



		Department of Treasury and Finance		
		<b>Annual Report</b>		
		<b>1999/2000</b>		

# Annual Report

1999/2000

---

**Letter of Transmittal** 1

---

**Under Treasurer's Report** 2

---

**The Role of Treasury and Finance** 4

---

**The Year in Review**

The GST 5

Electricity reforms 6

The Budget process 7

Other highlights 7

---

**Ensuring Accountability for Public Sector Resources**

Economics Branch 8

Finance Branch 11

Electricity Reform and Sales Unit 14

---

**Financial Service Provision**

RevenueSA 18

South Australian Government

Financing Authority 23

Super SA 25

South Australian Government

Captive Insurance Corporation 27

Corporate Services 29

---

**Financial Performance**

Financial Overview 34

Business Assurance 39

Operating Statement 41

Statement of Financial Position 42

Statement of Cash Flows 43

Outputs Schedule of Department's

Expenses and Revenues 44

Notes to and forming part of the

Financial Statements 47

Independent Audit Report 59

---

**Appendices**

1. Treasury and Finance  
Department Structure 60

2. Acts Committed to the Treasurer  
as at 30 June 2000 63

3. Legislative Measures 65

4. Profile of Remuneration Levels  
as at 30 June 2000 69

5. Boards and Committees Administered  
by DTF as at 30 June 2000 70

6. Use of Consultants 71

7. Occupational Health and Safety Statistics 73

8. Freedom of Information Statement 75

9. Year 2000 Compliance 80

10. Overseas Travel 1999-2000 82

11. Revenue Collections by RevenueSA 83





## **DEPARTMENT OF TREASURY AND FINANCE**

State Administration Centre  
200 Victoria Square East  
Adelaide, South Australia 5000  
GPO Box 1045 Adelaide SA 5001

Telephone (08) 8226 9500  
Facsimile (08) 8211 7755

[www.treasury.sa.gov.au](http://www.treasury.sa.gov.au)



## DEPARTMENT OF TREASURY AND FINANCE

State Administration Centre  
200 Victoria Square East  
Adelaide 5000

GPO Box 1045  
Adelaide SA 5001  
DX56205

Telephone (08) 8226 9500  
Facsimile (08) 8211 7755

29 September 2000

The Honourable Robert Lucas, MLC  
Treasurer of South Australia

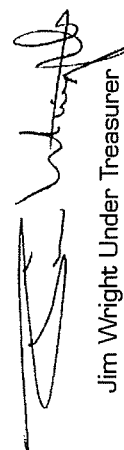
Dear Treasurer,

I hereby forward to you the Annual Report of the Department of Treasury and Finance for 1999–2000 in accordance with Section 66 of the Public Sector Management Act, 1995.

Yours sincerely,

Jim Wright  
UNDER TREASURER



  
Jim Wright Under Treasurer

I took up the position of Under Treasurer in September 1999 and became part of a department operating both effectively and efficiently, thanks in no small part to the efforts of John Hill in his 13 months as Acting Under Treasurer. I would like to personally thank John for his work and all the staff who supported him. I have been greatly impressed by the dedication and genuine enthusiasm shown by the Treasury and Finance team, despite the often heavy workloads and demanding schedules.

The year under review was again one of significant change in a number of areas, with four specific projects dominating.

Electricity reform was a major focus following the passage of legislation in June 1999 allowing for the lease of the State's electricity assets. The work required to ensure the State received the maximum return from these assets in a time of declining market interest in infrastructure assets was complex and intensive, with many tight timelines. In this context, the achievements of the Electricity Reform and Sales Unit highlighted in this report were outstanding.

On a broader front, staff across the department were involved in ensuring the South Australian Government made a smooth transition to Australia's new taxation system. Major work included changes in legislation for State taxes such as FID, the introduction of the First Home Owners Grant, and negotiations under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.

However, the main focus was on the implementation of the Goods and Services Tax. This involved coordinating the development of compliant financial systems and procedures across government, training staff, providing advice on complex matters of tax administration, and liaising with the Australian Taxation Office for the resolution of detailed tax issues on behalf of all government agencies.

While this GST work unfolded, the department also completed its annual job of producing the Budget for the Government. The year saw a consolidation and refinement of the reforms introduced over the previous two years, with particular efforts made to link the priority setting elements of the budgeting process with the Government's strategic direction as articulated in Directions for SA 2000-01. An ongoing challenge remains the appropriateness of the accounting standards and presentation of the annual Budget. At present, each jurisdiction around Australia approaches this issue differently, leading to comparisons of Budget results that are confusing and potentially misleading.

The final project I would like to mention is the implementation of the Fixed Property Component of the Emergency Services Levy by RevenueSA. With over 750,000 properties covered, and a range of rebates and remissions involved, this required a substantial investment of time and energy to ensure the first billing round was completed within the Government's timetable. The staff's efforts are greatly appreciated.

Within the department, we concentrated during the year on a number of issues arising from the priorities set out in our 1999-2000 Corporate Plan in relation to developing the capacity of the organisation to meet its business objectives. I would like to mention three of these.

Firstly, we actively invested in the development of management and leadership skills by encouraging and sponsoring 20 participants in the LeadershipSA program and implementing tailor-made initiatives within individual branches. The results will become apparent in the next few years as our skills in managing staff improve.

Secondly, a number of strategies have been instigated to remove barriers to the appointment of women in senior positions within the department. The Women's Development Group developed these after extensive consultation and review. This is an area where progress will depend on goodwill and a maintenance of effort by all staff.

Finally, a major effort has been made to improve the department's financial management reporting. This has involved substantial remodelling of the financial systems and improvements to data integrity. The result of this investment is expected to be fully realised in 2000-01 and beyond.

It needs to be recognised that the core function of treasury departments is to support measures and procedures that ensure accountability of government agencies to Ministers and Cabinet for their performance. This accountability extends to both financial and non-financial performance. The main difference between public and private sector agencies is that the market typically ensures accountability for private sector agencies. Public sector agencies must be accountable to Ministers and Cabinet and it is a treasury role to ensure that Ministers and Cabinet have access to all relevant information and advice when making judgements about agency performance. Consequently Treasury and Finance must maintain and improve its capacity to provide information and policy advice in this context.

**Jim Wright**  
UNDER TREASURER

## The department

The Department of Treasury and Finance is the lead agency supporting the Government's key economic and financial policy outcomes through the provision of advice and coordination of resource allocation for Government programs. It also provides financial services to the Government and the community, covering asset and liability management, collection of State taxes and insurance and superannuation administration.

The organisation is made up of a diverse group of dedicated people with a wide range of skills, including economics, finance, accounting, business services, insurance, superannuation and management.

## The vision

To be an organisation respected for the quality and integrity of our advice, the standard of public sector financial management and the level of service we deliver to our clients.

## The purpose

To provide economic and policy advice and financial services to, and on behalf of, the Government of South Australia, to strengthen the State finances and the South Australian economy. This is done by providing economic, policy and financial advice, by managing the whole-of-government financial management processes and by providing finance-related services.

## Major clients

### Government

Treasury and Finance's principal clients are the Treasurer and, through the Treasurer, the Government for our work in administering and coordinating the State Government's finances, providing a range of financial services and providing policy analysis and advice.

### Government agencies

In addition to administering and coordinating the Government's requirements across agencies, the department delivers a range of services, including advice and technical support, to all portfolio groups, State agencies and government businesses.

### SA community

The broader community, through the elected Government and Parliament, is the ultimate client. Treasury and Finance has direct dealings with a range of community members, including taxpayers and their representatives, members of superannuation schemes and the business community generally.

## Strategic directions

The department supports the achievement of the following outcomes for the State of South Australia:

- Strengthened State economy
- Strengthened State finances
- Improved services

This is done by *Ensuring Accountability for Public Sector Resources* and through *Financial Service Provision* to the Government.



Preparing for the introduction of Australia's new Goods and Services Tax (GST) and coordinating the disposal of the electricity assets were the biggest activities for Treasury and Finance during 1999–2000.

As highlighted below, the department took the lead role in two key areas: helping public sector agencies become GST-ready by providing policy advice and developing tailored training programs; and working with other States and the Australian Taxation Office to develop and implement the often complex policies and procedures.

