PROGRAM

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Most of the infrastructure (eg detailed implementation procedures, training modules) required to support the project has been now established and refined. This, coupled with the assistance available from *FAST*, should ensure that progress continues at a solid rate.

### **Working Links**

Many officers have professional links with groups external to the program of benefit to the work of the branch. The branch is represented on the Heads of Treasuries' Accounting and Reporting Advisory Committee, AUSCAM National Committee and the ASCPA Public Sector Committee. Through the work of the Accrual Accounting Team and the *FAST* project, the branch has significant working links with other government agencies and is represented on a number of departmental committees.

### **Planned Initiatives for 1996-97**

#### **Accrual Accounting**

Continue to assist and advise agencies to prepare accrual based financial statements for the 1996-97 financial year.

#### **Whole of Government Reporting**

Publish a consolidated whole of government statement of financial position in the 1995-96 Budget Results document, in September 1996. Refine procedures and systems to enable production of a full consolidated financial report for 1996-97 including operating and cashflow statements.

#### **Legislative Review**

Review legislation to reflect current and future developments in public policy, finance and financial management, and provide support for the proposed approach to the review of the TIs.

#### **Financial Management Training**

Review Treasury and Finance's involvement in the development of accounting and financial management skills throughout the public sector and establish a future directions policy for training and graduate recruitment and development.

#### **Central Accounting**

Review the central ledger to take account of reforms in Government financial management (including accrual accounting) and the implementation of CA Masterpiece systems. Review the processes to collect data on the State's net debt position.

#### **Banking Review**

After Cabinet has considered the recommendations of Phase 1 of the Banking Review, the review team will be responsible for implementation of any agreed changes to Government banking and related arrangements.

**Systems**

Continue implementation of CA Masterpiece and ACCPAC in a further 19 Government agencies. Develop infrastructure related to the implementation of common financial systems including implementation of common system interfaces, introduce a continuing education program for agencies using Masterpiece 2000, develop an online end-user documentation facility for Masterpiece 2000 and assess the *FAST* Project's objectives, outcomes and future, mid-project.



# ADVICE ON PUBLIC SECTOR DEBT AND ASSETS PROGRAM

The objectives of the Advice on Public Sector Debt and Assets Program are to:

- advise the Government on contracting out, structured financing transactions and capital project proposals (including private provision elements)
- advise on policies and processes adopted in public sector agencies for evaluating projects and improving the performance of assets under their control
- develop and implement high level, strategic policies for managing the State's debt and reducing, where possible, the State's contingent guaranteed liabilities.

The advice on the sale of land holdings previously given by the branch is no longer seen as a core business function of the branch and will be carried out in the Department of Premier and Cabinet.

## HIGHLIGHTS

- Arrangements commenced for commercially operating agencies to assume responsibility for managing their own debt liabilities, together with the development and implementation of measures to monitor the performance of SAFA as the State's debt managers
- Interim contracting out financial guidelines released and guidelines on the appropriate use of discount rates in financial matters issued
- Treasury and Finance assisted with the legislative review of the *Local Government Finance Authority Act 1983* and investigated arrangements for the guarantee of public sector workers compensation liabilities
- Arrangements developed for SAAMC run-off strategy from 1997
- Development of a revised guarantee policy commenced
- Asset management policies and procedures documents published and implementation commenced

## Outcomes Over 1995-96

### Debt Management

Reflecting the importance of management of the State's debt, Treasury and Finance, with the assistance of two financial advisory organisations, reviewed debt management policies. The resulting refined debt management benchmark and guidelines were approved by the Government for implementation by the South Australian Government Financing Authority (SAFA).

### BankSA

Treasury and Finance continued to monitor the Government's residual exposure to BankSA in the period following its sale. Upon commencement of operations of BankSA on 1 July 1994, the South Australian Asset Management Corporation (SAAMC) provided a wholesale funding facility to BankSA.



While the maximum level of this facility was set at \$3.5 billion and scheduled to run down over a five year term, it was fully repaid by Advance Bank in September 1995.

**Contingent  
Liabilities**

As part of the sale process, Advance Bank agreed to report on a regular and audited basis to the Government on the guaranteed retail deposits. The guarantee of retail deposits in BankSA commenced phasing out on and from 28 February 1995. As at that date, guaranteed retail deposits amounted to roundly \$3.4 billion. As at 31 May 1996 guaranteed retail deposits were \$686 million. By legislation, the guarantee ceases on 30 June 1999.

The State's liabilities include guarantees and contingent liabilities which arise from the borrowings and other liabilities of State owned institutions. Treasury and Finance initiated a review of all guarantees based on a contingent liabilities survey conducted annually. Guaranteed and contingent liabilities as at 30 June 1996 totalled \$10.8 billion. The decrease during the year of \$1.9 billion followed a \$6.5 billion fall during 1994-95. Continuing reductions are expected to occur principally as a result of the run-off of the BankSA guarantee.

Initial guidelines are being developed which will assist in the setting of appropriate fees for guarantees which remain in place.

In November 1995 the Government guarantee of liabilities of the Australian Barley Board ceased as the board was able to enter into a private financing facility without the aid of the guarantee.

**LGFA Review**

Treasury and Finance provided assistance for a legislative review of the *Local Government Finance Authority Act 1983*. The *Local Government Finance Authority (Review) Amendment Act 1995* came into effect on 1 June 1996. The Act confirms local government ownership of the Local Government Financing Authority (LGFA) and seeks to ensure that the principles of transparency, competitive neutrality, responsible management and clear lines of accountability are given greater emphasis in the operations of LGFA.

**SAAMC Run-Off**

The Debt and Asset Management Branch developed arrangements to manage the run-off of SAAMC from calendar 1997. Under these arrangements a small core of staff will be retained in SAAMC to manage the run-off.

**Asset  
Management**

During 1995-96, the Debt and Asset Management Branch assumed responsibility within Treasury and Finance to liaise with the Asset Management Task Force.

The Debt and Asset Management Branch expanded its role of providing input and advice to the Treasurer on complex financial and infrastructure provision projects being considered by the Government.

A branch review of the analytical issues of infrastructure provision proposals and risk analysis resulted in the development of a consolidated Treasury and Finance policy. Interim guidelines on the financial evaluation of options for the private provision of infrastructure and programs, published in November 1995, are designed to assist agencies with analysis and assessment of infrastructure and contracting out proposals.

### **Strategic Asset Management Framework**

A new strategic asset management framework for public sector agencies, and a revised process for the development and implementation of major capital projects were developed. Treasury and Finance in a joint arrangement with Services SA produced two documents, Strategic Asset Management Framework and Project Initiation Process, which were launched in April 1996.

The Strategic Asset Management Framework identifies the responsibility of management of agency assets and places greater emphasis on the improved planning processes and the whole of life perspective, that are fundamental to better asset management. The Project Initiation Process revised the process agencies should follow to implement the construction of a major project to an agreed service delivery target. These policies should improve delivery and management of Government services and assets.

Treasury and Finance during the year reviewed the requirements of the State Asset Register to align the information sought on the State's physical assets with the requirements of the Masterpiece 2000 accounting package being used by agencies as part of the implementation of accrual accounting.

### **Planned Initiatives for 1996-97**

Continue to assist the Government in contracting out and private provision of infrastructure proposals and advise on and execute financing transactions as required. Finalise interim guidelines for financial analysis of proposals and discount rates.

Promulgate a government guarantee availability and charge policy to reduce the Government's exposure where applicable and charge agencies for the benefit of the guarantee where appropriate.

Formalise the process of advising the Treasurer on borrowing requirements of commercial sector entities.

Implement a SAAMC run-off structure and advise on the Government's exposure to the remaining SAAMC portfolio through a senior officer seconded to SAAMC.

Continue to monitor exposure from the Government's guarantee of BankSA's retail deposits which will continue to run down until 30 June 1999.

Further develop arrangements to monitor debt management performance of SAFA against the debt management guidelines. Review the benchmark and guidelines, anticipated to result in only minor refinements, before the end of 1996-97.

Continue development of specific aspects of the Asset Management Policy in conjunction with Services SA.

Continue to maintain the State Asset Register in conjunction with the implementation of accrual accounting.

Develop processes for evaluation of proposals for investment in new infrastructure and sustainment of existing infrastructure consistent with the Government's priorities and financial position. Included in this process will be the development of a policy statement on capital user charges which could be considered by the Government for implementation.

Pursue arrangements for continuing the residual work of the Asset Management Task Force during 1997.



## MANAGEMENT OF STATE GOVERNMENT BORROWING AND INVESTMENT ACTIVITIES PROGRAM

The South Australian Government Financing Authority (SAFA) is responsible for the administration of this program and its functions are to:

- develop and implement borrowing and investment programs for the benefit of Government authorities
- engage in such other financial activities determined by the Treasurer to be in the interests of the State.

SAFA is a statutory authority established under the *Government Financing Authority Act 1982* to act as the central borrowing authority for the South Australian public sector.

Under the Act, SAFA is constituted of the Under Treasurer and subject to the direction of the Treasurer. Administratively, SAFA is a division of the Department of Treasury and Finance and is staffed by its officers.

Further details of SAFA activities, achievements in 1995-96, expected outcomes over 1996-97 and financial statements are provided in its annual report which is tabled in Parliament.

### HIGHLIGHTS

- Significant progress made in the implementation of a new front and back office TMS and the introduction of a portfolio based risk management framework within SAFA
- Management of the treasury portfolio of SAAMC assumed
- A flatter, more highly skilled organisational structure established commensurate with SAFA's activities resulting in substantial cost savings
- A comprehensive debt management review led to a revised debt management benchmark and operating guidelines to assist in the effective management of the State's debt
- SAFA's balance sheet size reduced by a further \$3.4 billion through application to debt retirement of the proceeds of sale of State assets and through the liquidation of non-core reinvestment and other asset holdings
- Overall control environment bolstered by revamped internal audit function and establishment of a compliance function

### Outcomes For 1995-96

In addition to the highlights noted above, SAFA continued the consolidation of its operations with emphasis on core activities of fundraising, on-lending and liability risk management services. As part of this consolidation, SAFA's capital base was reduced by \$179 million consistent with the Commission of Audit recommendations.



A comprehensive policy manual for SAFA which consolidates all SAFA's approved policies and sets out parameters within which SAFA pursues its core functions was substantially completed during the year.

Client services agreements were progressively initiated between SAFA and its clients.

South Australia's sound reputation in financial markets was maintained through the development and implementation of a medium term funding strategy relating to SAFA's approach to domestic and international capital markets. The acceptance of this strategy was reflected in lower costs of borrowing for the State.

Comprehensive marketing activity aimed at domestic and selected international investors and domestic financial market intermediaries took place to explain SAFA's operational and funding plans and communicate the status of South Australia's public finances.

### **Planned Initiatives For 1996-97**

Emphasise, in a period of change and consolidation, excellence in the performance of the core functions of fundraising, liability risk management and the provision to SAFA's client base of appropriate risk management services.

Complete the current phase of SAFA's vital business reforms. Implement the new treasury management system with a full range of risk management functionality and successfully establish a portfolio-based financial risk management framework to improve SAFA's capacity to capture, measure, manage and report upon the risks it faces in meeting its key business objectives.

Pursue enhancement in liability management services capability for both existing liability management mandates (ie Treasurer and SA Water) and for other prospective clients for this service.

Augment management responsibility for the treasury portfolio of SAAMC to include responsibility for policy development and decision making.

Rationalise further subsidiary and associated companies together with a continuation of reducing holdings of non-core assets formerly purchased for re-investment purposes.

Assess balance sheet structure and determine an appropriate level of capital for SAFA's activities for consideration and approval by the Treasurer.

Give continuing attention to the alignment of SAFA's organisational structure to achieve key objectives and assess the appropriate arrangements to develop, retain and attract staff.

Examine and revise fee arrangements with SAFA's client base.



## ADMINISTRATION AND ENFORCEMENT OF STATE TAXATION LEGISLATION PROGRAM

The corporate objectives of the State Taxation Office (STO) are to:

- manage the State's taxation system in a way that provides maximum value to both Government and taxpayers
- achieve maximum feasible compliance through the provision of targeted activities, together with rigorous application of available sanctions
- apply fair, efficient and responsive taxation management principles in the provision of informed policy advice.

To achieve these objectives the STO undertakes a number of complementary activities which reflect the office's image as a professional and efficient revenue collection organisation. In addition, to achieve the Government's policy of a competitive taxation regime the office has had considerable and ongoing involvement in the process of benchmarking across jurisdictions.

### HIGHLIGHTS

- Specific compliance projects contributed to an increase of \$11.2 million in revenue assessed. Additional revenue of \$17.4 million identified through compliance audits and investigations, and a new compliance information system implemented
- STO staff effectively integrated into a functionalised structure
- The appointment of a client liaison officer increased the focus on client related issues
- An interactive voice response telephone system introduced allowing clients to check the status of their work, answer basic enquiries and receive copies of circulars
- An overall positive response to client surveys obtained—current standard of service regarded as high
- The new *Petroleum Products Regulation Act 1995* merged and simplified licensing and other regulatory requirements for petroleum products
- Significant progress made on the development of a tax self assessment and electronic payment system
- Focus on the conduct of interstate audits increased to protect the State's revenue base
- The Stamp Duty Rewrite Exposure draft launched and issued for consultation and first draft of the Taxation Administration Bill released for comment
- STO participated in the joint industry and revenue authorities Financial Institutions Duty Consultative Forum examining ways of improving the administration and reduction of compliance costs for FID



**Strategic  
Direction**

The basis for the collection of taxation is legislation. An important aspect of STO work is to continually review tax statutes to ensure the aims of Government are met. The provision of advice to internal clients such as Government and Treasury and Finance on taxation policy is also an essential component of the office's work.

The core business of collection of State taxation is the most significant contribution this office makes to the efficient functioning of Government.

In order to collect taxes in a timely manner and instigate early recovery proceedings efficiently, areas of tax avoidance and evasion are identified and levels of compliance monitored.

The STO continually reviews existing systems and processes to ensure administrative effectiveness and efficiency in the collection of revenue and provides South Australians with information about taxation through publications and seminars.

During the year the STO reviewed its Strategic Plan and restructured its organisational and management framework on a functional basis rather than a tax head basis. A second Deputy Commissioner was appointed and five Assistant Commissioner level positions were established. This process has improved existing services, added new services and decreased overall costs.

