



**Government  
of South Australia**

TRS19D1305

Hon Stephen Mullighan MP  
Member for Lee  
Unit 1, 62 Semaphore Road  
SEMAPHORE SA 5019

**Treasurer**  
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State Administration Centre  
200 Victoria Square  
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Dear Mr Mullighan

**APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991***

I refer to your application made under the *Freedom of Information Act 1991* (FOI Act), dated 13 May 2019.

Your application seeks access to:

*"All minutes, briefings and correspondence titled 'Insurance Reserves' as described on the Objective document management system, between 12 July 2018 and 13 May 2019."*

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 26 May 2019 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 1 document was identified as answering the terms of your application.

I grant you access in full to 1 document; a copy of which is enclosed.

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

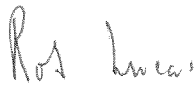
In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, Section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, Section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

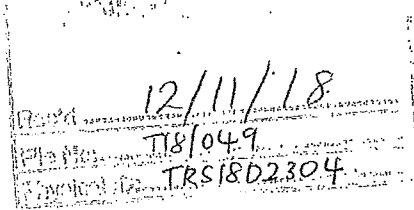
Yours sincerely



**Hon Rob Lucas MLC**  
*Principal Officer*

8 September 2019

MINUTE



Government  
of South Australia  
Department of Treasury  
and Finance

MINUTES forming ENCLOSURE

File SAF18/2121

Doc No A951673

To The Treasurer

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## INSURANCE RESERVES

Timing: ROUTINE

**Recommendations/Issues:** It is recommended that you:

- note that SAFA's Policy Manual requires SAFA to maintain its free reserves (total assets over total liabilities, expressed as a percentage) with respect to its Insurance business within a target range of 125% to 165% and to report to you if free reserves fall outside that range at 30 June and 31 December;
- note that as at 30 June 2018 free reserves were 167%;
- note that since then solvency reserves have been at or below the 165% upper range; and
- note that SAFA does not propose to take any action at this stage and will review the position again as at 31 December 2018.

Noted

A handwritten signature in black ink, appearing to read 'Rob Lucas'.

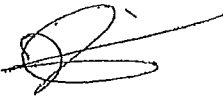
Hon Rob Lucas MLC  
Treasurer

18/11/18

## Key Points:

- SAFA's Policy Manual requires SAFA to maintain its free reserves (assets over liabilities, expressed as a percentage) with respect to its Insurance business within a target range of 125% to 165%. The rationale for this is to ensure SAFA has sufficient capital to manage the impact of events such as catastrophes, poor investment returns, reinsurance failure or poor claims experience.

- The Policy Manual states that if the free reserves at 30 June and 31 December are outside the target range, SAFA must report to the Treasurer on how it intends to respond to such a circumstance.
- The financial statements for SAFA for the year ended 30 June 2018 were finalised in September 2018. These financial statements disclosed free reserves at 167% as at 30 June 2018, ie outside the target range.
- SAFA management monitors the financial position of the Insurance Division monthly. Since 30 June 2018, free reserves have fluctuated at or below the upper limit of 165% as follows:
  - 31 July 2018 160.2%
  - 31 August 2018 163.5%
  - 30 September 2018 165.3%
  - 31 October 2018 157.1%
- The results as at 31 October 2018 included a provision for distributions, payable into General Revenue in relation to the current and previous financial years.
- Given the level of free reserves is presently within the target range, it is recommended that SAFA takes no action at this point and reviews the position as at 31 December 2018.



Tim Burfield  
ACTING GENERAL MANAGER, SAFA

12 November 2018

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