At the same time staff were heavily involved with two of the State Government's major initiatives – the ongoing reform of the electricity market and the introduction of the Emergency Services Levy – and with the consolidation of the new Budget process introduced in 1998–99.

These activities were in line with the key operational priority for the year – to support the government's reform programs – and with the four strategies set down to address this priority:

- implement electricity lease and market reforms and National Competition Policy;
- implement national taxation reform initiatives in South Australia;
- implement the Goods and Services Tax within the South Australian Government;
- implement the Government's medium-term Budget objectives.

Internally, the department's branches introduced or consolidated a number of initiatives in line with the key corporate priorities, which were to:

- strengthen the leadership role of Treasury and Finance to add value to the work of Government and individual agencies;
- provide leadership to our people;
- manage our resources effectively to meet competing demands.

## The GST

A seven person team established within Finance Branch coordinated the department's GST Administration Project, working closely with the Financial Application Systems Team.

At the same time, Economics Branch, together with RevenueSA, took responsibility for ensuring that South Australia made the necessary legislative changes to meet its obligations under the new tax regime and to conform with the requirements of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*. [See the Economics Branch report, beginning on page 8.]

RevenueSA successfully implemented the \$7,000 First Home Owner Grant for eligible homebuyers. This involved building a national information system and the development of comprehensive regulations, in which SA took the lead role.

The communication, training and advisory project was one of the most comprehensive run in the public sector for some time. It succeeded in its primary aims of raising awareness about the GST and assisting agencies to develop appropriate systems, frameworks and procedures and to train personnel.

The team also set up formal links with the Australian Taxation Office to quickly resolve issues as they arose and represented South Australia on the Treasuries Interstate Working Group which met regularly throughout the year.

In all, the team developed and ran training programs for more than 16,000 people, ranging from basic introductory talks to more complex sessions dealing with issues of tax administration. In addition, it set up a web site and a help desk and produced 16 newsletters and guides.

This project is expected to continue into 2000–01, as agencies bed down their new systems and carry out post-implementation and compliance reviews.

## Electricity reforms

Following the passage in June 1999 of legislation enabling the Government's asset disposal program to proceed, efforts have focused on the staged leasing of the major electricity assets in accordance with an established timetable. During the year:

- The Electricity Reform and Sales Unit (ERSU) managed the disposal of the stapled retail/distribution business ETSA Power/ETSA Utilities and generation companies Optima and Synergen, achieving gross proceeds of around \$3.9 billion.
- ERUS began the disposal process for the remaining electricity assets-generating company Flinders Power, gas trading business Terra Gas trader and transmission business ElectraNet SA. This is due to be completed in 2000–01.
- The South Australian Government Financing Authority (SAFA) applied electricity lease proceeds towards the retirement of State debt through meeting maturities as they fell due and early repayment of securities where it was economically feasible to do so. Around \$2.4 billion of lease proceeds were applied to debt retirement between 28 January and 30 June 2000.

The subsequent completion of the disposals of generator Flinders Power to NRG Energy in August 2000, and the transmission network Electranet to a consortium comprising Macquarie Bank Limited, Powerlink and ABB in September 2000, lifted total proceeds to \$5.3 billion.

In conjunction with the disposal program, a full regulatory regime for the reformed industry has been introduced, including a range of codes, licences and service standards intended to safeguard the interests of consumers and maintain and improve standards and conditions of service and supply.

The regulatory regime includes an Independent Industry Regulator, Electricity Supply Industry Planning Council, Electricity Industry Ombudsman and Technical Regulator.

Development of the electricity market in South Australia has continued, including the entry of additional generating capacity and the extension of contestability to electricity consumers.

For further details, refer to the Electricity Reform and Sales Unit report, beginning on page 14.

## Emergency Services Levy

Revenue SA is responsible for collecting the fixed property component of the State Government's new Emergency Services Levy, which was introduced during the year.

The fixed property component includes 520,000 ownerships, covering 750,000 different properties. Contracts were negotiated with the private sector for the major processing functions, to build the necessary information system, and to introduce a call centre function.

The levy was collected as part of the property settlement process from 1 July 1999 and through billing, which commenced in October and was subject to further remissions promulgated in November.

As at 30 June 2000, \$70.6 million had been billed and \$64.6 million collected. The gross amount transferred to the Community Emergency Services Fund was about \$89.3 million, including government money provided in relation to pensioner remissions, general remissions and single farming enterprise remissions.

Additionally, RevenueSA staff handled up to 1,800 telephone enquiries a day.

## The Budget process

Further significant progress was made in improving the effectiveness of the Budget process during the year, building on the significant reforms of the previous two years.

The development of the 2000–01 Budget reflected whole-of-government strategic directions, primarily by linking the development of the *Directions for SA 2000–01* strategies with the priority setting elements of the Budget process. The linkage between portfolio initiatives, service delivery and government strategy is illustrated in each Portfolio Statement within the 2000–01 Budget papers.

The 2000–01 Budget also saw the introduction of improved outputs and measures for each portfolio, along with full accrual financial statements. The development of these statements was advanced during 1999–2000 and will be subject to continuous improvement during 2000–01.

The requirements under accounting standard AAS31 to produce 1998–99 consolidated financial statements for the whole of government were met, but the late receipt of audited data from some agencies resulted in the statements not being finalised until early 2000. Treasury and Finance is examining ways to streamline the process in the future.

## Other highlights

- Adelaide Festival Centre and TransAdelaide were corporatised and plans for the corporatisation of ForestrySA and Public Trustee were commenced.
- A total of \$24.9 million in unpaid taxes was determined and \$20 million was collected as a result of 44 major compliance programs run by RevenueSA.
- SAFA conducted a study to determine the most appropriate debt management framework in the State's post-debt retirement era.
- The number of members making personal contributions to the main State Public Sector Scheme, Triple S, increased by 34.5% to 12,360.
- A new investment strategy was implemented for SAICORP.
- Year 2000 compliance issues were addressed in a coordinated effort across the department.

## Economics Branch

The Economics Branch is one of three branches responsible for Ensuring Accountability for Public Sector Resources. It played an important role in achieving Treasury and Finance's 1999–2000 objectives of:

- establishing medium to long-term economic and fiscal policy to lift the State's economic performance and strengthen the State's finances;
- ensuring revenue is raised in an equitable manner, with least cost to economic efficiency and in ways which are competitive with other jurisdictions and supportive of economic development;
- ensuring a fair and equitable share of Commonwealth funding for the State.

Specifically, the Economics Branch provides economic policy advice at a whole-of-government level on revenue issues (including taxation policy and intergovernmental financial relations), microeconomic reform, national competition policy and the economic and financial environment in South Australia.

### GST implementation

As highlighted in The Year in Review, Economics Branch played the key role in the task of ensuring South Australia's legislative compliance with the requirements of the new Goods and Services Tax and with the *Intergovernmental Agreement on the Reform of Commonwealth – State Financial Relations* (IGA).

The IGA contains an explicit stipulation that horizontal fiscal equalisation will be used to distribute GST revenues among the States. This is a significant advance on the former situation, where the use of equalisation for financial assistance grants had no continuing legislative or formal basis.

South Australia's undertakings in relation to the IGA were implemented in time for the introduction of the GST on 1 July 2000. This included measures requiring State and local government bodies to comply with the GST in those instances where the imposition of the GST by Commonwealth law would be unconstitutional.

In addition:

- State taxation legislation was amended to accommodate GST-related changes, including: adjusting gambling tax rates to make room for the GST; amending some tax bases to allow State taxes to be collected on GST inclusive values; abolishing off-road diesel subsidies from 1 July 2000 and financial institutions duty and stamp duty on quoted marketable securities from 1 July 2001.
- The Division 81 determination of GST-exempt government taxes, fees and charges was negotiated. A range of South Australian taxes, fees and charges will be GST-exempt as a result of this determination, which was endorsed by the Ministerial Council for Commonwealth-State Financial Relations and gazetted by the Commonwealth Government on 1 March 2000. The Ministerial Council, comprising the Commonwealth, State and Territory Treasurers, was established to oversee the operation of the IGA as part of the Commonwealth's new tax system, and met for the first time in March 2000.