### **Outcomes Over 1995-96**

**Revenue**

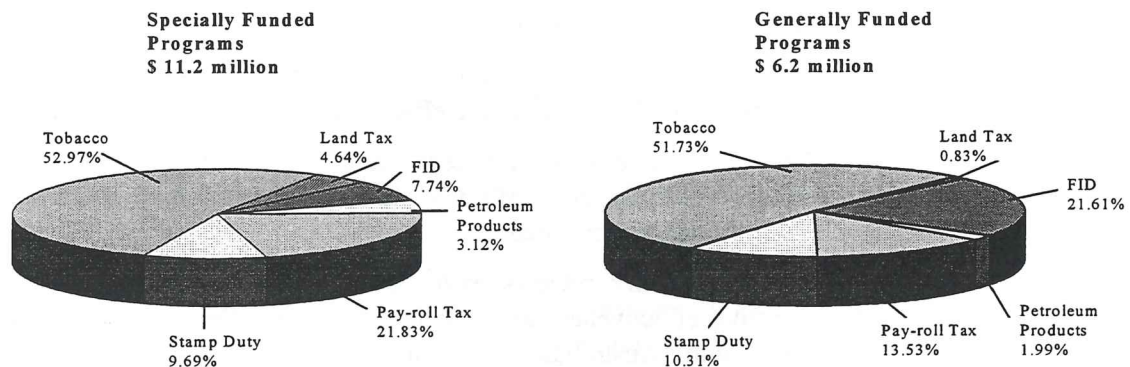
During the year over \$1.5 billion in revenue was collected, exceeding estimates by more than \$19 million, largely from increased activity in the property market, and legislative and compliance action taken to minimise the effect of major discounting of tobacco products.

A survey of clients who lodge documents for stamping was conducted during the year and the results indicated a high level of satisfaction with the existing service. An additional 'fast lane' was opened at the stamping counter, and the general telephone inquiry service was reviewed.

A computer based telephone inquiry system, which is accessible at all times, now allows clients to track the progress of any documents lodged for stamping through the use of a numbering system.

Additional compliance resources were allocated for 1995-96 to ensure that all those liable to pay tax do so. The target of \$9.5 million additional revenue was exceeded through the success of the various strategies and the full year effect was more than \$17 million.

### Additional Compliance Assessments - 1995-96



A Trainee Wages Rebate Scheme was introduced to enhance the pay-roll tax rebate schemes which were approved to continue in 1995-96. Applications under this scheme are due in 1996-97 in relation to employment in the preceding year. A high level of interest was shown in the operation of this scheme.

#### Fair and Equitable Collection of Revenue

The STO implemented a central database and information management system for the issue and maintenance of licences required under the provisions of the *Petroleum Products Regulation Act 1995* which supplanted the *Business Franchise (Petroleum Products) Act 1979*, the *Motor Fuel Distribution Act 1973* and the *Petroleum Shortages Act 1980*. The Site Licence Information Management System (SLIMS) combines and considerably enhances the administrative processes previously in place for the supplanted Acts. SLIMS has been successfully installed within the STO and is being progressively installed in offices of the Department of Industrial Affairs which also has administrative responsibilities under the new Act.

In order to streamline the payment and endorsement of stamp duty on documents, the State Taxation Office has developed an innovative Taxation Information Money by Electronic Return (TIMBER) software system in consultation with major client groups such as the Department for Environment and Natural Resources (DENR) and the Reserve Bank.

The system incorporates 37 types of stamp duty instruments within the categories of conveyances, deeds, easements, encumbrances, leases, mortgages and transfers of shares.

The electronic transfer of data between client sites and the STO and Reserve Bank's ReserveLink System for the direct debiting of client bank accounts is provided by the TELSTRA MEA mailbox service.

Following requests from client groups, TIMBER has been extended to enable the collection of Lands Titles Office (LTO) fees that relate to stamp duty documents.



A TIMBER pilot plan has been developed encompassing up to ten clients for system testing prior to implementation. It is anticipated that the pilot phase of TIMBER will begin in August 1996 and be completed in November 1996.

As a preview to the pilot process a test version of TIMBER was installed in two client sites in June 1996 to run in parallel with their existing manual systems. Review sessions with these clients have helped to fine tune the system.

### **Investigation and Compliance**

In 1995-96 over 700 investigations detected \$17.4 million of revenue through specific compliance programs as well as ongoing compliance activity.

Pay-roll tax, stamp duty, financial institutions duty (FID) and tobacco products licensing were the main areas of activity.

A major land tax audit was launched in 1995-96 to identify inappropriate residential exemptions over the preceding four years. During 1996-97 revenue from this program is expected to exceed \$900,000.

During the year, audits of the business practices of tobacco wholesalers resulted in the identification of substantial revenue loss. Unlicensed tobacco merchants were monitored throughout the year to ensure their activities did not erode the revenue base.

Continued changes to banking practices and the increasing use of technology within electronic banking has had an impact on compliance activity in the area of FID. The STO is participating in multijurisdictional discussions of FID (see below).

The FID compliance programs were successful. One particular audit returned \$1.5 million.

Pay-roll tax was a high priority in compliance activity in 1995-96. The Pay-roll tax programs specifically targeting certain wage types and categories were successful at identifying undeclared taxable wage values. Extra resources committed to such investigations resulted in a greater focus in this area and allowed data collection and the development of a reliable database. Those data will contribute to the targeting of future investigations.

In 1995-96 the management of outstanding debts accounted for the collection of \$2.05 million.

### **Inter-jurisdictional initiatives**

The STO continued to participate in a very significant and extensive multi-jurisdictional project to rewrite the stamp duty legislation in South Australia, Victoria, New South Wales, Tasmania and the Australian Capital Territory. A Tax Administration Bill is also being developed as part of the project. Draft legislation has been released for public comment and submissions received are currently being evaluated.

## ADMINISTRATION AND ENFORCEMENT OF STATE TAXATION LEGISLATION PROGRAM

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A multijurisdictional committee has been formed that involves the participation of relevant industry representatives to deal with the wider policy aspects of FID. The STO is also participating in the joint industry and revenue authorities' forum known as the Financial Institutions Duty Consultative Forum, which has been closely examining important issues in relation to FID including interjurisdictional funds transfers, short term dealings, definitions of terms across jurisdictions and electronic funds transfers. Consultation with industry has resulted in some very positive feedback about the progress to date.

### Planned Initiatives for 1996-97

#### Revenue

Investigate tax reform options including measures to maintain tax competitiveness with other States.

Undertake further client surveys and identify areas of possible improvement.

Implement the TIMBER system as part of a strategy to ensure that South Australia is at the forefront of leading edge technology in revenue offices.

#### Fair and Equitable Collection of Revenue

Develop and implement computerised management and accounting system for lotteries and gaming.

Review specific areas of the *Financial Institutions Duty Act 1983* in conjunction with industry groups.

#### Investigation and Compliance

Continue to deploy additional compliance resources to ensure the highest levels of taxpayer compliance and education.

Continue to monitor compliance levels and enforce payment of the correct amount of tax where breaches of the law are detected.

Develop and implement lodgement enforcement strategies to ensure timely payment of tax.

#### Inter-jurisdictional initiatives

Continue to participate in interjurisdictional rewrite projects with the objective of reducing compliance costs, providing certainty for taxpayers and ensuring that legislation reflects current business practices.



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## STATE TAXATION LEGISLATION

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The State Taxation Office is managed by the Commissioner of State Taxation who in his legislative capacity as Commissioner of Stamps and Commissioner of Land Tax is responsible for the administration of the following Acts:

During the year 21 policy issues were addressed involving twelve Amending Acts and regulatory changes.

***Debits Tax Act 1994*** The Act came into operation on 1 July 1994 to replace the repealed *Debits Tax Act 1990*. Debits tax is charged at variable rates based on the amount withdrawn from bank accounts with a cheque drawing facility.

***Financial Institutions Duty Act 1983*** FID is payable at the rate of 0.065c per \$100 or \$1,200 (whichever is the lesser) on any receipt of money by a financial institution that is registered or required to be registered under the provisions of the Act.

Duty at a concessional rate (0.005 per cent) is payable by those persons who are registered as short-term money market operators for the purposes of the Act. The Act provides for certain accounts (eg charitable organisations) to be exempt from the imposition of the duty.

***Land Tax Act 1936*** Land tax is imposed under the Land Tax Act on all land in the State other than that which is specifically exempted. With minor exceptions, land tax is not payable on land used as a principal place of residence or for primary production. The tax is calculated on the aggregate of the site values in an ownership as at 30 June immediately preceding the financial year for which the tax is levied. The site values are determined by the Valuer-General.

***Pay-roll Tax Act 1971*** Employers and groups of employers are required under the provisions of the Pay-roll Tax Act to pay tax on wages and salaries paid to employees at a rate of 6.1 per cent for the period to 30 November 1994 and 6.0 per cent from 1 December 1994. From 1 December 1994, employer contributions for superannuation are included as gross wages in the calculation of pay-roll tax. Where wages and salaries are below a given level (currently \$456,000 per year), described as the threshold, pay-roll tax is not payable.

***Petroleum Products Regulation Act 1995*** This Act deals with the licensing and other regulatory requirements applying to activities involving or related to petroleum products.

Monthly licence fees are charges for the wholesale sale of petroleum products at \$52 plus an ad valorem fee based on sales made during the relevant period. Annual licence fees are charged for the retail sale of petroleum products. The annual licence fee for the retail sale of petroleum products is \$131 and a fee for the keeping of petroleum products is based on the quantity and type of fuel kept.

## ADMINISTRATION AND ENFORCEMENT OF STATE TAXATION LEGISLATION PROGRAM

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***Stamp Duties Act  
1923***

The Stamp Duties Act provides for the payment of duty on a diverse range of instruments, the largest being duty on the conveyance of land. Duty is also levied on a number of transactions relating to rental business, insurance business, stock exchange dealings and applications to register and transfer registration of motor vehicles.

***Taxation  
(Reciprocal Powers)  
Act 1989***

This Act provides for reciprocal powers enabling a taxation authority to conduct investigations within the jurisdiction of another taxation authority or within its own jurisdiction on behalf of another taxation authority.

***Tobacco Products  
(Licensing) Act  
1986***

The Tobacco Products (Licensing) Act provides for a legislative scheme under which a direct contribution to State revenue, in the form of a licence fee, is made by a consumer who takes out a consumption licence.

Consumers are relieved from the obligation to hold a consumption licence for the consumption of tobacco products obtained through a merchant in circumstances where the merchant chooses to be licensed and thus by payment of licence fees makes a contribution to State revenue on behalf of consumers. The current licence fee rate is 100 per cent.

The State Taxation Office is also responsible for the collection of contributions under the provisions of the *Phylloxera Act 1936* and the collection of duty under the *Succession Duties Act 1929* (this latter Act only applies in respect of deaths prior to 1 January 1980).



# ADMINISTRATION AND ENFORCEMENT OF STATE TAXATION LEGISLATION PROGRAM

## STATE TAXATION OFFICE STATISTICS

|  | 1993-94                                |                            | 1994-95                                |                         | 1995-96                                |                         |
|--|--|----------------------------|--|-------------------------|--|-------------------------|
|  | Number of<br>Taxpayers<br>Transactions | Amount<br>\$ '000          | Number of<br>Taxpayers<br>Transactions | Amount<br>\$ '000       | Number of<br>Taxpayers<br>Transactions | Amount<br>\$ '000       |
| <b>Petroleum Products Regulation *</b>                 |  |                            |  |                         |  |                         |
| Monthly Licence Holders                                | 5                                      | 144,273                    | 5                                      | 147,343                 | 5                                      | 155,224                 |
| Annual Licence Holders                                 | 987                                    | 124                        | 954                                    | 120                     | 1,224                                  | 148                     |
| <i>Total Petroleum Licence Fees</i>                    |  | <u>144,397</u>             |  | <u>147,463</u>          |  | <u>155,372</u>          |
| <b>Debits Tax</b>                                      |  | <u>57,401</u>              |  | <u>58,655</u>           |  | <u>59,318</u>           |
| <b>Financial Institutions Duty</b>                     |  |                            |  |                         |  |                         |
| Financial Institutions                                 | 199                                    | 68,490                     | 196                                    | 70,177                  | 191                                    | 73,149                  |
| Short Term Money Market<br>Operators                   | 116                                    | 2,553                      | 103                                    | 3,142                   | 97                                     | 3,064                   |
| Exempt-Charitable Organisations<br>Accounts            | 40,429                                 |                            | 43,040                                 |                         | 51,329                                 |                         |
| <i>Total Financial Institutions Duty</i>               |  | <u>71,043</u>              |  | <u>73,319</u>           |  | <u>76,213</u>           |
| <b>Land Tax</b>  |  | <u>77,742</u>              | 52,121                                 | <u>74,032</u>           | 52,214                                 | <u>71,365</u>           |
| <b>Payroll Tax</b>                                     |  |                            |  |                         |  |                         |
| Private Sector   | 5,026                                  | 395,081                    | 5,201                                  | 432,381                 | 5,609                                  | 482,801                 |
| Government Sector                                      | 30                                     | 96,685                     | 24                                     | 99,728                  | 38                                     | 97,257                  |
| <i>Total Payroll Tax</i>                               |  | <u>491,766</u>             |  | <u>532,109</u>          |  | <u>580,058</u>          |
| <b>Stamp Duty</b>                                      |  |                            |  |                         |  |                         |
| Adhesive Stamps  |  | 1,073                      |  | 1,108                   |  | 1,024                   |
| Annual Licences (Insurance)                            |  | 84,249                     |  | 75,611                  |  | 79,383                  |
| Applications to Register or<br>Transfer Motor Vehicles |  | 75,680                     |  | 85,827                  |  | 87,795                  |
| Hospital Fund MV Third Parties                         |  | 12,833                     |  | 12,958                  |  | 12,947                  |
| Cheques  |  | 6,120                      |  | 6,462                   |  | 5,975                   |
| Conveyance of Property on Sale                         |  | 173,366                    |  | 181,896                 |  | 170,978                 |
| Conveyance of Shares on Stock<br>Exchange              |  | 6,505                      |  | 4,720                   |  | 3,066                   |
| Conveyance of Shares (Excluding<br>Stock Exchange)     |  | 6,577                      |  | 3,635                   |  | 11,198                  |
| Insurance Effected Outside SA                          |  | 3,119                      |  | 2,561                   |  | 3,247                   |
| Leases   |  | 1,605                      |  | 2,094                   |  | 2,011                   |
| Mortgages  |  | 26,993                     |  | 24,093                  |  | 23,782                  |
| Other  |  | 2,539                      |  | 1,338                   |  | 2,347                   |
| Less Refunds, Commissions etc                          |  | (1,995)                    |  | (2,419)                 |  | (2,391)                 |
| Rental Business  |  | 9,774                      |  | 9,612                   |  | 9,949                   |
| Voluntary Conveyances of Property                      |  | 2,405                      |  | 1,830                   |  | 1,844                   |
| <i>Total Stamp Duty</i>                                |  | <u>410,843</u>             |  | <u>411,325</u>          |  | <u>413,155</u>          |
| <b>Tobacco Products (Licensing)</b>                    |  |                            |  |                         |  |                         |
| Unrestricted Licence Holders                           | 8                                      | 191,774                    | 8                                      | 185,423                 | 8                                      | 211,335                 |
| Restricted Licence Holders                             | 5,774                                  | 150                        | 5,877                                  | 53                      | 3,575                                  | 211                     |
| <i>Total Tobacco Products Licence Fees</i>             |  | <u>191,924</u>             |  | <u>185,476</u>          |  | <u>211,546</u>          |
| *Rounding Adjustment                                   |  |                            |  | 1                       |  | 1                       |
| <b>Total State Taxation Office<br/>Collections</b>     |  | <u><u>1,445,128</u></u> ** |  | <u><u>1,482,380</u></u> |  | <u><u>1,567,028</u></u> |

\* The Petroleum Products Regulation Act replaced the Business Franchise (Petroleum Products) Act effective 1 July 1995.