### Commonwealth grants

Economics Branch coordinated submissions and briefing material for the Commonwealth Grants Commission's 2000–01 recommendations – the first under GST-based Commonwealth-State financial arrangements.

The equalisation component of Commonwealth grants (the amount above per capita share) is estimated to be worth some \$400 million to South Australia in 2000–01. To maintain grant shares at appropriate levels, the CGC needs to be fully informed of the State's expenditure needs and revenue raising disadvantages.

## Economics Branch

Branch officers also participated in an intergovernmental working party on specific purpose payments and distributed to agencies a set of "best practice" guidelines for use in future negotiations. Additionally, briefing material was prepared for the Ministerial Council meeting (which replaced the annual Premiers' Conference), Heads of Treasuries meetings, reports for Loan Council and Leaders Forums.

### National Competition Policy

Progress was made towards completing the scheduled legislative reviews required under National Competition Policy (NCP). Some minor reviews were completed, with work continuing on the remaining major reviews.

A considerable amount of work was undertaken in relation to the review of the *Petroleum Products Regulation Act*, in conjunction with the Department for Administrative and Information Services. A comprehensive issues paper was released for public comment and several submissions were received.

The branch provided advice to the Department of the Premier and Cabinet and the Attorney-General's Department on a broad range of competition policy issues, including the review of the NCP and the National Competition Council (NCC). Officers also worked closely with Finance Branch in relation to competitive neutrality policy issues, including providing advice to agencies regarding identification of significant business activities.

### Gambling inquiry

A submission to the Productivity Commission's Inquiry into Australia's Gambling Industries was prepared, demonstrating that current exclusivity arrangements for various gambling operators in this State provide benefits that outweigh any costs associated with the restriction on competition. These include social benefits, harm minimisation measures, efficient probity checks, regional development and revenue generation.

The submission covered the substantive policy matters requiring consideration under NCP, but it is the South Australian Government's view that gambling is a social policy matter best considered by Parliament rather than a competition policy issue for assessment by the NCC.

### Casino sale

Preparatory to the sale of the Adelaide Casino, the terms of licensing and taxing arrangements were determined and incorporated in legal documentation in the form of a licensing agreement and a duty agreement. This enabled the casino licence to be issued to Adelaide Casino Pty Ltd.

### Policy advice

In addition to its on-going role in monitoring and analysing the State, national and international economic environment and trends, the Economics Branch provided economic advice on a range of policy issues, including contributions on several whole-of-government issues covering the environment (greenhouse and salinity), social policy (welfare) and economic policy (tariffs).

Branch officers coordinated and prepared briefs for reviews by major credit rating agencies. The financial facts speak for themselves and it is pleasing to note that the State's credit rating from Standard and Poor's was upgraded from AA to AA+.

In addition, more than 170 briefs analysing major economic statistics were prepared for the Treasurer and distributed to more than 100 people in State government agencies.

## Economics Branch

### Working with staff

Economics Branch introduced formal staff performance appraisals during the year, following discussions between management and staff.

A working group was convened to consider staff development issues and the performance appraisal report incorporates provision for identification of aspects in which further development is necessary or desirable.

Support was provided to staff undertaking graduate studies and officers also attended several workshops and presentations, helping to raise the already high standard of the branch's analytical work.

### The year ahead

Implementation of the GST and associated arrangements, gambling policy, the development of a National Tax Equivalent Regime, Commonwealth Grants Commission inquiries and National Competition Policy are expected to be major issues during 2000–01.

Specifically, the branch will be involved with the following activities.

- Bedding down new Commonwealth-State funding and taxing arrangements in the inaugural GST year.
- The Ministerial Council on Gambling.
- Reciprocal tax initiatives and the National Income Tax Equivalent Regime (NITER).
- Providing policy advice on tax and regulatory issues associated with the sale of gambling assets such as the TAB and Lotteries Commission.
- Commonwealth Grants Commission consultations in respect of grant recommendations for 2001–02 and Commission inquiries into indigenous funding and local government finances.
- Completing legislative reviews and providing advice in relation to NCP, including competitive neutrality policy.
- Reviewing methods for forecasting major economic parameters with a view to improving the robustness of the analysis undertaken.

## Finance Branch

The Finance Branch is one of three branches responsible for Ensuring Accountability for Public Sector Resources and played an important role in achieving Treasury and Finance's 1999-2000 objectives of:

- establishing medium to long-term economic and fiscal policy to lift the State's economic performance and strengthen the State's finances;
- ensuring sustainable outlays in aggregate over the long term, with no borrowings to meet current expenditure needs;
- achieving the lowest possible economic cost of outstanding debt consistent with agreed risk tolerances;
- ensuring client needs are integrated into the delivery of services.

Specifically, the Finance Branch manages the State Budget process, provides policy advice on budgetary and financial issues, monitors the financial performance of government and its businesses, provides advice on government reform issues, and facilitates best practice resource management across government.

## Major activities

The Finance Branch's major projects for the year – preparing public sector agencies for the GST and the ongoing reform of the State's Budget process – are highlighted in The Year in Review section.

As well as these activities, and the others set out below, the recently-created branch consolidated its structure in the first half of the year, including the recruitment of more than 30 new staff from outside the department. Emphasis then was placed on a number of key human resource initiatives:

- change awareness workshops to clarify the new structure and processes required to make the branch successful;
- directorate team development sessions to focus the teams on their contribution to the branch and departmental business plans;
- performance discussions for all members of the branch to set goals and targets for the coming year and associated behaviour and skills;
- use of 360° degree feedback instruments to provide directors with clear feedback on their achievements to date and the opportunities for improving in the coming year;
- formation of a number of business improvement project teams to help staff develop new skills.

## Commercialisation and corporatisation reforms

Competitive neutrality principles are being implemented throughout the public sector. These reforms focus on achieving full cost attribution in the pricing of services through corporatisation, commercialisation or cost reflective pricing, depending on the assessed benefits of implementation.

Thirty-one government businesses with revenue greater than \$2 million or assets greater than \$20 million (Category 1 significant) have been gazetted. During the year:

- corporatisation of the Adelaide Festival Centre Trust and TransAdelaide was completed;
- recommendations for the corporatisation of Public Trustee and Forestry SA were endorsed and work began on the implementation plans;
- work proceeded on the commercialisation of West Beach Trust, Enfield General Cemetery Trust and the Police Security Services Division of the South Australian Police;
- work on competitive neutrality reviews and reforms was completed for the remaining seven Category 1 businesses and implementation will commence once Cabinet approval is received.

## Finance Branch

In addition, the Government has gazetted a further 17 business activities with annual revenue of \$2 million or less and assets valued at \$20 million or less (Category 2 significant). A review has found that cost reflective pricing is the most cost-effective way for these businesses to meet the competitive neutrality requirements. Implementation work will begin once Cabinet approval is received.

### Capital investment

Work on improving the capital investment process is ongoing. A significant outcome this year was the development within Treasury and Finance of a database containing the capital investment programs of all portfolios. This provides a comprehensive listing of projects included in portfolio programs and can be updated electronically. It will underpin Treasury advice on capital expenditure priorities.

### Financial management systems

The ongoing rationalisation of Treasury and Finance's data requirements saw two important initiatives during the year.

- One data collection for agency actual financial results replaced the multiple collections of previous years.
- The Hyperion Enterprise package was used successfully in a trial for collecting data and transmitting both data and software upgrades electronically between Treasury and Finance and other agencies. Further roll out of the package to agencies will proceed once the review of the department's data requirements is finalised.

### Financial management legislation

The review of the State's financial management legislation continued during the year, with considerable progress made in reviewing reporting provisions of the *Public Finance and Audit Act*.

The ongoing improvement of financial legislation will be further facilitated by the review of deposit account and appropriation arrangements, culminating in proposed legislative amendment in the second half of 2000-01. This review seeks to embed some of the improvements witnessed over the last few years in financial management.

Work on the roll out of the Financial Management Framework continued during the year, including a review of the Stage 1 implementation in agencies. The Treasurer's Instructions also were reviewed to incorporate necessary changes arising from the GST implementation.