\*\* As published in the 1994-95 Annual Report, Succession Duty Revenue of \$12,203 has been added to the 1993-94 figures.

## LOTTERY AND GAMING PROGRAM

The objectives of the Lottery and Gaming Program are to:

- ensure that the conduct of lotteries under the *Lottery and Gaming Act 1936* is fair and equitable
- ensure that the fees and charges prescribed under the Regulations which govern the conduct of lotteries, are collected
- administer the *Collections for Charitable Purposes Act 1939*, to protect the public interest in the area of fundraising by non-profit groups.

### HIGHLIGHTS

- Lottery and Gaming Regulations amended to ease fundraising restrictions on non-profit organisations affected by the impact of gaming machines
- Regulations relating to the conduct of trade promotion lotteries introduced
- Consultation with major charities completed and outcomes agreed on proposed changes to the Regulations relating to the conduct of major lotteries
- Legislation introduced to provide for licensing of commercial collecting agents
- A Code of Practice relating to the conduct of charitable collections took effect on 1 January 1996
- Regulations introduced to prescribe markings to distinguish commercial clothes recycling bins from those operated by charities

### Outcomes Over 1995-96

#### Lottery and Gaming

Over the course of the year, activity focused primarily on the regulation of lotteries which were conducted under licence. Approximately 1,500 annual instant ticket licences, 500 major lottery licences (involving prize values in excess of \$500), and 170 annual 'eyes down' bingo licences were issued. In addition, approximately 2,400 licences were issued for the conduct of trade promotion lotteries following changes to the Regulations which took effect as from 1 September 1995.

The Regulations relating to the conduct of instant lotteries and 'eyes down' bingo sessions were reviewed in consultation with non-profit organisations, mainly the larger charities. Both areas of the Regulations were amended following consideration by the Government of the findings of the inquiry into the impact of gaming machines in hotels and clubs in South Australia. The amendments were aimed at easing restrictions on areas of fundraising which appeared most affected by the impact of the machines.



Consultation with the major charities continued and agreement was reached in principle that the rules relating to the conduct of major lotteries needed amendment so charities could better promote and market their major lottery products.

It was agreed, also in principle, that some deregulation of smaller lotteries (those involving prizes valued at \$2,000 or less) would occur to reduce further the administration effort by non-profit organisations conducting the smaller lotteries.

The Regulations relating to the conduct of trade promotion lotteries were amended as from 1 September 1995 to improve the scrutiny of such lotteries through a licensing system where the value of prizes is in excess of \$500 and to achieve some consistency between the South Australian Regulations and those in the eastern States, from where most of the larger promotions emanate.

### **Collections for Charitable Purposes**

The primary objective for the year was improvement in the standard of charitable collections activity. This was achieved by amendment to the Collections for Charitable Purposes Act to require the licensing of commercial collecting agents, the introduction of a Code of Practice relating to the conduct of charitable collections and the promulgation of Regulations relating to the marking of commercial clothes recycling bins.

270 licences were issued during the year to authorise organisations to collect donations for charitable purposes. In addition, 8 licences were issued pursuant to Section 6A of the Collections for Charitable Purposes Act to agents who are employed by charities for a fee to collect donations. All licence holders are required to observe the Code of Practice which took effect from 1 January 1996.

### **Planned Initiatives For 1996-97**

### **Lottery and Gaming**

Participate in a national working party on trade promotion lotteries to achieve further uniformity across Australia for the conduct of such lotteries. The working party will consider issues of uniform licensing and conditions, including regulation of promotional lotteries using 0055 telephone numbers, mutual recognition of licensing arrangements and consistency in enforcement.

Continue action to allow improved marketing of major lotteries with the objective of higher net benefits.

Monitor observance of the Code of Practice for collections for charitable purposes through the investigation of complaints, including any about telemarketing activity, and through scrutiny of audited financial statements.

## INSURANCE SERVICES

The Insurance Services area has primary responsibility for:

- development and management of the Government's insurance and risk management arrangements, which include insuring the risks of the Crown and providing advice to the Crown on issues relating to the insurance and management of the risks of the Crown.

The South Australian Government Captive Insurance Corporation (SAICORP) was established on 29 September 1994 as a subsidiary of the Treasurer by the Public Corporations (Treasurer) Regulations 1994 and publishes its own annual report containing further details of its operations.

Although SAICORP was proclaimed to be a semi-government authority for the purposes of the *Public Finance and Audit Act 1987*, and its governing body is an independent board of directors, it is staffed by employees of Treasury and Finance.

SAICORP provides cover for all Government agencies except those exempted by the Treasurer. Premiums paid by these agencies are credited to an interest bearing Special Deposit Account in Treasury and Finance which is used to meet the cost of claims and expenditures relating to the operation of SAICORP.

### HIGHLIGHTS

- Completion of a three stage risk management education and training program for South Australian public sector organisations
- Installation of a new multiple-agency claim reporting and risk management system

### Outcomes Over 1995-96

#### Insurance Services

During the year the Government's commercial catastrophe reinsurance program was successfully renewed, incorporating additional cover at lower cost both for the property and liability components of the program. The program was also extended to include additional components covering medical malpractice, aviation liability and forestry growing timber.

An improved claims reporting and risk management system was installed for use by SAICORP and major agencies.

For the first time, SAICORP has been able to prepare its financial statements on an accrual accounting basis. Considerable work has been undertaken to improve the quality of estimates for outstanding claims.

Actuarial opinion was obtained on the methodology for outstanding claims estimates.



During 1995 a Risk Management Policy Statement was signed by the Treasurer which makes chief executives accountable to their minister for the implementation of risk management standards and practices in an agency. SAICORP's responsibility is to develop a Government risk management policy and assist agency management to fulfil their responsibilities under the policy.

Since the release of that statement, a three-stage risk management education and training program was designed and delivered to all clients, including chief executives, senior managers and risk managers across the South Australian public sector.

An extensive internal audit was undertaken during the period April to June 1996 which found potential for further improvement in structures and reporting.

Additional staff recruited have included two out-posted Crown Law officers, and a finance officer, and two temporary positions provide administrative support and key project implementation in particular, the new claims reporting and risk management system.

### **Planned Initiatives for 1996-97**

Engage a consultant to address matters arising from the Internal Audit Report of June 1996, including possible organisational restructuring.

Review standard agency agreements and policy documentation.

Complete the implementation of the claim reporting and risk management system including the conversion of various databases and expansion of user group.

Continue to encourage agencies to develop risk management policy and strategy plans, specific to their needs, through basic risk management advice and assistance in fulfilling their responsibilities under the Treasurer's Risk Management Policy Statement.

Achieve further premium savings and additional cover in the renewal of the catastrophe reinsurance program.

Seek further actuarial opinion in relation to the financial aspects of SAICORP.

Competitively tender the position of broker to SAICORP at the completion of the current contract.

## SUPERANNUATION SERVICES

The Superannuation Services area has primary responsibility for:

- administration of various public sector superannuation schemes for the State Superannuation Board
- administration of the superannuation arrangements for parliamentarians, judges and governors
- provision of policy advice on superannuation.

### HIGHLIGHTS

- The Treasurer signed the Heads of Government Agreement exempting nominated State superannuation schemes from provisions of the *Commonwealth Superannuation Industry (Supervision) Act 1993*
- Substantial progress made on the development of the office's computer based administration system
- The new contributory (Triple S) superannuation scheme successfully introduced
- A review of the operations identified the need to employ additional resources and strengthen the management structure to overcome significant deficiencies in providing management and services at the level required of a modern superannuation administrator
- An actuarial review of the Pension and Lump Sum Schemes as at 30 June 1995 completed

### Outcomes Over 1995-96

#### Superannuation Services

On 4 January 1996 the Treasurer signed the Heads of Government Agreement which provided that nominated State superannuation schemes would be exempt from the provisions of the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS) provided the State agreed to generally comply with the spirit of SIS.

Despite the difficulties identified in the organisational review considerable improvements were evident during the year. Backlogs in issuing member benefit statements were overcome and most 1994-95 statements were issued within 6 months of year end.

Substantial progress was made in developing a sophisticated computer based superannuation administration system. The two new schemes (SSBS and Triple S) are covered and work is now underway to adapt the two older schemes (Pension and Lump Sum) to the new structure.

The actuarial review of the schemes under the *Superannuation Act 1988* (Pension and Lump Sum) as at 30 June 1995 was completed and tabled in Parliament on 11 July 1996.



Legislation passed during the year introduced a new arrangement for parliamentary superannuation under the *Parliamentary Superannuation (New Scheme) Amendment Act 1995* and provisions were made covering members under the Superannuation Act who are offered employment in the private sector under a contracting out agreement in the *Superannuation (Contracting Out) Amendment Act 1995*.

### **Planned Initiatives for 1996-97**

#### **Superannuation Services**

Increase the ability of the Superannuation Office to meet its obligations to members as both management and systems based developments are improved.

Move through the final stage of the software development program for the administration system and add to significant improvements in functionality and efficiency.

Install an automated telephone answering system and substantially progress towards the installation of document imaging and system based filing and work flow management.

Develop policy responses to Commonwealth initiatives relating to employee contributions and government co-contributions and the proposed surcharge on employer contributions for high income earners.

### **South Australian Superannuation Board**

The South Australian Superannuation Board is the statutory body responsible for administering the major superannuation schemes for public sector employees and uses the staff and facilities from Treasury and Finance assigned to the Superannuation Office and other specialist Treasury and Finance staff pursuant to Section 10(3) of the Superannuation Act. Further details of the office can be obtained from the annual report of the South Australian Superannuation Board.

### **Superannuation Funds Management Corporation Of South Australia**

The Superannuation Funds Management Corporation of South Australia (SFMC) is the statutory body responsible for investing and managing the South Australian Superannuation Fund, the Police Superannuation Fund and certain other public sector superannuation moneys.

SFMC was established on 1 July 1995, replacing the South Australian Superannuation Fund Investment Trust (SASFIT).

In addition to the four staff SFMC employs directly, four Treasury and Finance employees are assigned to SFMC and four personnel under contractual consulting arrangements provide administrative, accounting and investment management support. Treasury and Finance is reimbursed in full for the cost of these and other services it provides to the corporation.

SFMC's own annual report is produced pursuant to Section 30 of the *Superannuation Funds Management Corporation of South Australia Act 1995*.



## SUPPORT SERVICES PROGRAM

During the course of the year the Department assumed responsibility for the Combined Corporate Services function from the Department of the Premier and Cabinet. The responsibilities of the Corporate Services Branch are to provide efficient and effective support services to the Executive and to Treasury and Finance, in administration, financial management, human resources and information technology support. Under this program support is also provided for the Internal Audit function, Executive and Minister's Office.

### HIGHLIGHTS

- A mandated whole of government records management system implemented
- Supply of office stationery and paper products contracted out
- Independent review of the security arrangements within the State Administration Centre completed
- Financial reports prepared for the first time on an accrual basis
- Financial Management Manual developed
- CA Masterpiece 2000 fixed assets module implemented
- Departmental financial management practices and procedures plan developed
- First departmental HR plan completed
- A comprehensive set of OHSW policies issued
- The department's Enterprise Bargaining Agreement finalised
- Departmental review of IT systems completed, first IT Plan drafted, IT security policies and procedures issued, and IT "Help" desk facility introduced

### Outcomes Over 1995-96

#### Administrative Services

The implementation of the mandated, whole of government records management system 'RecFind Corporate for Windows', was successfully conducted over a period of seven months and included re-engineering of existing records management processes, designing of databases to meet the varying needs throughout the department, conversion of existing data and the provision of training.

Other major projects completed during the year included:

- independent review of security arrangements within the State Administration Centre, providing recommendations, including an upgrade of the foyer within the building, and new procedures and processes
- contracting out of the provision of office stationery and paper products to an external provider bringing improved customer satisfaction, better response times and reduced expenditure.



Work commenced on the refurbishment of the State Administration Centre and the relocation of branches to consolidate the department and to accommodate Corporate Services within Treasury and Finance.

**Financial Services** Planning for the introduction of an accrual basis of accounting commenced during 1995-96. Implementation is scheduled to be completed by the end of 1996 and is being supervised by an Accrual Accounting Steering Committee.

The departmental financial reports have been prepared on an accrual basis for the first time for the 1995-96 financial year and are included in this report.

A Financial Management Manual, developed for Treasury and Finance describes the financial management and accounting principles, policies and procedures to be adopted in order to ensure that accounting records and financial reports comply with Australian Accounting Standards and other guidance.

The Fixed Assets module of the whole of government mandated financial system, CA Masterpiece 2000 was implemented. A total of three modules are now in operation following the implementation of the General Ledger and Accounts Payable modules in 1994-95. The modules are fully integrated and integral to the introduction of accrual accounting.

In conjunction with the implementation of the new Fixed Assets Register an audit and professional evaluation was conducted of current assets to determine the amount and value of assets held by Treasury and Finance.

A review into the use of corporate credit cards resulted in a rationalisation of the number of cards issued.

A small group, with representation from Financial Services and other branches, developed a plan to improve financial management within Treasury and Finance. Coopers & Lybrand provided external advice and the plan was approved for implementation in 1996-97.

## **Human Resources    Human Resources Plan**

One of the key projects emanating from the Corporate Plan (Phase One) was the Human Resources (HR) Plan. The plan was developed in consultation with branch managers, and used as its basis the key components of the human resource 'framework', issued earlier by the Commissioner for Public Employment. The plan covers a three year timeframe, with the aim in the first year being to establish 'building blocks' on which to base further development in following years.

Key areas include workforce planning, recruitment and selection processes, employment terms and conditions, training and development, performance management, and occupational health safety and welfare (OHSW).

### **Performance Management**

The performance management system for senior executives was successfully implemented and, as part of the 1996-97 phase of the HR plan, work is continuing on developing a personal development review scheme for non-executive staff.

### **Equal Employment Opportunity**

As part of the equal opportunity program, a meeting of senior women within Treasury and Finance discussed several issues relevant to all employees, including work outside of normal hours, staff retention and management education. These issues also have been incorporated into various programs within the HR Plan.

Arrangements were made for the conduct of a training program for officers undertaking the voluntary role of sexual harassment contact officer.

### **Occupational Health, Safety and Welfare**

New policies, together with updated versions of existing policies were developed and disseminated to all managers. Policies will be reviewed on an annual basis.

OHSW representatives were elected in the latter part of 1995, and all subsequently attended an accredited training program to enable them to effectively contribute towards OHSW within Treasury and Finance.

The conduct of a further round of hazard inspections, and a worksite OHSW audit indicated the need for additional refining of some internal procedures, and this now forms part of the OHSW program within the HR plan.

### **Workers Rehabilitation and Compensation**

Several managers attended training, conducted by the Department for Industrial Affairs, on managing employee rehabilitation programs. One rehabilitation case is currently being managed for an employee who sustained an injury in May 1995.

Worker compensation claims are reported in the OHSW statistics in Appendix I.

### **Targeted Separation Packages**

In 1995-96, fifteen employees resigned, with twelve employees accepting a targeted voluntary separation package and three employees receiving a Resignation Incentive Payment.

### **Enterprise Bargaining Agreement**

The formal Enterprise Agreement was ratified in the Industrial Relations Commission on 17 October 1995. The Single Bargaining Centre continued its role in managing and promoting the implementation of the Enterprise Agreement however, through this process it was identified that the other participating agencies, the Department of the Premier and Cabinet, and the Office for the Commissioner for Public Employment, had different agendas for change. With agreement, separate consultative committees were established within the respective agencies.



Treasury and Finance's consultative committee has been very active in facilitating discussion papers on flexible working hours (including overtime), leave loading, gain sharing and organisational change.

#### **Sick Leave per FTE**

The average sick leave per FTE for the 1995-96 financial year was 5.7 days, slightly lower than last year.

Additional emphasis on leave management will occur as a direct result of the introduction of the 'Concept' HR System with its enhanced management reporting capabilities.

### **Corporate Information Technology Services**

#### **Development of the First Departmental IT Plan**

Treasury and Finance completed a review of IT systems in October 1995 focusing on strategies to reposition core systems into an overall departmental IT framework. Recommended projects included:

- infrastructure rationalisation project to improve network communications and to integrate the two major networks within Treasury and Finance
- development of a departmental IT Plan.

An initial departmental information technology plan, was developed which establishes the framework for ensuring that the IT function will provide the required level of service to Treasury and Finance.

#### **Transfer of IT Infrastructure and Related IT Services to EDS**

Treasury and Finance was one of the first Government agencies to successfully transfer IT network infrastructure, related IT services and personnel, to EDS.

#### **Development of IT Security Policies and Procedures**

Specific policies and procedures were developed for:

- anti-virus strategy
- laptop computer security
- disposal of computing equipment
- use of the Internet.

In addition, work commenced on the development of a departmental IT security plan in line with the South Australian Government Information Technology Standards in an Outsourced Environment.

### Planned Initiatives 1995-96

#### **Administrative Services**

Continue development of the records management software and procedures, particularly in relation to areas such as workflow and imaging to streamline existing processes.

Implement recommendations from the security review, into an agreed security plan and document policies within the State Administration Centre on behalf of all tenant agencies, and complete ground floor works.

Implement the devolution of the minor works function from Services SA with reporting systems for maintenance and minor works.

Initiate implementation of an online information system for all officers within Treasury and Finance, which includes departmental policies, procedures and standard forms.

Complete accommodation refurbishment projects, involving all floors within Treasury and Finance, and other client agencies.

#### **Financial Services**

Implement and manage the Financial Management Improvement Plan, in particular, align Treasury and Finance's budgeting and reporting approach to an output based planning and performance management regime.

Continue to review financial reports with a view to incorporate accrual information and to rationalise the volume of reports currently issued.

Review current revenue receipting and recording processes within Financial Services.

#### **Human Resources**

Enhance and implement the HR Plan and implement the Concept Human Resource System, and improve management reporting systems.

Review and enhance existing OHSW policies with a particular focus on the training and development of managers.

Place greater emphasis on performance management, workforce planning, succession planning, and training and development.

Renegotiate the Treasury and Finance Enterprise Bargaining Agreement.

#### **Corporate Information Technology Services**

Implement a common network for Treasury and Finance.

Ensure technical stability and security, and performance measurement of existing systems.

Adopt a quality assurance methodology for new systems.

Emphasise a business orientated IT service including contract management of whole of government initiatives (such as EDS), implementation of a secure whole of government messaging system, introduction of the Concept HR system and the implementation of secure remote computing services.

At the same time provide traditional help desk and PC support services.



# APPENDICES

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## RESOURCE MANAGEMENT

### Financial Outcomes over 1995-96

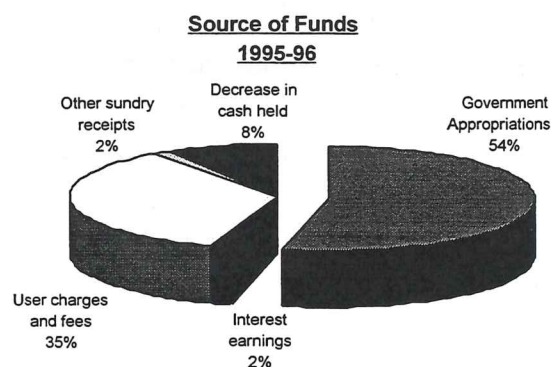
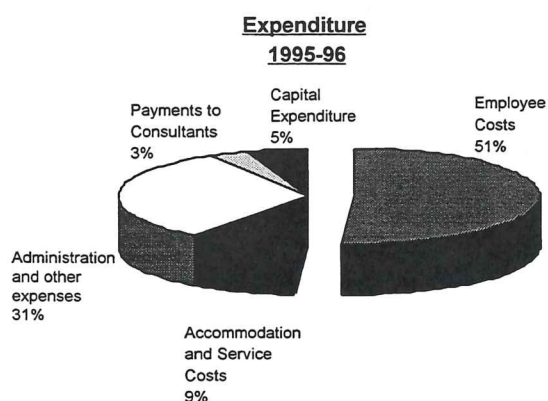
The Treasury and Finance budget strategy for 1995-96 was developed around a framework of increasing resources in key areas to build skills in financial analysis and budgetary reform, while meeting a budget savings requirement of \$750,000. The department also increased expenditure on specific projects, principally the implementation of whole of government financial systems (CA Masterpiece) and the development of a new treasury management system for SAFA. This was achieved by deploying resources to high priority areas and reducing the level of cash reserves.

The Statement of Cash Flows reflects the budget strategy by highlighting a decrease in cash held by the department. In particular, cash reserves were used primarily for the following projects:

- The cost of implementing CA Masterpiece financial software increased by \$1.95 million from the previous year. Appropriation was provided in 1994-95 to build cash reserves in order to meet the costs of implementation which peak during 1995-96 and 1996-97.
- The cost of implementing a new treasury management system in SAFA was \$0.96 million.

While the decrease in cash held represents a cash deficit of \$3.2 million it is an improvement of \$1.6 million over the original estimated deficit of \$4.8 million. The following table and chart illustrates the department's financial operations for 1995-96.

| Expenditure                     | \$'000        | Source of Funds           | \$'000        |
|---------------------------------|---------------|---------------------------|---------------|
| Employee costs                  | 19,028        | Government appropriations | 19,975        |
| Accommodation & service costs   | 3,439         | Interest earnings         | 673           |
| Administration & other expenses | 11,630        | User charges and fees     | 12,903        |
| Payments to consultants         | 1,238         | Other sundry receipts     | 588           |
| Capital expenditure             | 1,971         | Decrease in cash held     | 3,167         |
| <b>Total</b>                    | <b>37,306</b> | <b>Total</b>              | <b>37,306</b> |



Reference should also be made to the financial statements provided in this section.



### **Contracting Out Arrangements**

Treasury and Finance did not enter into any contractual arrangements with the private sector for the delivery of public services or the provision of public infrastructure where the total value of the contract exceeded \$4 million.

### **Risk Management**

During the year Treasury and Finance adopted a risk management framework and subsequently developed an internal audit plan to assess the business risk within each branch. There were no incidences of fraud reported within Treasury and Finance during 1995-96.

### **Internal Audit Outcomes over 1995-96**

Treasury and Finance has developed draft guidelines for the application of an internal control framework (ICF) within agencies. The control environment is a fundamental part of the organisational structure of an agency and the way it conducts its business operations.

Internal audit is an important part of the control environment and was established to fulfill its own requirements in line with the planned direction of the ICF. During 1995-96:

- a risk management assessment of Treasury and Finance was completed and consequently a three year internal audit strategic plan prepared
- three key policy and procedural proposals were adopted to improve operations and corporate governance areas, as follows:
  - ◊ guidelines for the use of consultants and contractors
  - ◊ a 'Maintaining Ethical Standards (including Fraud Prevention Awareness) Policy' document
  - ◊ the establishment of a 'Register of Personal Interests' for senior staff and positions with financial and purchasing delegations
- internal audit services were outsourced to Deloitte Touche Tohmatsu following a comprehensive registration of interest and tender process
- audits of the *FAST* and AAA projects were completed and significant progress (completion of field work) was made on audits of Central Accounting, SAICORP and the State Superannuation Office
- three internal investigations of operational matters were completed.

### **Planned Internal Audit Initiatives for 1996-97**

Complete the second year audits as set out in the three year plan (as revised).

Undertake a risk management assessment of Corporate Services branch and a post implementation review of the implementation of RecFind.

Follow up work emanating from the SAICORP and State Superannuation Office audit report recommendations.

## Operating Statement for the year ended 30 June 1996

|  | Note | 1996<br>\$'000 |
|--|------|----------------|
| <b>OPERATING EXPENSES</b>  |      |                |
| Employee costs   | 4(a) | 19 551         |
| Administration and other expenses  |      | 11 635         |
| Accommodation and service costs  |      | 3 430          |
| Depreciation and amortisation  | 5    | 1 459          |
| Payments to consultants  | 6    | 1 311          |
| <b>Total Operating Expenses</b>  |      | <u>37 386</u>  |
| <b>OPERATING REVENUES</b>  |      |                |
| User charges and fees  | 7    | 13 219         |
| Interest   |      | 717            |
| Other sundry receipts  | 7    | 614            |
| <b>Total Operating Revenues</b>  |      | <u>14 550</u>  |
| <b>NET COST OF SERVICES</b>  |      | <u>22 836</u>  |
| <b>REVENUES FROM GOVERNMENT</b>  |      |                |
| Recurrent Appropriations - Appropriation Act 1995                                  |      | 19 975         |
| <b>Total Revenues from Government</b>  |      | <u>19 975</u>  |
| <b>DECREASE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS</b> |      | <u>2 861</u>   |
| Extraordinary Item   | 8    | 120            |
| <b>DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>                            |      | <u>2 981</u>   |

## Statement Of Financial Position as at 30 June 1996

|                                     | Note | 1996<br>\$'000 |
|-------------------------------------|------|----------------|
| <b>CURRENT ASSETS</b>               |      |                |
| Cash                                |      | 6 527          |
| Receivables                         | 9    | 397            |
| Other                               | 10   | 421            |
| <b>Total Current Assets</b>         |      | <u>7 345</u>   |
| <b>NON-CURRENT ASSETS</b>           |      |                |
| Property, plant and equipment       | 11   | 6 965          |
| <b>Total Non-current Assets</b>     |      | <u>6 965</u>   |
| <b>TOTAL ASSETS</b>                 |      | <u>14 310</u>  |
| <b>CURRENT LIABILITIES</b>          |      |                |
| Creditors and accruals              | 12   | 1 770          |
| Provision for employee entitlements | 4(b) | 1 203          |
| <b>Total Current Liabilities</b>    |      | <u>2 973</u>   |
| <b>NON-CURRENT LIABILITIES</b>      |      |                |
| Provision for employee entitlements | 4(b) | 3 858          |
| <b>Non-Current Liabilities</b>      |      | <u>3 858</u>   |
| <b>TOTAL LIABILITIES</b>            |      | <u>6 831</u>   |
| <b>NET ASSETS</b>                   |      | <u>7 479</u>   |
| <b>EQUITY</b>                       |      |                |
| Accumulated Surplus                 | 13   | 7 479          |
| <b>TOTAL EQUITY</b>                 |      | <u>7 479</u>   |



## Statement of Cash Flows for the year ended 30 June 1996

|  | Note | 1996<br>\$'000<br>Inflows/<br>(Outflows) |
|--|------|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |      |  |
| <i>Payments</i>                                    |      |  |
| Employee costs                                     |      | (19 028)                                 |
| Administration and other expenses                  |      | (11 630)                                 |
| Accommodation and service costs                    |      | (3 439)                                  |
| Payments to consultants                            |      | (1 238)                                  |
|  |      | <u>(35 335)</u>                          |
| <i>Receipts</i>                                    |      |  |
| User charges and fees                              |      | 12 903                                   |
| Interest   |      | 673                                      |
| Other sundry receipts                              |      | 588                                      |
|  |      | <u>14 164</u>                            |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>       | 15   | <u>(21 171)</u>                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>        |      |  |
| Purchase of office equipment                       |      | (1 369)                                  |
| Payments to consultants                            |      | (602)                                    |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>       |      | <u>(1 971)</u>                           |
| <b>CASH FLOWS FROM GOVERNMENT</b>                  |      |  |
| Recurrent Appropriation - Appropriation Act 1995   |      | 19 975                                   |
| <b>NET CASH PROVIDED BY GOVERNMENT</b>             |      | <u>19 975</u>                            |
| <b>NET DECREASE IN CASH HELD</b>                   |      | (3 167)                                  |
| <b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b> | 16   | 9 694                                    |
| <b>CASH AT THE END OF THE FINANCIAL YEAR</b>       |      | <u>6 527</u>                             |

Department of Treasury and Finance  
Program Schedules  
Department's Expenses and Revenues  
For the year ended 30 June 1996

|   | Program (Note 3) |            |              |            |              |              |              |              |            |               | TOTAL         |
|---|------------------|------------|--------------|------------|--------------|--------------|--------------|--------------|------------|---------------|---------------|
|   | 1                | 2          | 3            | 4          | 5            | 6            | 7            | 8            | 9          | Not Allocated |               |
|   | 1996             | 1996       | 1996         | 1996       | 1996         | 1996         | 1996         | 1996         | 1996       | 1996          | 1996          |
|   | \$'000           | \$'000     | \$'000       | \$'000     | \$'000       | \$'000       | \$'000       | \$'000       | \$'000     | \$'000        | \$'000        |
| <b>Department's Expenses and Revenues</b> |                  |            |              |            |              |              |              |              |            |               |               |
| Expenses                                  |                  |            |              |            |              |              |              |              |            |               |               |
| Employee costs                            | 5 115            | 600        | 948          | 645        | 2 082        | 1 651        | 1 339        | 2 276        | 327        | 4 568         | 19 551        |
| Administration and other expenses         | 2 715            | 97         | 58           | 72         | 1 532        | 125          | 4 477        | 1 023        | 82         | 1 574         | 11 755        |
| Accommodation and service costs           | 10               | -          | -            | -          | -            | -            | -            | 1            | -          | 3 419         | 3 430         |
| Depreciation and amortisation             | 353              | 32         | 29           | 38         | 105          | 60           | 92           | 102          | 17         | 631           | 1 459         |
| Payments to consultants                   | 199              | 94         | 177          | 26         | 225          | 84           | 153          | 68           | 43         | 242           | 1 311         |
| <b>Total</b>                              | <b>8 392</b>     | <b>823</b> | <b>1 212</b> | <b>781</b> | <b>3 944</b> | <b>1 920</b> | <b>6 061</b> | <b>3 470</b> | <b>469</b> | <b>10 434</b> | <b>37 506</b> |

|                       |            |          |           |            |              |           |              |              |          |               |               |
|-----------------------|------------|----------|-----------|------------|--------------|-----------|--------------|--------------|----------|---------------|---------------|
| <b>Revenues</b>       |            |          |           |            |              |           |              |              |          |               |               |
| User charges and fees | 407        | -        | 43        | 185        | 6 017        | 33        | 1 544        | 3 138        | -        | 1 852         | 13 219        |
| Interest              | -          | -        | -         | -          | -            | -         | -            | -            | -        | 717           | 717           |
| Other sundry receipts | 1          | -        | 1         | 3          | -            | -         | 40           | 107          | -        | 462           | 614           |
| Government Revenues   | -          | -        | -         | -          | -            | -         | -            | -            | -        | 19 975        | 19 975        |
| <b>Total</b>          | <b>408</b> | <b>-</b> | <b>44</b> | <b>188</b> | <b>6 017</b> | <b>33</b> | <b>1 584</b> | <b>3 245</b> | <b>-</b> | <b>23 006</b> | <b>34 525</b> |