### Working with staff

As well as the human resource issues previously referred to in relation to the bedding down of the branch's new structure, a number of initiatives were undertaken with the aim of minimising leave liability and the number of sick leave days employees need to take. These included:

- introducing an overtime policy to minimise undue stress during peak workload periods;
- active management of leave liability to ensure all staff use their leave entitlements in a timely manner;
- developing a consolidated management reporting tool that gives directors and other managers management information on leave and sick days per employee.



## Finance Branch

### The year ahead

Major issues and strategies for 2000–01 will include the following:

- Undertaking a review of the Budget development process to ensure it provides the appropriate support for the Treasurer and Cabinet.
- Undertaking a significant review of financial and non-financial performance monitoring.
- Reviewing the Financial Management Framework to ensure it supports best practice government management.
- Reviewing government financial management systems.
- Managing the implementation of Cabinet-approved commercialisation and corporatisation reforms.

## Electricity Reform and Sales Unit

The Electricity Reform and Sales Unit (ERSU) is one of three branches responsible for Ensuring accountability for Public Sector Resources. It played an important role in achieving Treasury and Finance's objectives of 1999–2000:

- establishing medium to long-term economic and fiscal policy to lift the State's economic performance and strengthen the State's finances;
- maintaining and improving the Government's net worth over time while minimising risk exposure.

Specifically, ERSU is responsible for coordinating and managing the implementation of the Government's electricity reform strategy in the context of the National Electricity Market (NEM) and the National Competition Policy. During the year, it worked with a team of consultants, headed by lead advisers Morgan Stanley Dean Witter and Pacific Road Corporate Finance.

### Disposal program

As highlighted in The Year in Review, ERSU managed the orderly divestment of government-owned electricity assets during the year in accordance with the State Government's established timetable. This included:

- the long-term lease of the distribution business ETSA Utilities and sale of the retail business ETSA Power to a consortium comprising CKI Holdings and Hongkong Electric, with the retail business immediately on-sold to AGL (SA);
- the long-term lease of the Torrens Island Power Station (trading as Optima Energy) to TXU Australia;
- the long-term lease of the peaking generation business (trading as Synergen) to National Power;
- commencement of the disposal process for the generation business Flinders Power, gas trading business Terra Gas trader and transmission business ElectraNet SA.

Since June 30, the long term leases of Flinders Power and ElectraNet have been announced at a combined value of \$1.4 billion, including unfunded superannuation liabilities.

The key milestones in this process are outlined in Table I overleaf.

## Electricity Reform and Sales Unit

Table I – Electricity Privatisation Timetable 1999–2000

Month	Task
June 1999	<ul style="list-style-type: none"><li>• Expressions of Interest sought for ETSA Utilities and ETSA Power</li></ul>
August	<ul style="list-style-type: none"><li>• Distribution of Information Memoranda for ETSA Utilities and ETSA Power</li></ul>
September	<ul style="list-style-type: none"><li>• Shortlisting of bidders for ETSA Utilities and ETSA Power</li></ul>
October	<ul style="list-style-type: none"><li>• Expressions of Interest sought for Optima Energy, Synergen, Flinders Power and Terra Gas trader</li></ul>
December	<ul style="list-style-type: none"><li>• Announcement of CKI/Hongkong Electric as the successful bidder for ETSA Utilities and ETSA Power</li><li>• Distribution of Information Memoranda for Optima Energy and Synergen</li></ul>
January 2000	<ul style="list-style-type: none"><li>• Completion of privatisation of ETSA Utilities and ETSA Power (with ETSA Power immediately on-sold to AGL)</li></ul>
February	<ul style="list-style-type: none"><li>• Shortlisting of bidders for Optima Energy and Synergen</li></ul>
March	<ul style="list-style-type: none"><li>• Distribution of Information Memoranda for Flinders Power and Terra Gas trader</li></ul>
April	<ul style="list-style-type: none"><li>• Expressions of Interest sought for ElectraNet SA</li></ul>
May	<ul style="list-style-type: none"><li>• Announcement of Texas Utilities as successful bidder for Optima Energy</li><li>• Announcement of National Power as successful bidder for Synergen</li></ul>
June	<ul style="list-style-type: none"><li>• Completion of privatisation of Optima Energy and Synergen</li><li>• Shortlisting of bidders for Flinders Power and Terra Gas trader</li><li>• Distribution of Information Memorandum for ElectraNet SA</li></ul>
July	<ul style="list-style-type: none"><li>• Lodgement of required information by bidders for ElectraNet SA</li></ul>
August	<ul style="list-style-type: none"><li>• Announcement of NRG as the successful bidder for Flinders Power</li></ul>

The disposals completed to 30 June 2000 brought proceeds of some \$3.9 billion – with net proceeds being applied to the reduction of State debt – and have achieved risk transfer outcomes consistent with the Government's objectives.

Commensurate with a task of this magnitude, ERSU has successfully coordinated the range of extensive documentation and due diligence processes, as well as confidentiality and probity requirements necessary to support the disposal process. It also monitored the financial and operating performance of each of the electricity businesses prior to disposal.

In addition, ERSU managed the contractual and legal liabilities, obligations and exposures of the various residual and lessor corporations created in the long-term leasing of the major electricity assets. This will occur until final arrangements are made for ongoing management of residual entities.

## Electricity Reform and Sales Unit

### Regulatory regime

The successful passage of the *Independent Industry Regulator Act* and amendments to the *Electricity Act* in August 1999 enabled the introduction of a new regulatory regime for the South Australian electricity industry, featuring an Independent Industry Regulator, Electricity Supply Industry Planning Council, Electricity Industry Ombudsman and Technical Regulator.

The new regime commenced in October 1999 with the introduction of licences and standards for the industry administered by the Independent Industry Regulator, together with a series of codes governing transmission, distribution, retail and metering activities. A pricing order also was introduced to regulate network charges and tariffs for non-contestable and "grace period" customers.

The Treasurer acted as interim Industry Regulator until the appointment of Mr Lew Owens as the first full-time Independent Industry Regulator on 1 January 2000, for a term of six years. His prime responsibilities are to regulate network and franchise pricing, monitor and enforce service standards and supply performance, and promote competitive conduct in the market.

The Electricity Supply Industry Planning Council was created in October 1999 as a key advisory body on electricity capacity issues, reflecting the continuing need for reliability of supply within a disaggregated industry. The Council, comprising industry and independent representatives, was appointed in November 1999, and a General Manager and key staff were recruited during the year.

The Electricity Industry Ombudsman scheme was established to assist in resolving customer complaints in the electricity supply industry. Its Board is also comprised of industry and independent representatives, with an independent Chair. Mr Nick Hakof was appointed Ombudsman for a three-year term from 4 January 2000.

The Technical Regulator remains responsible under the new regulatory regime for monitoring and regulating safety and technical standards and administering the vegetation clearance provisions under the *Electricity Act*.

### National Electricity Market

The National Electricity Market (NEM) has continued to evolve since commencing operation across the participating jurisdictions in late 1998. Reflecting this, ERSU participated in a number of key reviews into various aspects of the NEM during the year, with a view to enhancing market operation and performance.

These included reviews into the scope for integrating the energy market and network services, NEM governance and liability arrangements, market system and operation issues, unregulated interconnector methodology, the new market test for regulated interconnectors and the market price cap (also known as VoLL).

As lead legislator, South Australia also continued to administer the National Electricity Law, which gives effect to the National Electricity Code as the primary body of market rules and establishes the National Electricity Market Management Company (NEMMCO) and National Electricity Code Administrator (NECA) as the bodies responsible for managing the operation and conduct of the market.

At the retail level, competition is being progressively introduced through a contestability timetable that progressively entitles electricity consumers to choose their retail supplier, supported by grace period tariffs which provide customers with a period of transition to the new retail supply arrangements.

From January 2000, the annual consumption threshold was lowered to 160MWh, bringing the total number of South Australian customers eligible to choose their retail supplier to over 2,600. South Australia has also actively participated in decision making processes at the national level to support the introduction of arrangements to ultimately enable all power users to become contestable in the market.