**Increase(Decrease) in net assets resulting from operations**

|         |       |         |       |       |         |         |       |       |        |         |
|---------|-------|---------|-------|-------|---------|---------|-------|-------|--------|---------|
| (7 984) | (823) | (1 168) | (593) | 2 073 | (1 887) | (4 477) | (225) | (469) | 12 572 | (2 981) |
|---------|-------|---------|-------|-------|---------|---------|-------|-------|--------|---------|



Department of Treasury and Finance  
**Program Schedules**  
Schedule of Administered Expenses and Revenues  
For the year ended 30 June 1996

| Program (Note 3)  | 1             | 2         | 3        | 4              | 5                 | 6        | 7        | 8              | 9        | Not<br>Allocated | TOTAL             |
|---|---------------|-----------|----------|----------------|-------------------|----------|----------|----------------|----------|------------------|-------------------|
|   | 1996          | 1996      | 1996     | 1996           | 1996              | 1996     | 1996     | 1996           | 1996     | 1996             | 1996              |
|   | \$'000        | \$'000    | \$'000   | \$'000         | \$'000            | \$'000   | \$'000   | \$'000         | \$'000   | \$'000           | \$'000            |
| <b>Administered Expenses and Revenues</b>                               |               |           |          |                |                   |          |          |                |          |                  |                   |
| <b>Administered Expenses</b>  |               |           |          |                |                   |          |          |                |          |                  |                   |
| <i>Recurrent</i>  |               |           |          |                |                   |          |          |                |          |                  |                   |
| Payments for which Specific Appropriation is Authorised in Various Acts |               |           |          |                |                   |          |          |                |          |                  |                   |
| - Superannuation and Pension Provisions                                 | -             | -         | -        | -              | -                 | -        | -        | 475 902        | -        | -                | 475 902           |
| - Other   | -             | -         | -        | -              | -                 | -        | -        | -              | -        | 11 467           | 11 467            |
| Deputy Premier and Treasurer - Other Payments                           |               |           |          |                |                   |          |          |                |          |                  |                   |
| - Interest  | -             | -         | -        | -              | 713 055           | -        | -        | -              | -        | -                | 713 055           |
| - Past Service superannuation liability under various schemes           | -             | -         | -        | -              | -                 | -        | -        | 200 000        | -        | -                | 200 000           |
| - Funding for Targeted/Voluntary Separation Packages Schemes            | -             | -         | -        | -              | -                 | -        | -        | -              | -        | 120 000          | 120 000           |
| - Other   | 14 270        | 24        | -        | 23 107         | 7 355             | -        | -        | 6 009          | -        | 10 831           | 61 596            |
| <i>Other Administered Accounts (refer note 20)</i>                      | -             | -         | -        | 849 376        | 24 017 740        | -        | -        | 23 759         | -        | 168 163          | 25 059 038        |
| <b>Total</b>  | <b>14 270</b> | <b>24</b> | <b>-</b> | <b>872 483</b> | <b>24 738 150</b> | <b>-</b> | <b>-</b> | <b>705 670</b> | <b>-</b> | <b>310 461</b>   | <b>26 641 058</b> |

|   |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
|---|------------------|-------------|----------|------------------|-------------------|----------------|----------|------------------|----------|------------------|-------------------|
| <b>Administered Revenues</b>                            |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
| <i>Recurrent</i>  |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
| Taxation  | 1 675 579        | -           | -        | -                | -                 | -              | -        | -                | -        | -                | 1 675 579         |
| Deputy Premier and Treasurer - Other Receipts           |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
| - Recoveries  | -                | -           | -        | 23 540           | 191 071           | 381 312        | -        | -                | -        | 2 997            | 598 920           |
| - Superannuation  | -                | -           | -        | -                | -                 | -              | -        | 475 965          | -        | -                | 475 965           |
| - Fees, fines and charges                               | -                | -           | -        | -                | 35 829            | -              | -        | 43               | -        | 1 208            | 37 080            |
| - Commonwealth Specific Purpose Grants                  | -                | -           | -        | -                | 7 105             | -              | -        | -                | -        | 13 921           | 21 026            |
| Commonwealth General Purpose Grants                     | -                | -           | -        | -                | 1 522 846         | -              | -        | -                | -        | -                | 1 522 846         |
| <i>Capital</i>  |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
| Deputy Premier and Treasurer - Other Receipts           |                  |             |          |                  |                   |                |          |                  |          |                  |                   |
| - Repayment of advances                                 | -                | -           | -        | -                | 207 905           | -              | -        | -                | -        | -                | 207 905           |
| - Other   | -                | -           | -        | -                | 4 344             | -              | -        | -                | -        | -                | 4 344             |
| Commonwealth General Purpose Grants                     | -                | -           | -        | -                | 77 388            | -              | -        | -                | -        | -                | 77 388            |
| Funds Borrowed from SAFA                                | -                | -           | -        | -                | 10 483            | -              | -        | -                | -        | -                | 10 483            |
| <i>Other Administered Accounts (refer note 20)</i>      | -                | -           | -        | 735 953          | 24 015 688        | -              | -        | 48 245           | -        | 169 042          | 24 968 928        |
| <b>Total</b>  | <b>1 675 579</b> | <b>-</b>    | <b>-</b> | <b>759 493</b>   | <b>26 072 659</b> | <b>381 312</b> | <b>-</b> | <b>524 253</b>   | <b>-</b> | <b>187 168</b>   | <b>29 600 464</b> |
| <b>Administered revenues less administered expenses</b> | <b>1 661 309</b> | <b>(24)</b> | <b>-</b> | <b>(112 990)</b> | <b>1 334 509</b>  | <b>381 312</b> | <b>-</b> | <b>(181 417)</b> | <b>-</b> | <b>(123 293)</b> | <b>2 959 406</b>  |

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Departmental Objectives

The Department's objectives are :

- to assist the Government to secure, in the most effective way, the financial resources it needs to carry out its policies;
- to assist the Government to achieve the most effective use of the financial resources available to it;
- to assist the Government to assess the effect of its financial policies on the economy and on the community;
- to co-ordinate the fund raising, debt management, cash management and investment functions of the State public sector;
- to keep central records that will enable the Government to account for its financial transactions and have the financial information required for decision making; and
- to provide advice to the Government on, and administer certain financial arrangements for public sector activities, such as the State superannuation schemes and the Government's self insurance programs.

### 2. Summary Of Significant Accounting Policies

#### (a) Basis of Accounting

The accounts have been prepared in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and applicable Urgent Issues Group Consensus Views. The accounts are prepared on the accrual basis and in accordance with conventional historical cost principles except where detailed in the Notes to the Statements.

#### (b) The Reporting Entity

The financial report encompasses an interest bearing Special Deposit Account entitled 'Department of Treasury and Finance Operating Account' and all other Funds through which the Department controls resources to carry out its functions. The Department's principal source of funds consists of monies appropriated by Parliament.

#### *Administered Resources*

The Department administers but does not control, certain resources on behalf of the South Australian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. For these resources, the Department acts only on behalf of the South Australian Government. In this first year of reporting administered resources a cash basis of accounting has been used.

Transactions and balances relating to these administered resources are not recognised as Departmental revenues and expenses but are disclosed in the applicable program schedules.

#### *Non-Current Assets*

All non-current assets controlled by the Department are reported in the statement of financial position.

#### *Trust Funds*

The Department has received monies in a trustee capacity for various trusts as set out in note 21. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for achievement of the Department's objectives, they are not brought to account in the financial report, but are shown in note 21.

#### (c) User Charges and Fees

User charges and fees controlled by the Department are recognised as revenues. User charges and fees are controlled by the Department where they can be deployed for the achievement of Departmental objectives. Such amounts are not required to be paid to the Consolidated Account or other Funds not controlled by the Department.

User charges and fees collected by the Department but not controlled by it are not recognised as revenues, but are reported as administered revenues in the program schedule - expenses and revenues. Such amounts are required to be paid to the Consolidated Account or other Funds not controlled by the Department.

#### (d) Appropriations

Appropriations, whether recurrent, capital, special or other, are recognised as revenues when the Department obtains control over the assets comprising the contributions. Control over appropriations is normally obtained upon their receipt.

#### (e) Non-Current Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Software development costs for the Treasury Management System are capitalised when incurred.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Non-current assets are revalued every three years in accordance with Australian Accounting Standard AAS10.



(f) **Depreciation of Non-Current Assets**

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each depreciable non current asset over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

(g) **Employee Entitlements**

(i) *Wages, Salaries and Annual Leave*

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long Service Leave*

A liability for long service leave is calculated by using the product of the current liability in time for all employees who have completed seven or more years of service and the current rate of remuneration for each of these employees respectively. The seven years has been based on an actuarial calculation as directed in the Accounting Policy Statements. The calculation is based on whole years of service.

(iii) *Superannuation*

Contributions are made by the Department to several superannuation schemes operated by the State Government. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the Superannuation Funds. The only liability outstanding at balance date relates to any contribution due but not yet paid to the superannuation schemes.

(h) **Leases**

The Department has entered into a number of operating lease agreements for buildings and office equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under operating leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the operating statement in the periods in which they are incurred.

(i) **Cash**

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

3. **Programs of the Department**

The identity and purpose of each major program undertaken by the Department during the year ended 30 June 1996 are summarised below (refer to the Program Schedule - Expenses and Revenues).

***Program 1 - Administration and Enforcement of State Taxation Legislation***

Manage the State's taxation system in a way that provides maximum value to both Government and taxpayers; achieve maximum feasible compliance through targeted activities, together with rigorous application of available sanctions; apply fair, efficient and responsive taxation management principles in the provision of informed policy advice.

***Program 2 - Economic Advice***

Advise on the economic and financial environment in South Australia, on State taxation measures to secure revenue to finance Government expenditures in a way which promotes economic growth and equity, and on Commonwealth - State financial relations.

***Program 3 - Reform of State Enterprises***

Advise on measures to ensure that the government commercial sector is efficient and competitive and on micro-economic reform issues generally; contribute to the integrity of the State's financial infrastructure through regulation and monitoring of selected State owned and State-based financial institutions.

***Program 4 - Advice on Public Sector Debt and Assets***

Advise on the management of the State's debt and financial guarantees, on the management of the State's assets, and on the financial evaluation of proposals for private provision of infrastructure and services.

***Program 5 - Management of State Government Borrowing and Investment Activities***

Deliver a range of cost effective financial services to the highest possible standard, tailored to meet the various individual needs of South Australian public sector clients, emphasising the core activities of fund raising and prudent liability risk management, consistent with Government policy.

***Program 6 - Budgetary Management and Advice***

Advise on budgetary, financial and resource issues with a view to ensuring that prudent budgetary targets are set and achieved.

***Program 7 - Accounting Policies and Financial Management Systems***

Develop and implement accounting and financial management policies and systems across the public sector to ensure relevant, reliable and accurate information is available to the Government, agency management and the public.

**Program 8 - Insurance and Superannuation**

Advise on superannuation policy issues and on insurance and related matters, and administer the Government's various superannuation schemes and its insurance and risk management arrangements.

**Program 9 - Lottery and Gaming**

Ensure that the conduct of lotteries is fair and equitable to participants and that all fees due are collected, and protect the public interest in the area of fundraising by non profit groups.

**Not Allocated - Intra-Agency Support Service Items not Allocated to Programs**

To provide strategic direction, policy and planning, and administrative and executive services to the Department and the Treasurer. Provide comprehensive and efficient financial management, administrative, human resource and computing services to the Department and to the other client agencies. Through an internal audit function, provide an independent appraisal activity to assist in the achievement of efficient and effective operational and financial control systems and procedures.

**4. Employee Entitlements**

|   |                |
|---|----------------|
|   | 1996<br>\$'000 |
| (a) <b>Employee Costs</b>   |                |
| Wages and Salaries  | 15 170         |
| Superannuation and Payroll Tax expenses   | 3 048          |
| Annual and long service leave expenses  | 419            |
| Board Fees (i)  | 86             |
| Total employee entitlement expenses   | 18 723         |
| Other employee related expenses   | 828            |
|   | 19 551         |
| (i) Represents fees paid for membership to the SA Superannuation Board, SA Government Financing Authority Advisory Board and the Board of Directors of SAICORP. |                |
| (b) <b>Employee Entitlement Liability</b>   |                |
| Aggregate employee entitlement liability  | 5 061          |

**5. Depreciation and Amortisation Expense**

|   |                |
|---|----------------|
|   | 1996<br>\$'000 |
| Depreciation and amortisation was charged in respect of |                |
| Buildings and Improvements                              | 50             |
| Furniture and Fittings                                  | 502            |
| Office equipment  | 907            |
|   | 1 459          |

**6. Payments to Consultants**

Payments to consultants fell within the following bands:-

|                       |                                  |
|-----------------------|----------------------------------|
|                       | <b>Number of<br/>Consultants</b> |
|                       | 1996                             |
| \$0 - \$10 000        | 37                               |
| \$10 001 - \$50 000   | 11                               |
| \$50 001 - \$100 000  | 1                                |
| \$100 001 - \$150 000 | 4                                |
| \$150 001 - \$200 000 | -                                |
| \$200 001 - \$250 000 | 1                                |
| \$250 001 - \$300 000 | 3                                |

The total payments to the 57 consultants engaged was \$2 043 000. Of this amount \$1 311 000 was met from operating expenses and \$732 000 was capitalised.