## Electricity Reform and Sales Unit

During the year, ERSU also finalised and secured the ACCC's authorisation of electricity vesting arrangements between the generation and retail businesses designed to address market power issues, provide revenue stability and support a smooth transition to the new market environment. To complement these arrangements, gas vesting contracts have also been put in place between the relevant entities.

The development of new capacity options, such as the construction of privately funded generation at Pelican Point (500MW), new generation at Ladbroke Grove in the State's South East (80MW), interconnector proposals, and other prospective projects, should help address the need for additional capacity and further encourage the development of the market.

ERSU played a key role in this respect by assisting in the development approval process for entrepreneurial investments. In particular, it has acted as the "sponsor" agency to enable the 200MW underground interconnect proposal known as Murraylink (being pursued as an unregulated investment) to have access to Crown Development status, and the prospect of an accelerated approval timeframe.

## Broader energy reforms

Given the importance of gas supplies as a primary energy source in South Australia, particularly in electricity generation, ERSU contributed to broader energy reforms through active involvement in gas supply policy issues during the year. This included detailed investigation of the future demand and supply outlook in the South Australian gas market.

This culminated in the commencement of a process to encourage private sector investment in new gas supply options for South Australia through the release of a Request for Submissions on 16 June 2000. This was issued as the first stage of a process to meet the Government's objectives of improved security of supply, enhanced competitiveness and industry development objectives. It has attracted interest from major local and international players across the gas industry.

ERSU has acted as the lead agency in coordinating this process and is continuing to act as a central point of contact within government for potential proponents. The subsequent stages of this process form a key priority for the coming year.

## The year ahead

Strategic priorities for 2000-01 include the following.

- Completing the disposal program for the remaining government-owned electricity assets.
- Promoting the development of a competitive electricity market in South Australia.
- Contributing to the development of broader energy reforms.

## RevenueSA

RevenueSA is one of five branches responsible for financial service provision within the Treasury and Finance portfolio. It played an important role in achieving Treasury and Finance's 1999-2000 objectives of:

- ensuring revenue is raised in a equitable manner, with least cost to economic efficiency and in ways which are competitive with other jurisdictions and supportive of economic development;
- ensuring client needs are integrated into the delivery of services.

Specifically, RevenueSA is responsible for:

- providing policy advice on taxation issues;
- managing taxation legislation, revenue systems and compliance functions to enable the Government to raise revenue for funding services;
- the administration of government incentive schemes to specific targeted groups such as exporters, employers of young people and housing developers;
- involvement with industry assistance packages such as tax relief on corporate reconstructions;
- collecting the fixed property component of the Emergency Services Levy;
- regulation of small lotteries and trade promotion functions under the *Lotteries and Gaming Act 1936* and administration of the *Collections for Charitable Purposes Act 1939*;
- administration of subsidy schemes (Petroleum Subsidy Scheme and First Home Owner Grant).

## Major activities

During the year, RevenueSA collected \$1.7 billion, with a cost of collection of 67 cents per \$100. More than \$24 million in unpaid taxes was determined and \$20 million was collected as a result of 44 major compliance programs.

As highlighted in the Year in Review, RevenueSA also successfully implemented a program for collecting the fixed property component of the State Government's new Emergency Services Levy and requirements relating to GST implementation.

## Compliance programs

The revenue detected for the year was \$24.903 million (exceeding the target of \$23 million) and \$20.017 million was collected. See Table II, overleaf, "Summary of Compliance Activity" and Figure 1, below, "Revenue Determined by Tax Head".

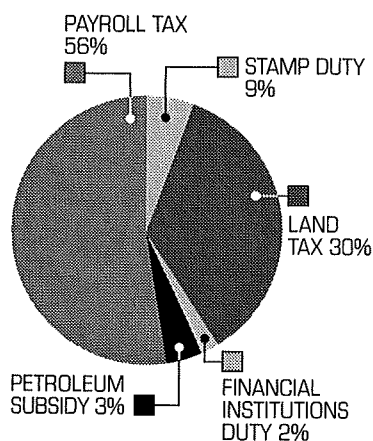


FIGURE 1

Revenue determined by Tax Head  
Total determined - \$24.9M

## RevenueSA

Major compliance programs were conducted in the areas of pay-roll tax (medical practitioners), stamp duty (conveyance) and petroleum subsidy claims. Information technology based datamatching and targeted investigations form the basis of most compliance programs. Results of datamatching with external pay-roll information resulted in approximately 300 unregistered entities being detected, with revenue of over \$2 million determined to date as part of the overall amount determined. Further datamatching routines in the areas of pay-roll tax and stamp duty are being created, based on a system originally developed by the Victorian State Revenue Office.

Table II – Summary of Compliance Activity

Tax Head	Target \$	Revenue Detected \$	Revenue Collected \$	Number of Assignments completed	Number of clients investigated and completed
Pay-roll Tax	4 680 000	4 812 461	1 703 636	56	88
Stamp Duty Conveyance	4 500 000	1 248 319	721 675	174	179
Stamp Duty Motor Vehicle	250 000	408 353	290 682	75	2 424
Stamp Duty Insurance	1 100 000	4 603	278 934	1	1
Petroleum	750 000	654 042	654 042	3	5
Land Tax	425 000	332 945	270 920	7	312
FID/Debits	1 600 000	450 780	173 040	8	8
				Number of matters referred and finalised	
Debt Management	9 695 000	16 991 846	15 924 434	5754	
<b>Total</b>	<b>23 000 000</b>	<b>24 903 349</b>	<b>20 017 363</b>	<b>6 078</b>	<b>3 017</b>

Client education in the Early Revenue Intervention Strategy and the application of interest on all arrangements to pay by instalments has resulted in a significant increase in the number of taxpayers meeting their primary tax liability by the due date. Approximately \$5 million was collected during the year, representing 420 individual instalment arrangements.

## Electronic revenue collection

Significant advances in electronic revenue collection were made during the year, including the following.

- A new system to allow lodgement and payment of pay-roll tax via the Internet was set up, in partnership with the Department of Industry and Trade's Business Channel. About 200 clients use the system on a monthly basis.
- A similar system was established to allow lodgement and payment for Trade Promotion applications via the Internet. It is the first system set up by an Australian government agency using iKey technology rather than a signature for client authorisation.
- Greater use is being made of the TIMBER (Taxation Information and Money By Electronic Return) system. The number of users increased from 56 to 63, 21 clients were given wider access to other self-assessment document types, and two TIMBER terminals were installed in Taxpayer Hall for approved clients to self-assess their stamp duty.

## RevenueSA

### Electronic revenue collection (continued)

- Following consultation with industry and employer groups, work began on a new pay-roll tax return process, which will allow electronic lodgement of annual reconciliation returns and facilitate other electronic payment options for monthly returns. This will improve the collection process without impacting on the underlying basis of the pay-roll tax liability.

Visits to RevenueSA's website increased by more than 350% during the year (reaching a peak of 1,756 in June 2000) and clients have provided positive feedback, particularly regarding the First Home Owner Grant section.

Initial planning has begun for a review of RevenueSA's revenue collection and management systems. This will be carried out next year, as a precursor to developing recommendations for the Government on system options.

### First Home Owner Grant

To offset the impact of the GST, the *Inter-Governmental Agreement on the Reform of Commonwealth-State Financial Relations* provides that States and Territories will assist first homebuyers through a uniform \$7,000 First Home Owner Grant.

RevenueSA is responsible for implementing and administering the scheme in South Australia, including the introduction of a substantial verification and compliance regime linked to a national eligibility criteria.

In partnership with other jurisdictions, an Internet-based system has been implemented for the administration of applications and payment of the scheme. RevenueSA took a lead role in the design and development of the system, which is available for use by authorised participants.

A major information campaign was conducted in support of the scheme's introduction, including more than 30 seminars (which attracted in excess of 1,000 people) and 17 training sessions for participating financial institutions.

### Commonwealth and State taxation reform agenda

During the year, significant effort was made to identify and resolve the interfaces between State taxation legislation and the new national tax system, to ensure an equitable system and the maintenance of the integrity of the State legislation. The majority of the resulting legislative amendments were contained in the *National Taxation Reform (State Provisions) Act 2000*.