**7. Revenue from Operations**

User charges and fees comprised:-

|   |                |
|---|----------------|
|   | 1996<br>\$'000 |
| Recoveries from -   |                |
| Agencies for the provision of Corporate Services          | 1 208          |
| South Australian Government Captive Insurance Corporation | 600            |
| South Australian Government Financing Authority           | 6 000          |
| Superannuation Schemes                                    | 2 897          |
| Other Recoveries for Services                             | 2 141          |
| Land Agents - Enquiry Fees                                | 373            |
|   | 13 219         |



Other sundry revenues comprised:-

1996  
\$'000

Reimbursement for TVSP's paid  
Reimbursement for workers compensation claims  
Other sundry items

378  
14  
222  

---

614

8. Extraordinary Items

During 1995-96 assets were sold to Electronic Data Systems (EDS) as part of the whole of government transfer. No consideration was received by the Department as the total proceeds of sale were credited to Consolidated Account.

9. Receivables

1996  
\$'000

Fees Receivable

397

10. Other Current Assets

1996  
\$'000

Prepayments

421

11. Property, Plant and Equipment

|                           | 1996<br>At Valuation and<br>Current Cost<br>\$'000 | 1996<br>Accumulated<br>Depreciation<br>\$'000 | 1996<br>Written<br>Down Value<br>\$'000 |
|---------------------------|--|---|---|
| Buildings and Improvement | 563  | 163   | 400                                     |
| Furniture and Fittings    | 5 621  | 1 743   | 3 878                                   |
| Office Equipment          | 4 558  | 1 871   | 2 687                                   |
|                           | <hr/> 10 742                                       | <hr/> 3 777                                   | <hr/> 6 965                             |

Valuations of buildings and improvements were determined as at 30 June 1995 by Mr J.R.Price (Licensed valuer), of Edward Rushton (Australia) Pty. Ltd., Valuers.

12. Creditors and Accruals

1996  
\$'000

Employee costs  
Administration and other costs  
Accommodation and service costs  
Payments to consultants  
Purchases of non-current assets

569  
857  
42  
94  
208  

---

1 770

13. Accumulated Surplus

1996  
\$'000  
10 460  
  
(2 981)  

---

7 479

Adjustments due to changes in accounting policies on initial application of new accounting standards

Decrease in net assets resulting from operations

Balance at the end of the financial year

|            |  |                             |
|------------|--|-----------------------------|
| <b>14.</b> | <b>Commitments For Expenditure</b>   | <b>1996</b>                 |
|            |  | <b>\$'000</b>               |
|            | <b>(a) Operating Leases</b>  |                             |
|            | Commitments under non-cancellable operating leases at the reporting date are payable as follows:   |                             |
|            | Not later than one year  | 2 564                       |
|            | Later than one year and not later than two years   | 2 564                       |
|            | Later than two years and not later than five years   | 8 382                       |
|            | Later than five years  | 9 128                       |
|            |  | <u>22 638</u>               |
|            | These operating lease commitments are not recognised in the financial report as liabilities.   |                             |
|            | <b>(b) Capital Commitments</b>   |                             |
|            | Capital expenditure contracted for at the reporting date but not recognised in the financial report as liabilities:  |                             |
|            | Furniture and Fittings   | 505                         |
|            | Office Equipment   | 956                         |
|            | These expenditures are payable:  |                             |
|            | Not later than one year  | 1 461                       |
| <b>15.</b> | <b>Reconciliation of Net Cost Of Services to Net Cash Used in Operating Activities</b>   | <b>1996</b>                 |
|            |  | <b>\$'000</b>               |
|            | Net cost of services   | 22 836                      |
|            | Non cash items   |                             |
|            | Depreciation and amortisation expense  | (1 459)                     |
|            | Investing Activity   |                             |
|            | Net loss on disposal of office equipment   | (6)                         |
|            | Change in operating assets and liabilities   |                             |
|            | Increase in receivables  | 386                         |
|            | Increase in prepayments  | 421                         |
|            | Increase in creditors and accruals   | (588)                       |
|            | Increase in provision for employee entitlements (i)  | (419)                       |
|            | Net cash used in operating activities  | <u>21 171</u>               |
|            | (i) net of increase arising from restructuring of administrative arrangements  |                             |
| <b>16.</b> | <b>Change to opening cash balance</b>  |                             |
|            | The opening cash balance has increased since the Statement of Cash Flows for the period ending 30 June 1995 due to the transfer of the Corporate Services Branch from the Department of the Premier and Cabinet (\$253 000), and the inclusion of the Departmental Imprest Account (\$20 000). |                             |
| <b>17.</b> | <b>Remuneration of Executives</b>  |                             |
|            | The number of executives whose annual remuneration was over \$100,000 fell within the following bands:-  |                             |
|            |  | <b>Number of Executives</b> |
|            |  | <b>1996</b>                 |
|            | \$100 000 - \$109 999  | 3                           |
|            | \$110 000 - \$119 999  | 3                           |
|            | \$120 000 - \$129 999  | 1                           |
|            | \$150 000 - \$159 999  | 1                           |
|            | \$160 000 - \$169 999  | 2                           |
|            | The total remuneration received by these executives for the year was \$1 247 000.  |                             |
| <b>18.</b> | <b>Remuneration of Auditors</b>  |                             |
|            | Amounts received or due and receivable by the auditors are:-   |                             |
|            |  | <b>1996</b>                 |
|            |  | <b>\$'000</b>               |
|            | Treasury Office  | 199                         |
|            | South Australian Government Financing Authority  | 94                          |
|            | South Australian Superannuation Board  | 123                         |
|            | SA Government Captive Insurance Corporation  | 20                          |
|            |  | <u>436</u>                  |



## 19. Targeted Voluntary Separation Package Scheme (TVSP's)

|  |           |
|--|-----------|
|  | 1996      |
|  | Number of |
|  | Employees |
| Number of employees paid TVSP's  | 15        |
| Amount paid to these employees   | \$'000    |
| TVSP   | 530       |
| Accrued annual and long service leave  | 230       |
| Amount recovered from the Targeted/Voluntary Separation Package Scheme Special Deposit Account | 378       |

During the year, the TSVP Committee approved the use of the TVSP Scheme for separations of five employees with the cost of these separations (\$152 000) met by the Department. These amounts are included in the Financial Statements.

## 20. Other Administered Accounts

The following deposit accounts are administered by the Department pursuant to Section 8 and 21 of the Public Finance and Audit Act:-

| Name  | Opening Balance | Debits              | Credits           | Closing Balance |
|---|-----------------|---------------------|-------------------|-----------------|
|   | 1996            | 1996                | 1996              | 1996            |
|   | \$'000          | \$'000              | \$'000            | \$'000          |
| Agency Provisions for Future Asset Replacements | 2 322           | -                   | 8 580             | 10 902          |
| Bank SA Sale Account                            | 10 510          | (736 335)           | 727 373           | 1 548           |
| Home Purchases Assistance Account               | -               | (315)               | 315               | -               |
| Home Builders Account No.2                      | -               | (966)               | 966               | -               |
| Hospitals Fund                                  | -               | (106 072)           | 106 072           | -               |
| Housing Loans Redemption Fund                   | 3 678           | (18)                | 393               | 4 053           |
| SA Government Captive Insurance Corporation     | 26 079          | (23 759)            | 48 245            | 50 565          |
| SA Finance Trust Limited                        | 705             | (840 263)           | 839 810           | 252             |
| SA Government Financing Authority               | 167             | (22 193 893)        | 22 193 726        | -               |
| SBSA Restructuring Account                      | 113 041         | (113 041)           | -                 | -               |
| State-Local Government Reform Fund              | 1 217           | (48 772)            | 49 313            | 1 758           |
| Stony Point Indenture Account                   | -               | (9 899)             | 9 899             | -               |
| Totalizator Dividend Adjustment Account         | 180             | (2 121)             | 2 084             | 143             |
| Treasury Working Account                        | 2 340           | (983 584)           | 982 152           | 908             |
| <b>Total</b>                                    | <b>160 239</b>  | <b>(25 059 038)</b> | <b>24 968 928</b> | <b>70 129</b>   |


## 21. Trust Funds


The Department administers, but does not control, certain trust funds. Aggregate details of the transactions and balances relating to these trust funds are as follows:

| Name                           | Opening Balance | Debits          | Credits       | Closing Balance |
|--------------------------------|-----------------|-----------------|---------------|-----------------|
|                                | 1996            | 1996            | 1996          | 1996            |
|                                | \$'000          | \$'000          | \$'000        | \$'000          |
| Credit Unions Contingency Fund | 1 687           | (1 316)         | 467           | 838             |
| CFS - Self Insurance Fund      | 3               | -               | -             | 3               |
| Local Government Disaster Fund | 1 618           | (26 811)        | 30 906        | 5 713           |
| Void Departmental Cheques      | 1 449           | (382)           | 875           | 1 942           |
| <b>Total</b>                   | <b>4 757</b>    | <b>(28 509)</b> | <b>32 248</b> | <b>8 496</b>    |

As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for achievement of the Department's objectives, they are not brought to account in the financial report, but are shown here for information purposes.

In our opinion, the attached Financial Statements of the Department of Treasury and Finance, being the Operating Statement, Statement of Financial Position and Statement of Cash Flows for the year ended 30 June 1996 and notes thereto, present fairly, in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the Public Finance and Audit Act, 1987, as amended, the financial position of the Department as at 30 June 1996 and the result of its operations and its cash flows for the year ended 30 June 1996.

  
Gerard Bradley  
UNDER TREASURER

  
Steven J. Archer  
MANAGER, FINANCIAL SERVICES



# AUDITOR-GENERAL'S DEPARTMENT

## INDEPENDENT AUDIT REPORT

### TO THE UNDER TREASURER

#### SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial statements of Department of Treasury and Finance for the year ended 30 June 1996. The financial statements comprise:

- An Operating Statement;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Department and Administered Program Schedule of Expenses and Revenues;
- Notes to and forming part of the Financial Statements;
- Certificate by the Under Treasurer and the Manager of Financial Services.

The Under Treasurer and the Manager of Financial Services are responsible for the preparation and presentation of the financial statements and the information contained therein. An independent audit of the financial statements has been conducted in order to express an opinion on them to the Under Treasurer.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement.

Audit procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. Those procedures were undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, appropriate Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with my understanding of the Department of Treasury and Finance's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### AUDIT OPINION

In my opinion the financial statements present fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, appropriate Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Department of Treasury and Finance as at 30 June 1996, the results of its operations and its cash flows for the year ended 30 June 1996.

20 September 1996

K I MacPHERSON  
AUDITOR-GENERAL



## MINISTERIAL PORTFOLIO RESPONSIBILITIES

### Relating to the Treasury and Finance Portfolio

|  |  |
|--|--|
| Asset Management Task Force                                    | Oversee the sale of certain Government assets and develop ways of improving the management of other assets held by the State public sector.  |
| Bank of South Australia Ltd <sup>1</sup>                       | From 1 July 1994, provide banking services to the community.   |
| ETSA Superannuation Board                                      | Administer the ETSA Superannuation Scheme.   |
| Gaming Supervisory Authority                                   | Ensure that an effective and efficient system of supervision is established and maintained over the operation of the licensed casino, and over the operations of all licensees (of all classes) for the gaming machines industry.  |
| Lotteries Commission of South Australia                        | Promote and conduct lotteries.   |
| Motor Accident Commission                                      | Be responsible for the operation of the Compulsory Third Party (Bodily Injury) Scheme and management of the assets and liabilities of the former State Government Insurance Commission not transferred to SGIC Holdings Group. <sup>2</sup>  |
| Parliamentary Superannuation Board                             | Administer the Parliamentary Superannuation Scheme.  |
| Pay-roll Tax Appeal Tribunal                                   | Hear objections and appeals against the assessment of pay-roll tax.  |
| Police Superannuation Board                                    | Administer the Police Superannuation Scheme.   |
| South Australian Asset Management Corporation                  | Work out the non-performing assets of the former legal entity, State Bank of South Australia.  |
| South Australian Government Captive Insurance Corporation      | Manage the Government's insurance and risk management program  |
| South Australian Government Financing Authority Advisory Board | Provide advice to the South Australian Government Financing Authority (SAFA) and the Treasurer on matters pertaining to the operations of SAFA.  |
| South Australian Superannuation Board                          | Administer State Government superannuation schemes established under the following Acts: <ul style="list-style-type: none"> <li>• <i>Southern State Superannuation Act 1994</i></li> <li>• <i>Superannuation Act 1988</i></li> <li>• <i>Superannuation (Benefit Scheme) Act 1992.</i></li> </ul> |
| Superannuation Funds Management Corporation                    | Manage and invest employee contributions to the South Australian Superannuation Fund.  |

<sup>1</sup> The sale of BankSA to Advance Bank Ltd was concluded on 1 August 1995

<sup>2</sup> The sale of SGIC Holdings to Legal & General Life of Australia Ltd and SGIO Insurance Ltd was concluded on 30 November 1995

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**Acts Administered by the Treasurer**

*Advances to Settlers Act 1930*  
*Appropriation Acts*  
*Benefit Associations Act 1958*  
*Casino Act 1983*  
*Collections for Charitable Purposes Act 1939*  
*Debits Tax Act 1994*  
*Financial Agreement Acts*  
*Financial Institutions Duty Act 1983*  
*Financial Transaction Reports (State Provisions) Act 1992*  
*Friendly Societies Act 1919*  
*Gaming Machines Act 1992*  
*Gaming Supervisory Authority Act 1995*  
*Gift Duty Act 1968*  
*Government Financing Authority Act 1982*  
*Governors' Pensions Act 1976*  
*Homes Act 1941*  
*Housing Loans Redemption Fund Act 1962*  
*Interest on Crown Advances and Leases Act 1944*  
*Judges' Pensions Act 1971*  
*Land Tax Act 1936*  
*Loans for Fencing and Water-Piping Act 1938*  
*Loans to Producers Act 1927*  
*Lottery and Gaming Act 1936*  
*Motor Accident Commission Act 1992 (formerly State Government Insurance Commission Act)*  
*Parliamentary Superannuation Act 1974*  
*Pay-roll Tax Act 1971*  
*Petroleum Products Regulation Act 1995*  
*Phylloxera Act 1936*  
*Police Superannuation Act 1990*  
*Public Corporations Act 1993*  
*Public Finance and Audit Act 1987*  
*Rural Advances Guarantee Act 1963*  
*SGIC (Sale) Act 1995*  
*Southern State Superannuation Act 1994*  
*Stamp Duties Act 1923*  
*State Bank (Corporatisation) Act 1994*  
*State Bank of South Australia Act 1983*  
*State Lotteries Act 1966*  
*Student Hostels (Advances) Act 1961*  
*Succession Duties Act 1929*  
*Superannuation Act 1988*  
*Superannuation (Benefit Scheme) Act 1992*  
*Superannuation Funds Management Corporation of South Australia Act 1995*  
*Superannuation (Visiting Medical Officers) Act 1993*  
*Supplementary Financial Agreement (Soldier Settlement Loans) Act 1934*  
*Supply Acts*  
*Taxation (Reciprocal Powers) Act 1989*  
*Tobacco Products (Licensing) Act 1986*  
*Unclaimed Moneys Act 1891*



## LEGISLATIVE MEASURES 1995-96

(references to State Taxation legislation are outlined on pages 33,34)

1. *Collections for Charitable Purposes (Licensing and Miscellaneous) Amendment Act 1995*

The Act provided primarily for the licensing of commercial agents who are engaged by charitable organisations to solicit donations for a fee, allowed the Minister to issue a Code of Practice in relation to the conduct of persons holding various kinds of licences under the Act and to make compliance with the Code a condition of licence. The amending Act also contained a specific Regulation making power relating to the operation of commercial recycling bins.