As part of continuing taxation reform initiatives, the Local Government Rate Equivalent Regime for relevant State Government entities collected revenue in excess of \$1.9 million. The Tax Equivalent Regime collected revenue in excess of \$63 million.

The following significant legislative amendments were made during the year.

The *Statutes Amendment (Financial Institutions) Act 1999*, assented to on 5 August 1999, amended the *Debits Tax Act 1994*, the *Financial Institutions Duty Act 1983*, and the *Stamp Duties Act 1923*, to maintain the status quo in respect of the collection of debits tax, financial institutions duty and cheque duty. This was necessary because of Commonwealth changes relating to the issuing of cheques by non-bank financial institutions. The Act also clarified exemptions currently provided in the *Debits Tax Act 1994* and the *Financial Institutions Duty Act 1983*, for reversing entries made to correct an error or to effect the dishonouring of a cheque.



## RevenueSA

### Commonwealth and State taxation reform agenda (continued)

The *Commonwealth Places (Mirror Taxes Administration) Act 1999*, assented to on 25 November 1999, implements essential elements of safety net arrangements agreed to between South Australia and the Commonwealth, to ensure the continuation of appropriate taxation arrangements in respect of Commonwealth places situated in South Australia.

The *National Tax Reform (State Provisions) Act 2000*, assented to on 8 June 2000, ratifies the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*. The Act ensures that State and local government bodies comply with the GST and abolishes financial institutions duty and stamp duty on quoted marketable securities from 1 July 2001. The Act also: amends the *Stamp Duties Act 1923* to put beyond doubt that stamp duty is payable on the GST inclusive price, value or consideration of property; amends the *Pay-roll Tax Act 1971* to ensure that the GST component of any deemed wages is excluded from pay-roll tax calculations, and abolishes the Off-road Diesel Users Subsidy Scheme provisions under the *Petroleum Products Regulation Act 1995*.

The *First Home Owner Grant Act 2000*, assented to on 29 June 2000, implements the First Home Owner Grant from 1 July 2000 to offset the impact of the GST for eligible first homebuyers by providing a one-off payment of \$7,000. South Australia took the lead role in drafting this legislation.

### Client services

All areas of RevenueSA received in excess of 80% satisfaction in the annual client services survey. Service standards were measured and met in 96% of cases.

RevenueSA has responded to information provided in the survey by increasing service standards and explaining services provided by the office so clients can make arrangements that best suit their needs.

Ongoing consultation, both formal and informal, continued with key taxpayer representatives from the finance sector, the real estate industry and the accounting and legal professions.

During the year, three editions of the external RevenueSA newsletter *Perspectives* and 11 circulars were issued to clients.

As in previous financial years, speakers and technical experts were provided for functions conducted by professional associations and for international government delegations.

### Training programs

RevenueSA has formed a strategic alliance with the Business School at the Torrens Valley Institute of TAFE for inhouse delivery of the new Certificate IV in Government. It will be the first agency-based organisation in South Australia to implement the program. Torrens Valley TAFE was awarded a *Framing the Future* grant to train RevenueSA managers as part of the implementation process, and this will cover the external training costs for this exercise.

During the year, specific training courses were conducted inhouse and by service providers. Topics included middle management training, investigation methods and the GST.

RevenueSA also developed two new competency-based learning guides, covering pay-roll tax and land tax. These are designed to give staff the information they need to operate with confidence.

## RevenueSA

### Workforce planning

RevenueSA has actively pursued projects relating to workforce planning. In particular, workshops have been conducted with respect to cultural diversity and women's development.

Development opportunities initiated included a six-month rotating membership of women officers on RevenueSA's Executive Management Group, a review of external recruitment strategies and an evaluation of a sample of job and person specifications. The outcomes of these projects will be integrated into the ongoing management of the division.

### The year ahead

Strategies and initiatives for 2000–2001 include the following.

- Implementation and maintenance of a strong legislative framework.
- Finalising implementation of the First Home Owner Grant.
- Provision of leadership and training to our staff and further development of personal competency development and performance management.
- Implementation of further compliance and lodgement enforcement initiatives that identify and collect taxation defaults.
- Integration of OHS&W and Injury Management into internal management systems such as policies, procedures, accountabilities, resource allocation, training and development.
- Enhancement of taxpayers' understanding of taxation obligations and rights.
- Effective consultation with taxpayers and their representatives and government agencies.
- Progressive implementation of required collection and management functions associated with the Fixed Property component of the Emergency Services Levy.
- Establishment of a process that leads to the implementation of systems business review outcomes.
- Establish the systems and administration framework for a new pay-roll tax collection model.
- Management and development of taxation processes, systems and benchmarks.
- Provision of efficient lodgement and payment options to taxpayers and their representatives.

## South Australian Government Financing Authority

The South Australian Government Financing Authority (SAFA) is a statutory authority constituted under the Government Financing Authority Act 1982.

It is resourced by Treasury and Finance staff and is one of five areas responsible for financial service provision. SAFA played an important role in achieving Treasury and Finance's 1999–2000 objectives of:

- maintaining and improving the Government's net worth over time while minimising risk exposure;
- achieving the lowest possible economic cost of outstanding debt consistent with agreed risk tolerances;
- ensuring client needs are integrated into the delivery of services.

SAFA functions as the central financing authority for the State, its businesses and agencies, and plays an integral role in the overall management of the State's finances. As such, it harnesses economies of scale and relevant expertise in wholesale financial markets and in financial risk management to provide funding, asset and liability management and financial risk advisory services to public sector entities.

SAFA's major activities for the year are set out briefly in the following pages. Full details of its operations can be found in its own annual report for 1999–2000.

### Financing and debt retirement activities

SAFA is South Australia's primary face to the domestic and international financial markets for management of the State's funding and investment flows and for transacting in derivative products used for risk management purposes. During the year, it fulfilled all approved government financing requirements and played a major role in the debt retirement strategy associated with the sale/long-term lease of the State's electricity assets.

As highlighted in The Year in Review, this included the successful application of electricity lease proceeds towards the retirement of State debt through meeting maturities as they fell due and early repayment of securities where it was economically feasible to do so. Around \$2.4 billion of lease proceeds were applied to debt retirement between 28 January and 30 June 2000.

During the year, SAFA also:

- scoped and established terms of reference for the debt retirement process associated with the receipt of electricity lease asset proceeds;
- conducted a comprehensive debt retirement study associated with the sale/long-term lease of the State's electricity assets;
- undertook a review of the State's approach to raising funds from global financial markets, particularly in light of a large portion of the State's debt being retired as a consequence of the lease of the State's electricity assets.

As a result of this review, SAFA restructured its domestic fixed interest benchmark stocks into Select Lines in order to maintain a viable presence in the domestic financial market (which is its core source of Australian dollar funding) while still facilitating the Government's debt retirement requirements.

## South Australian Government Financing Authority

### Client services

During the year, SAFA:

- introduced a flexible range of cash management products to clients, including the SAFA Composite Bond investment and the SAFA Cash Enhanced Fund;
- continued to expand client reporting capabilities by developing investment portfolio reports, liability management reports, credit exposure reports and pricing tools for clients;
- continued to provide general financial risk advisory services and debt restructuring advice to public sector clients.

### Organisational development

A review of SAFA was undertaken late in the year in light of the reduction in the State's net debt due to the sale/long-term lease of the State's electricity assets.

The review provided an environmental assessment, identifying key internal and external issues and influences impacting on the organisation. It included valuable information in regards to SAFA's role, organisational structure, resources, systems and capabilities, as well as to the key business initiatives that will be required to meet client expectations.

In turn, this assisted in the development of strategies and action plans for the coming year.

Several initiatives relating to SAFA's self-assessment process against the Australian Quality Council's business excellence framework remained outstanding at year's end and have been incorporated into its business plan for 2000-01.

During the year, a number of staff participated in a management training series run by Crestcom International Limited, consistent with corporate leadership initiatives. One person also was selected to participate in the Leadership SA program.

### The year ahead

SAFA's key priorities for 2000-01 include the following:

- Continue to facilitate the Government's debt retirement objective.
- Finalise a revised debt management framework for the post-debt retirement era;
- Implement recommendations of the SAFA review.
- Integrate Occupational Health, Safety and Welfare (OHS&W) and Injury Management into internal management systems.
- Address certain human resources issues relating to performance evaluation, retention of specialist skills and human resources reporting.
- Improve business management practices.

## Super SA

Super SA is one of five branches responsible for financial service provision.

It played an important role in achieving Treasury and Finance's 1999–2000 objectives of:

- maintaining and improving the Government's net worth over time while minimising risk exposure;
- ensuring client needs are integrated into the delivery of services;
- ensuring sustainable, quality superannuation services are available to all public sector employees.

Specifically, Super SA administers the major superannuation schemes for public sector employees (on behalf of the South Australian Superannuation Board) and the superannuation arrangements for Parliamentarians, Judges and Governors. It also provides advice to the board, the department and the Government on superannuation policy.

Super SA's major activities for the year are highlighted here. Full details can be found in its annual report for 1999–2000.

### Member services

The number of members making personal contributions to the main State Public Sector Scheme, Triple S, increased by 34.5% to 12,360.

Member Investment Choice was implemented for contributory Triple S members then expanded to include non-contributory members. All active members of the open Triple S Scheme may now choose from three investment products – growth, balanced, and conservative.

As part of a formal Communication Plan, members received regular information via an annual statement, a half-yearly newsletter and topical fact sheets. In addition, staff conducted about 900 personal interviews, handled 4,000 reception enquiries and 80,000 telephone enquiries, and responded to 12,000 letters and faxes.

The Super SA website was upgraded and there are plans to further implement an e-commerce strategy during 2000–01.

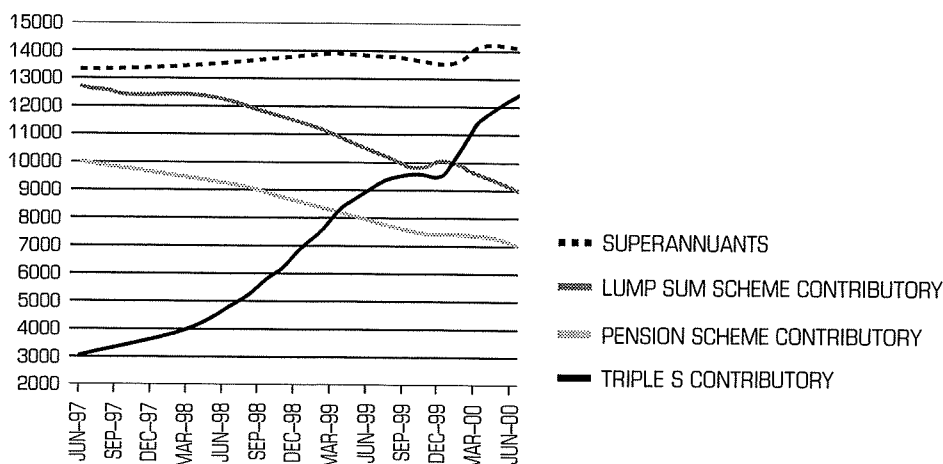
The following table illustrates the membership across each of the State Schemes.

Table III – Membership of Superannuation Schemes

Scheme	Contributory Members	Non Contributory Members	Preserved	Superannuants	Total
State Pension Scheme (closed)	7 079	24	3 147	14 228	24 478
State Lump Sum Scheme (closed)	9 356	204	3 045	N/A	12 605
Triple S Scheme (open)	12 360	89 719	59 761	N/A	161 840
Parliamentary Superannuation Scheme	69	N/A	3	100	172
Judges Pension Scheme	N/A	44	N/A	38	82
Governor's Pension Scheme & Other Pension Payments	N/A	1	N/A	1	2
				<b>TOTAL</b>	<b>199 179</b>

## Super SA

The following graph illustrates the trends in those members making contributions to each of the Super SA State Schemes together with the number of superannuants paid a pension each fortnight.



### Administration systems

Super SA altered its methodology in funding its administration and now operates on a full cost recovery basis. A restructuring of the administration fees incorporating GST occurred, and this will be used to support the total cost of administering the Super SA Schemes.

The former ETSA Superannuation Scheme, with 1,866 members whose entitlements remained with government, was integrated into the existing State Schemes.

The implementation of the new IT administration systems now enable 99% of the 191,179 members of all the State Schemes superannuation accounts to be maintained electronically. The implementation of the administration system for the remaining members will be attended to in 2000-01.

Super SA continued to work with agencies to improve the quality and timeliness of contribution data and cash forwarded by agencies. As at 30 June 2000, 97% of all member data and cash had been received from agencies. A significant improvement in the collection of data and cash has been achieved during the year with 99% being received within seven days of the end of a pay period compared to 96% in 1998-99 and less than 50% in 1997-98.

### Staff development

A leadership development program focussing on leadership through participation and teamwork was undertaken for senior and middle managers and a Performance and Development System developed within Super SA was trialed successfully and is now being implemented across the branch. The Performance Development System will provide the means for strengthening the client focus of the branch. The system will be fully implemented in 2000-01.

### The year ahead

Super SA's key priorities for 2000-01 include the following:

- Implement an e-commerce strategy for members, agencies and staff.
- Increase the number of members contributing to their future through new salary sacrifice arrangements or through post-tax contributions.
- Continue to improve the quality of communications to members.

## South Australian Government Captive Insurance Corporation

The South Australian Government Captive Insurance Corporation (SAICORP) is a semi-government authority resourced by Treasury and Finance staff and is one of five branches responsible for financial service provision. It played an important role in achieving Treasury and Finance's 1999–2000 objectives of:

- maintaining and improving the Government's net worth over time while minimising risk exposure;
- ensuring client needs are integrated into the delivery of services;
- ensuring comprehensive insurance protection of the State's finances and assets.

Specifically, SAICORP is responsible for managing the insurance and reinsurance of government risks and providing advice on insurance and risk management issues.

SAICORP's major activities for the year are highlighted here. Full details can be found in its annual report for 1999–2000.

### Catastrophe reinsurance

SAICORP maintained the Government's comprehensive catastrophe reinsurance program in the world market. The aviation liability component was renewed for another year in September 1999 – again at a lower premium than for the preceding year – and the other five main components were maintained for the third year of their three-year terms with premiums unchanged.

Presentations were made to overseas reinsurers (November 1999) and Adelaide and Melbourne based reinsurers (March 2000) and meetings were held in Adelaide with visiting overseas and interstate reinsurers. Strong, long-term relationships have been established through such presentations and meetings in recent years.

Consistent with its aim of establishing enduring relationships with strong insurers, SAICORP is keen to enter into another long-term arrangement with its existing panel of reinsurers when the current three-year arrangement expires on 30 September 2000. Negotiations are under way.

### Medical malpractice

Significant steps were taken to address the large underwriting loss in the area of medical malpractice which was the main contributor to SAICORP's significant operating loss in 1998–99.

The SAICORP Board asked management to closely monitor this class of business, which has been an area of concern in recent years, not only for SAICORP but also for health bodies, insurers and reinsurers generally.

Revised insurance arrangements were negotiated with the Department of Human Services (DHS), under which DHS has increased administrative and financial responsibility for medical malpractice claims. Its deductible, or excess, was increased from \$50,000 to \$1 million for each medical malpractice claim arising from incidents occurring on or after 1 July 1994.

SAICORP returned some funds to DHS as a result of the above revision, but retained sufficient funds to meet its own expected future liabilities arising from such incidents. This action led to a significant positive result for SAICORP for 1999–2000.

SAICORP will continue to work with DHS to explore risk management and other initiatives which may reduce the incidence and severity of claims.

## South Australian Government Captive Insurance Corporation

### Investment of funds

A new investment strategy was implemented during the year following the October 1998 amendments to SAICORP's establishing regulations, which clarified, inter alia, the board's investment powers and allowed for investment of funds as approved by the Treasurer.

The new strategy provides for investment in four asset classes: cash, Australian fixed interest, Australian equities, and overseas equities.