Assented to: 17 August 1995  
Date of Operation: 2 November 1995

2. *Parliamentary Superannuation (New Scheme) Amendment Act 1995*

The Act introduced changes to the benefit structures to reduce the cost of the scheme.

Assented to: 3 August 1995  
Date of Operation: 24 August 1995

3. *Superannuation (Contracting Out) Amendment Act 1995*

The Act made appropriate arrangements for members under the *Superannuation Act 1988* who transfer to private employers.

Assented to: 7 December 1995  
Date of Operation: 14 December 1995

4. *Friendly Societies (Miscellaneous) Amendment Act 1995* amending *Friendly Societies Act 1919*.

The Act provided for:

- a) the introduction of new objects for which friendly societies can maintain funds
- b) the ability of private solicitors to certify the general laws, and the amendments thereto, of friendly societies
- c) alterations to the way in which the general laws of friendly societies, and the amendments thereto, are registered
- d) the alteration of administrative functions carried out by friendly societies, such as cheque signing facilities, to reflect modern business practices
- e) the alteration of the frequency and nature of the actuarial review of the funds of friendly societies
- f) additional supervision and administration powers to be given to the Minister.

Assented to: 7 December 1995  
Date of operation: 7 December 1995

5. *Gaming Machines (Miscellaneous) Amendment Bill 1996*

Established a new tax scale for gaming machines in licensed clubs and hotels, specified the allocation of revenues raised and introduced restrictions on operating hours, the location of EFTPOS facilities and other administrative improvements.

6. *Public Finance and Audit (Powers of Enquiry) Amendment Act 1996*

The Act amended Section 32 of the *Public Finance and Audit Act 1987* to enable the Treasurer to request the Auditor-General to examine a publicly funded project and to enable examination of a body or project even though they had ceased to exist.

Assented to: 20 June 1996

Date of operation: 1 July 1987

(This Act is taken to have come into operation on the same date as the principal Act)



**DEPARTMENT OF TREASURY AND FINANCE**  
**PROFILE OF REMUNERATION LEVELS**  
**AS AT 30TH JUNE 1996**

|                   | Male     |         |      | Female   |         |      |        |
|-------------------|----------|---------|------|----------|---------|------|--------|
| Level             | Contract | PSM Act |      | Contract | PSM Act |      | Total  |
|                   |          | Ongoing | Temp |          | Ongoing | Temp |        |
| CEO}              | 1        |         |      | 1 *      |         |      | 1      |
| EL-F}             |          |         |      |          |         |      |        |
| EL-E              |          |         |      |          |         |      |        |
| EL-D              |          |         |      |          |         |      |        |
| EL-C              | 1        |         |      |          |         |      | 1      |
| EL-B              | 3 *      |         |      |          |         |      | 3      |
| EL-A              | 3 *      |         |      |          |         |      | 4      |
| EL-3              | 1        | 2       |      |          |         |      | 3      |
| EL-2              | 3        | 4       |      |          |         |      | 7      |
| EL-1              |          | 4       |      |          |         | 1    | 5      |
| MAS-3             |          |         | 2    |          |         | 2    |        |
| ASO-8             |          | 13      |      |          | 1       | 14   |        |
| MAS-2             |          | 3       |      |          |         | 3    |        |
| ASO-7             |          | 15      |      |          | 7       | 22   |        |
| MAS-1             |          |         |      |          |         |      |        |
| ASO-6             |          | 23      |      |          | 5       | 28   |        |
| ASO-5             |          | 38      |      |          | 11      | 49   |        |
| ASO-4             |          | 24      | 1    |          | 5       | 30   |        |
| ASO-3             |          | 30      | 2    |          | 25      | 57   |        |
| ASO-2             |          | 26      | 2    |          | 42      | 72   |        |
| ASO-1             |          | 13      | 12   |          | 36      | 73   |        |
| Non-Exec Contract | 7        |         |      | 3        |         | 10   |        |
| Total             | 19       | 195     | 19   | 4        | 133     | 14   | 384 ** |

Note: Table includes employees on contract and excludes employees assigned to other agencies.  
Table includes the new Executive Structure (EL-A to EL-F) first introduced in 1995-96.  
Table does not include the CEO and staff of the Asset Management Task Force, Superannuation Funds Management Corporation, Gaming Supervisory Authority and trainees.

\* An option for further appointment is contained in these contracts.

\*\* This figure represents the number of employees, and equates to an FTE figure of 378.9

## TREASURY AND FINANCE REPRESENTATION ON BOARDS AND COMMITTEES AS AT 30 JUNE 1996

|                | BOARD/COMMITTEE  | START<br>DATE | EXPIRY<br>DATE |
|----------------|--|---------------|----------------|
| Gerard Bradley | South Australian Government Financing<br>Authority Advisory Board (Presiding Member) | Jun 1996      | ongoing        |
| Peter Boxall   | Asset Management Task Force  | Mar 1994      | Dec 1995       |
|                | BankSA   | Apr 1994      | Aug 1995       |
| John Hill      | South Australian Government Insurance<br>Corporation                                 | Dec 1995      | ongoing        |
|                | South Australian Superannuation Board  | Jul 1996      | ongoing        |
|                | Parliamentary Superannuation Board   | May 1989      | ongoing        |
|                | Southern Group Insurance Corporation SGIC:   | Jan 1992      | ongoing        |
|                | - SGIC Nominees Pty Ltd  | Jan 1992      | ongoing        |
|                | - Bouvet Pty Ltd   | Feb 1993      | ongoing        |
|                | - SA Projects Pty Ltd  | Oct 1992      | ongoing        |
|                | - SGIC Pty Ltd   | Sep 1992      | ongoing        |
|                | Motor Accident Commission Board: MAC<br>Audit Committee                              | Jul 1995      | ongoing        |
| Alan Tregilgas | HomeStart Finance Corporation  | Jun 1995      | Jun 1998       |
|                | Superannuation Fund Management Corporation   | Jul 1995      | Jun 1998       |
| Phil Gaetjens  | ETSA Corporation (observer)  | Jul 1995      | ongoing        |
|                | Ports Corporation (observer)   | Mar 1995      | ongoing        |
| Bernie Lindner | South Australian Housing Trust Parks Re-<br>Development Co-ordination Committee      | Jan 1996      | Dec 1996       |
|                | South Australian Research and Development<br>Institute Board                         | Feb 1993      | ongoing        |
| Rick Harper    | Defic No1 Pty Ltd  | Apr 1995      | ongoing        |
|                | Defic No2 Pty Ltd  | Apr 1995      | ongoing        |
|                | Defic No3 Pty Ltd  | Apr 1995      | ongoing        |
|                | Defic No4 Pty Ltd  | Apr 1995      | ongoing        |
|                | SABT Pty Ltd   | Apr 1995      | ongoing        |
|                | South Australian Finance Trust Ltd   | Apr 1995      | ongoing        |
|                | State Theatre Company of South Australia   | May 1995      | Aug 1996       |



## APPENDIX G

|                  | BOARD/COMMITTEE   | START<br>DATE | EXPIRY<br>DATE |
|------------------|---|---------------|----------------|
| Kevin Cantley    | South Australian Finance Ltd  | Aug 1994      | ongoing        |
|                  | South Australian Finance (Hong Kong) Ltd                                      | Aug 1994      | ongoing        |
|                  | South Australian Finance Trust Ltd  | Nov 1994      | ongoing        |
|                  | South Australian Investments  | Aug 1994      | ongoing        |
| Paul Ploksts     | South Australian Finance Trust Ltd  | Nov 1994      | ongoing        |
| Brian Daniels    | Local Government Association Mutual Liability Scheme                          | Sep 1989      | ongoing        |
|                  | Dept for Education and Children's Services Risk Management Steering Committee | Sep 1990      | ongoing        |
| Mick Ayre        | SA Health Commission Risk Management Steering Committee                       | Jun 1996      | ongoing        |
|                  | Department of Environment and Natural Resources Risk Working Group            | Aug 1994      | ongoing        |
| Gary Powell      | Police Superannuation Board   | Jun 1996      | ongoing        |
| Vivienne Pring   | Local Government Finance Authority of South Australia                         | Jun 1996      | ongoing        |
|                  | Lotteries Commission of South Australia (observer)                            | May 1995      | ongoing        |
| Paul Duldig      | SAGRIC International Ltd (observer)   | Jan 1996      | ongoing        |
| Robert Schwarz   | The Commonwealth—State Tax Equivalent Regime Standing Committee               | May 1994      | ongoing        |
| Kathy Moore      | Technical TER Sub-Committee   | Jul 1995      | ongoing        |
| Gino DeGennaro   | South Australian Asset Management Corporation                                 | Apr 1996      | ongoing        |
|                  | Asset Management Task Force   | Dec 1995      | Sep 1996       |
|                  | Industries Development Committee  | Feb 1996      | ongoing        |
|                  | SGIC Limited  | Sep 1995      | ongoing        |
| Joseph Ullianich | SGIC Limited  | Sep 1995      | ongoing        |
|                  | Beacon Credit Corporation Limited   | Apr 1996      | ongoing        |
|                  | Brinim Limited  | Apr 1996      | ongoing        |
|                  | Beneficial Finance Corporation Limited  | Apr 1996      | ongoing        |
|                  | Campbell Capital Limited  | Apr 1996      | ongoing        |

## APPENDIX G

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|                |   |           |           |
|----------------|---|-----------|-----------|
|                | Mortgage Acceptance Nominees Limited      | Apr 1996  | ongoing   |
|                | Pegasus Leasing Limited                   | Apr 1996  | ongoing   |
|                | South State Corporate Holdings Limited    | Apr 1996  | ongoing   |
|                | West Ration Corporate Finance Limited     | Apr 1996  | ongoing   |
| Neil Nosworthy | Government Office Accommodation Committee | Nov 1994  | Nov 1996  |
|                | Western Munno Para Development Committee  | Jul 1994  | ongoing   |
| Peter O'Neill  | Legal Services Commission                 | July 1992 | July 1998 |
| Rick Janssan   | State Supply Board                        | Oct 1995  | ongoing   |



## USE OF CONSULTANTS 1995-96

| Consultant   | Purpose of Consultancy  | Number    | Total \$       |
|--|---|-----------|----------------|
| Payments to consultants includes amounts paid and amounts payables at 30 June 1996 |   |           |                |
| <b>Below \$10000</b>   |   |           |                |
| Various  | Various   |           |                |
| <b>Subtotal</b>  |   | <b>47</b> | <b>174 715</b> |
| <b>\$10 000 - \$50 000</b>   |   |           |                |
| Accountancy Placements   | Assistance in the implementation of the Treasury Management System  |           |                |
| Arthur Andersen  | Provision of services in relation to the application of the Fringe Benefits Tax Assessment Act in respect of government agencies  |           |                |
|  | Advice in the preparation of Branch Business Plans  |           |                |
| Bankers Trust Australia  | Professional services in relation to debt management  |           |                |
|  | Professional services in relation to a Portfolio Based Framework  |           |                |
| Contract Computer Professional   | Assistance in the implementation of the Treasury Management System  |           |                |
| Computer People  | Assistance in developing an IT plan for the Department  |           |                |
|  | Integrate the Lottery and Gaming unit into STORMS   |           |                |
| Coopers and Lybrand  | Assessment of the budgetary impacts associated with fines enforcement and video recording of interviews   |           |                |
|  | Assistance with evaluating current Financial Management Reporting and Procedures, and development of a Milestone Plan for implementation of the Financial Management Improvement Plan |           |                |
|  | Development of Service Level Agreement between Corporate Services and client agencies   |           |                |

|                                  |  |
|----------------------------------|--|
| Crown Solicitors Office          | Provision of legal services for SAFA   |
| Deloitte Touche Tohmatsu         | Professional services provided and advice on the development of future budgeting processes   |
|                                  | An independent assessment of progress being made within the Department regarding the implementation of the Government Management Framework   |
| Loftus                           | Provision of technical assistance in preparing a business case to implement a common office systems infrastructure to address operation difficulties                                     |
| Oxley                            | Review of SAFA's annuity transaction with Westpac  |
|                                  | Consulting services engaged to review the Defic Companies' structured financing transaction and the implementation of unwinding the companies  |
| Peter Carrigy-Ryan               | Conduct a review of the Superannuation Office and advise on the resources and structure needed to meet the obligations of the Board under the Superannuation Acts to the scheme members  |
| Ryan Spargo Consulting           | Assist in development of branch business plans   |
| Sedgwick Noble Lowndes           | Assist in the review of SAFA's organisational structure  |
| Systems Services                 | Business Risk Analysis as part of the overall Departmental systems security framework  |
| Wayne Turner Management Services | Advise SAICORP on suitable risk management arrangements with particular emphasis on the selection of a computer based system   |
| <b>Subtotal</b>                  |  |
|                                  |  |
| <b>above \$50 000</b>            |  |
| Arthur Andersen                  | Provision of advice in the implementation of a Commonwealth TER to apply to State Government enterprises exempt from Commonwealth income and sales tax due to State Government ownership |



## APPENDIX H

|                                  |  |           |                  |
|----------------------------------|--|-----------|------------------|
| Computer People                  | Provide professional services in relation to outsourced programming for the State Taxation Office Revenue Management System (STORMS), Land Tax redevelopment, Petroleum system development and the TIMBER system |           |                  |
| Deloitte Touche Tohmatsu         | Development and quality assurance review of a Performance Monitoring System to meet the Treasurer's and Portfolio Minister's requirements under the Public Corporations Act                                      |           |                  |
| DMR Group                        | Provision of a project manager for the Treasury Management System implementation   |           |                  |
| Ernst and Young                  | Business Process redesign and assistance with the Treasury Management System implementation  |           |                  |
|                                  | Review of SAFA's transactions  |           |                  |
|                                  | Review of SA Government's banking arrangements   |           |                  |
| KPMG                             | Assistance with the Treasury Management System Implementation  |           |                  |
| Macquarie Risk Advisory Services | Professional advice on debt management   |           |                  |
| Fay Richwhite                    | Specialist assistance on outsourcing   |           |                  |
| <b>Subtotal</b>                  |  | <b>10</b> | <b>1 229 560</b> |
| <b>TOTAL</b>                     |  | <b>79</b> | <b>2 042 870</b> |

## OCCUPATIONAL HEALTH, SAFETY AND WELFARE STATISTICS

|  | 1993-94 | 1994-95 | 1995-96   |
|--|---------|---------|-----------|
| (a) The average number of employees during the period  | 378.8   | 366.9   | 407.7     |
| (b) The total number of hours worked by employees  | 642 066 | 621 895 | 691 052   |
| (c) The total number of work injuries  | 23      | 8       | 11        |
| (d) The agency's actual expenditure on OHSW programs - as a percentage of total expenditure                                  | 0.05    | 0.02    | 0.03      |
| (e) The agency's budget allocation for workers compensation claims   | 76 100  | 71 900  | 50 900    |
| (f) The total number of workers compensation claims  | 12      | 5       | 2         |
| (g) The total cost of workers compensation claims charged against an insurance fund  | 16 760  | 21 402  | 14 619.34 |
| (h) The total cost of workers compensation claims carried by the agency  | -       | -       | -         |
| (i) The total number of common law claims  | -       | -       | -         |
| (j) The total cost of common law claims  | -       | -       | -         |
| (k) The total number of employees who participated in the agency's rehabilitation program                                    | -       | -       | 1         |
| (l) The total number of employees rehabilitated back to their original work task   | -       | -       | -         |
| (m) The total number of employees rehabilitated and redeployed on to other work tasks  | -       | -       | -         |
| (n) The total number of employees still on suitable alternative duties   | -       | -       | -         |
| (o) The total number of employees who left, declared medically unfit   | -       | -       | -         |
| (p) The agency's budget allocation for property damage accidents   | -       | -       | -         |
| (q) The total number of property damage accidents  | -       | -       | -         |
| (r) The total cost of property damage accidents  | -       | -       | -         |
| (s) The number of hours of training in OHSW  | 397.5   | 390.5   | 94.5      |
| (t) The number of Health and Safety Representatives  | 4       | 3       | 7         |
| (u) The number of Health and Safety Committees   | 1       | 1       | 1         |
| (v) The number of Default Notices issued pursuant to S.35 of the <i>Occupational Health, Safety and Welfare Act 1986</i>     | -       | -       | -         |
| (w) The number of times work was stopped pursuant to S.36 of the <i>Occupational Health, Safety and Welfare Act 1986</i>     | -       | -       | -         |
| (x) The number of Improvement Notices issued pursuant to S.39 of the <i>Occupational Health, Safety and Welfare Act 1986</i> | -       | -       | -         |
| (y) The number of Prohibition Notices issued pursuant to S.40 of the <i>Occupational Health, Safety and Welfare Act 1986</i> | -       | -       | -         |



## **FREEDOM OF INFORMATION ACT 1991**

### **Information Statement of the Department of Treasury and Finance**

(FOI Agency G298)

#### **Introduction**

This statement is published in accordance with the requirements of Section 9(2) of the *Freedom of Information (FOI) Act 1991*.

Copies are available free of charge from:

FOI Contact Officer  
Department of Treasury and Finance  
Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Telephone: 8226 3598

#### **Section 1 - Structure and Functions**

Information concerning the structure and functions of Treasury and Finance is contained elsewhere in this report and is deemed to be consistent with the reporting requirements of Section 9(2)(a) of the FOI Act. Copies of the report are available from the FOI Contact Officer.

#### **Section 2 - Effect of the Agency's Functions on Members of the Public**

Many of the functions of Treasury and Finance deal with financial and economic management issues within Government. The department's responsibilities in this area impact essentially on the internal workings of other State Government departments and authorities rather than having a direct effect on the public.

However, Treasury and Finance's operations do have a more direct public impact in the following areas:

##### ***State Taxation***

Through the State Taxation Office, the department administers the following taxation legislation:

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*Business Franchise (Petroleum Products) Act 1979*

The Act provides for the licensing of wholesale (Class A licence) and retail (Class B Licence) vendors of petroleum products in South Australia with the Class A licence fee consisting of a monthly payment of \$50 plus an ad valorem component calculated by reference to the value of sales of petroleum products made by the licensee in an earlier period.

From 1 July 1995 this Act is replaced by new legislation—the *Petroleum Products Regulation Act 1995*

*Debits Tax Act 1994*

The Act came into operation on 1 July 1994 to replace the repealed *Debits Tax Act 1990*. Debits tax is charged at variable rates based on the amount withdrawn from bank accounts with a cheque drawing facility.

*Financial Institutions Duty Act 1983*

Financial institutions duty is payable at the rate of 0.065c per \$100 or \$1,200 (whichever is the lesser) on any receipt of money by a financial institution that is registered or required to be registered under the provisions of the Act.

Duty at a concessional rate (0.005 per cent) is payable by those persons who are registered as short-term money market operators for the purposes of the Act. The Act provides for certain accounts (eg charitable organisations) to be exempt from the imposition of the duty.

*Land Tax Act 1936*

Land tax is imposed under the Land Tax Act on all land in the State other than that which is specifically exempted. With minor exceptions, land tax is not payable on land used as a principal place of residence or for primary production. The tax is calculated on the aggregate of the site values in an ownership as at 30 June immediately preceding the financial year for which the tax is levied. The site values are determined by the Valuer-General.

*Pay-roll Tax Act 1971*

Employers and groups of employers are required under the provisions of the Pay-roll Tax Act to pay tax on wages and salaries paid to employees at a rate of 6.1 per cent for the period to 30 November 1994 and 6.0 per cent from 1 December 1994. From 1 December 1994, employer contributions for superannuation are included as gross wages in the calculation of pay-roll tax. Where wages and salaries are below a given level (currently \$456,000 per year), described as the threshold, pay-roll tax is not payable.

*Petroleum Products Regulation Act 1995*

This Act, in force from 1 July 1995, repeals the provisions of the *Business Franchise (Petroleum Products) Act 1979*, the *Motor Fuel Distribution Act 1973* and the *Petroleum Shortages Act 1980*. The objects of the Act were to merge and simplify licensing and other regulatory requirements applying to activities involving or related to petroleum products.



## APPENDIX J

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Monthly licence fees are charged for the wholesale sale of petroleum products at \$50 plus an ad valorem fee based on sales made during the relevant period. Annual licence fees are charged for the retail sale of petroleum products. The annual licence fee for the retail sale of petroleum products is \$125 and a fee for the keeping of petroleum products is based on the quantity and type of fuel kept.

### *Stamp Duties Act 1923*

The Stamp Duties Act provides for the payment of duty on a diverse range of instruments, the largest being duty on the conveyance of land. Duty is also levied on a number of transactions relating to rental business, insurance business, stock exchange dealings and applications to register and transfer registration of motor vehicles.

### *Taxation (Reciprocal Powers) Act 1989*

This Act provides for reciprocal powers enabling a taxation authority to conduct investigations within the jurisdiction of another taxation authority or within its own jurisdiction on behalf of another taxation authority.

### *Tobacco Products (Licensing) Act 1986*

The Tobacco Products (Licensing) Act provides for a legislative scheme under which a direct contribution to State revenue, in the form of a licence fee, is made by a consumer who takes out a consumption licence.

Consumers are relieved from the obligation to hold a consumption licence for the consumption of tobacco products obtained through a merchant in circumstances where the merchant chooses to be licensed and thus by payment of licence fees makes a contribution to State revenue on behalf of consumers. The current licence fee rate is 100 per cent.

The State Taxation Office is also responsible for the collection of contributions under the provisions of the *Phylloxera Act 1936* and the collection of duty under the *Succession Duties Act 1929* (this latter Act only applies in respect of deaths prior to 1 January 1980).

### *Superannuation*

Treasury and Finance administers several superannuation schemes:

- Two voluntary State Superannuation Schemes are administered through the State Superannuation Office (see Information Statement of the SA Superannuation Board). From 1 July 1995, a new scheme, in the Southern State Superannuation (Triple S) Scheme, also came into effect.
- The Public Sector Employees Superannuation Scheme (PSESS), provides benefits to all Government and statutory authority employees in accordance with an agreement negotiated between the Government and the United Trades and Labour Council as a result of the 3 per cent national productivity scheme. This scheme terminated on 30 June 1992 and was replaced by the Superannuation Benefit Scheme (see Information Statement of the South Australian Superannuation Board).

- Superannuation schemes for parliamentarians, judges and governors are also administered.

The department coordinates superannuation activity generally within the public sector, including the development of policy relating to superannuation issues.

### *Friendly Societies Act 1919*

The Friendly Societies Act as amended provides for the regulation and supervision of State based friendly societies. The Treasurer has delegated certain of his powers under the Act to the SA Registrar of Friendly Societies.

### *Collections for Charitable Purposes Act 1939*

Treasury and Finance administers the Collections for Charitable Purposes Act involving the licensing of charitable organisations and commercial agents to collect donations from the public.

### *Lottery Licences*

Treasury and Finance is responsible for the administration of the lottery and gaming provisions of the *Lottery and Gaming Act 1936* and Regulations, under which associations are licensed to conduct lotteries.

### *Casino Prohibition Orders*

Treasury and Finance coordinates the issue of orders by the Minister pursuant to Section 19 of the *Casino Act 1983* prohibiting persons from entering the licensed Casino.

### *Unclaimed Moneys*

Pursuant to the provisions of the *Unclaimed Moneys Act 1891*, Treasury and Finance receives from companies, unclaimed moneys exceeding \$10 in accounts which have not been operated for six years (after details of those moneys have been published in the Government Gazette for two years in succession). The Act also provides for individuals in possession of moneys for a year or upwards and of which the owner cannot be found to pay these moneys to the Treasurer. The Act empowers the Treasurer to approve the payment of claims where he is satisfied that the claimant is the rightful owner.

### *Actuarial Calculations*

Treasury and Finance performs calculations in relation to amounts payable to members of the public under a range of legislation, including:

- death claims payable from the Housing Loans Redemption Fund (pursuant to the *Housing Loans Redemption Fund Act 1962*)
- workers compensation redemption values
- maintenance payment redemption values
- surrender values payable on some friendly society policies.



### Section 3 - Arrangements for Public Participation in Policy Formulation

Avenues for the public to participate in policy development are generally limited to specific issues on which public comment is sought (eg the review of the Collections for Charitable Purposes Act and Regulations under the Lottery and Gaming Act). Such involvement would normally entail consultation with representatives of various interest groups.

However, ongoing consultation does take place with representatives of interest groups in the following areas.

#### *State Taxation*

The State Taxation Office has established consulting groups, with which meetings are held regularly to discuss a wide range of issues arising out of the administration of taxation legislation. The groups have the following membership:

- Australian Society of CPAs
- Law Society of South Australia
- Taxation Institute of Australia
- The Institute of Chartered Accountants in Australia
- Taxpayers' Association of South Australia
- The National Institute of Accountants
- The Institute of Conveyancers
- The Landbrokers Society
- The Real Estate Institute of South Australia
- The Australian Bankers' Association
- Credit Union Association of South Australia.

In addition, the State Taxation Office maintains regular contact with the following:

- The Australian Finance Conference (South Australian Division Ltd)
- South Australian Employers Chamber of Commerce and Industry
- Insurance Council of Australia (South Australian Division)
- Life Insurance Federation of Australia
- Motor Trade Association of South Australia Incorporated.

As approved by Cabinet from time to time, draft legislation is released on a confidential basis to relevant industry bodies for input before legislation is tabled in Parliament.

#### *Superannuation*

Employee representatives are included on the SA Superannuation Board (see Information Statement of the SA Superannuation Board).

## Section 4 - Description of the Kinds of Documents held by Treasury and Finance

Documents held by Treasury and Finance fall broadly into the categories described below. The bulk are available in hard copy format, although some are stored on computer or microfiche. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the Act.

(a) department files

(known as dockets), official files containing correspondence on all aspects of the department's operations

(b) taxation documents

including applications and returns required for the purpose of administering State Taxation legislation

(c) accounting records

including monthly and quarterly financial statements, and the Treasurer's annual financial statements and accounts

(d) lottery and gaming files

including applications, financial statements and other general correspondence concerning the operations of the Lottery and Gaming Unit

(e) personnel files

relating to Treasury and Finance employees

(f) superannuation files

relating to the administration of the PSESS (see also Information Statement of the SA Superannuation Board)

(g) instructions

Treasurer's Instructions<sup>(i)</sup>

(h) circulars

including:

State Taxation Office circulars<sup>(i)</sup>

Treasury circulars<sup>(i)</sup>



(i) publications/papers/reports

including:

Budget Papers<sup>(i)</sup>  
information papers  
Annual Report<sup>(ii)</sup>

(j) procedure manuals

including:

returns branch work manuals  
compliance branch investigators manual  
stamp duties office internal practice notes

(k) actuarial files

including:

registered rules of friendly societies  
audited annual financial statements of friendly societies and benefit associations  
contribution returns for the Housing Loans Redemption Fund

(i) Available for purchase

(ii) Available free of charge

## Section 5 - Access Arrangements, Procedures and Points of Contact

### *General Information*

Where possible (subject to the observance of privacy principles and confidentiality standards), information held by Treasury and Finance will be made available on an informal basis and at no charge.

Where a decision to grant access on this basis is refused, members of the public have the right to make an application under the FOI Act.

### *Personal Affairs*

Should a member of the public become aware of or detect an error in our records about his or her personal affairs, amendment to records should be possible without the need for a formal FOI application in most cases, provided that adequate supporting documentation about any error is submitted by the applicant.

Enquires should be directed to the FOI Contact Officer (telephone 8226 3598) in the first instance.

### *Making an Application*

If it is proposed to pursue a formal application under the FOI Act, either for access to information or to amend official records about personal affairs, this must be:

in writing (application forms are available from the FOI Contact Officer);

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- accompanied by the prescribed application fee (\$20 in the case of applications for access; no fee is required for applications to amend records);
- addressed to:  
FOI Contact Officer  
Department of Treasury and Finance  
GPO Box 1045  
ADELAIDE SA 5001

Before lodging an application, however, it is first advisable to discuss the matter with the FOI Contact Officer:

Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Telephone 8226 3598

9.00 am to 5.00 pm Monday to Friday

### *Processing an Application*

Under the FOI Act, Treasury and Finance is required to respond to applications for information within 45 days of receipt. If the application involves substantial search and processing time, the applicant may be required to pay a search fee of \$7.50 per quarter hour in addition to the application fee. It may be necessary to obtain an advance deposit in some cases. Reduced fees apply in some circumstances.

### *Refusal of Access/Refusal to Amend*

While the FOI Act encourages open Government through the release of documents and information, it does contain provision to refuse to deal with applications or to refuse access to documents on a range of grounds (Sections 18 and 20). The Act also provides for agencies to refuse to amend records (Section 35). A person aggrieved by such a determination may, in most cases, apply for an internal review of the decision. The Act also provides for a further right of appeal to the Ombudsman or the District Court.

### *Where to Inspect Documents*

With the exception of State Taxation Office circulars, documents available free of charge or for purchase (see Section 4) are available for inspection at:

Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Telephone 8226 3598  
9.00 am to 5.00 pm Monday to Friday



## APPENDIX J

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Taxation circulars may be inspected during the same hours at:

Ground Floor  
State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000  
Telephone 8226 3750

Enquires concerning access to other categories of documents listed should be made to the FOI Contact Officer, telephone 8226 3598.

### *Number of Requests Made*

The Department of Treasury and Finance received one enquiry in accordance with the Act during the 1995-96 financial year. This enquiry was dealt with by the department within the prescribed 45 day period.