### Risk management

A number of activities were undertaken to promote a better understanding of risk management and insurance issues across the public sector and to facilitate the development and implementation of improved risk management practices and procedures in portfolio groups, agencies and authorities. These included:

- coordinating further meetings of the Government Risk Management Forum;
- setting up a government risk management coordinators network;
- publishing further editions of the *SAICORP Newsletter*;
- sponsoring and participating in the organising committee for *Risk Odyssey 2001*, the State Conference of the Association of Risk and Insurance Managers of Australasia, SA Chapter;
- personal visits by SAICORP staff to client agencies;
- providing advice to agencies particularly in relation to indemnity, insurance and liability issues in connection with government contracts;
- funding selected risk management initiatives in agencies.

### Internal Audit Review

An Internal Audit Review found that most of the actions recommended in a 1996 review of SAICORP's structure and operations have been implemented and have resulted in improved processes.

### The year ahead

SAICORP's priorities for 2000–01 include the following:

- Continued protection of the State's finances from a very large property loss or liability claim or a series of large losses or claims in a year.
- Continued comprehensive insurance protection for government portfolio groups, agencies and authorities at competitive and stable premiums.
- Reduction of the overall cost of risk to government portfolio groups, agencies and authorities and to the State.



## Corporate Services

Corporate Services is one of five branches responsible for financial service provision to the department's external clients. It plays an important role in Treasury and Finance's objective of ensuring client needs are integrated into the delivery of services.

Specifically, it provides:

- a range of business support services within Treasury and Finance, to the Treasurer's office, to other smaller agencies within the Treasurer's portfolio and, on a bureau basis, to a principal external client agency, the Department of the Premier and Cabinet;
- corporate support services within Treasury and Finance, including corporate and consulting services in the financial, human resource, information technology (IT) and administrative fields.

In addition, Corporate Services is responsible for coordinating the department's strategic management process, including the corporate planning cycle.

## Financial Services

Financial Services coordinated GST implementation for the department and the Treasurer's portfolio and completed all necessary system and process requirements on time and within budget. Specific tasks included:

- an extensive review of all systems and processes, using a business process re-engineering approach, to improve financial transaction processing;
- determination of GST registration and grouping arrangements for the portfolio;
- a comprehensive review of all departmental transactions and determination of the GST accounting and administration requirements;
- full integration of Masterpiece financial systems of Accounts Payable, Accounts Receivable, General Ledger, Fixed Assets and Purchase Order;
- development of GST operational policies and extensive inhouse training for approximately 200 staff;
- commencement of a project to streamline credit card processing for the GST through an electronic interface to Masterpiece.

The GST implementation process was monitored by a departmental steering committee established in accordance with the department's existing corporate governance framework.

During the year a major organisational review of the Financial Services section was undertaken and a new structure established.

The revised structure resulted in a clearer identification of the financial and management accounting functions to ensure appropriate focus on these areas and enhance service delivery both within the department and to external clients. As a result of the review, the Treasurer's Accounting Group was relocated to the Finance Branch.

Another major initiative was the commencement of an Improved Management Reporting Project, including:

- a pilot program to implement an Intranet-based financial reporting approach using a data warehouse and enhanced reporting;
- the design of executive and internal financial reports;
- the identification of the need to restructure the Chart of Accounts to facilitate the enhanced reporting approach;
- the selection through tender of a consultant to undertake the systems part of the project.

Administration of FBT on behalf of the Government included the implementation of an FBT management system in all agencies. This will facilitate legislative compliance, in particular with the reforms introduced by the Commonwealth Government.

## Corporate Services

### Human Resources

#### Occupational Health, Safety and Welfare

Treasury and Finance's Injury Management Action Plan submitted to WorkCover Corporation in October 1999 has a strong emphasis on integrating occupational health, safety and welfare into core business management systems. It highlights effective accountability and consultation processes that continue to build on current good management systems.

The plan also identifies mechanisms for measuring and evaluating the department's activities, resulting in review processes that will assist with developing strategies for improving overall performance.

Monthly meetings of the OHS&W Committee were well attended, and to further enhance the department's commitment a permanent, full-time senior consultant was appointed to support and advise managers.

#### Staff development

Significant staff development work was undertaken in all branches, as highlighted in their individual reports. The emphasis was on management and leadership initiatives, with 20 staff gaining either full or part scholarships in the OCEP Leadership SA program. These included "First Line Management", "Middle Management" and "Leading to Executive" programs.

Human Resources set up a database of training and development activities that will assist the department to ensure development-related initiatives are consistent with corporate objectives and fulfil OCEP reporting requirements. It also continued its support for branch managers through the Personal Assistant Training Program and the provision of advice and assistance in selecting training courses.

#### Managing diversity

##### *Women's Development Group*

A Women's Development Group (WDG) was established in October 1999 to help the Executive Management Group (EMG) respond appropriately to the recommendations of the Spargo Report, which found that women were under-represented in senior positions within Treasury and Finance. The WDG is working to remove barriers to women's progress.

The work program *Women in Treasury: Achieving Balance* was completed in May 2000 after consultation with the EMG and selected staff. It identifies strategies to meet three objectives – cultural change, career progress and support for women.

Specific activities during the year included:

- networking events for all staff, incorporating speakers on issues such as "taking charge of your career", "managing stress" and "work/family balance";
- participation of senior women in the EMG;
- the greater participation of women in various management and project teams;
- setting up a women's information service on the departmental Intranet;
- discussions between staff and managers on strategies that can help staff feel valued, motivated and keen to stay in the department.

To increase awareness of gender issues and to reach a shared understanding of how to bring about change, the EMG participated in a workshop with the WDG in July 2000.

## Corporate Services

### *Disability Action Plan*

A Disability Action Plan was developed within the context of implementing the Government's policy: *Promoting Independence – a Disability Policy for South Australia*. It is designed to remove unlawful disability discrimination and provide an environment that supports people with disabilities in areas of service delivery and employment.

### *Cultural diversity*

As a result of the Managing Diversity Survey carried out in July 1999, a cultural awareness program was offered to all employees. A total of 62 people attended the sessions. In addition, SuperSA and RevenueSA developed and implemented specific programs for the cultures identified in the survey.

### *Other initiatives*

#### *Performance management*

A Performance Management Working Group was established to develop an overarching framework for performance management throughout the department. The promulgation of the framework document and subsequent training is scheduled for the latter part of 2000.

#### *Employment Assistance Program*

The department emphasises the benefits of its Employment Assistance Program and it is encouraging to note that staff are accessing it more often in relation to both personal and work related issues.

#### *Human Resource Management Policies and Procedures*

Work continued on the revision of existing policies and procedures and the implementation of new human resource management policies, including ethical conduct, sexual harassment and training and development. All policies are being formatted in the new corporate style and promulgated through the Intranet.

#### *Responsive employment conditions*

Discussions about more flexible working conditions were held with all branches, with a view to piloting appropriate schemes in 2000–01. Areas being examined include job sharing, part-time work and enhanced flexitime arrangements. As a result of the preliminary work, all advertised jobs now include the option of part-time work and there was an increase in the number of staff working from home during the year.

## Corporate Services

### Human resource statistics

#### Staffing

As at 30 June 2000, Treasury and Finance had 539 FTE employees, 17% of whom were aged under 25 (higher than the target of 9.5% set in the Government's youth initiative). The median age, as determined by a Managing Diversity survey carried out in August 1999, was 31 years – significantly lower than the median for the public sector as a whole.

#### Occupational Health, Safety & Welfare

Seventeen incidents were reported during the year, nine resulting in a claim but only one in lost time.

#### Leave Management

Sick leave for the 12 months was 7.56 days per average FTE. Managers were provided with regular reports to assist in the successful management of leave issues, and reports reflecting whole-of-department statistics were provided to the Executive Management Group.

Staff took 182.0 hours of family carer's leave, equivalent to 0.36 days per average FTE.

#### Equal opportunity programs

The department employed 12 trainees (seven female and five male) under the Career Start Traineeship Program and seven of the 22 graduates employed across government under the Treasury and Finance Graduate Development Program (four female and three male).

### Information and Administrative Services

The former Administrative Services section and Information Systems Group merged during the year to form a new Information and Administrative Services section (IAS) that provides consulting, administration, IT and security services to Treasury and Finance, the Department of the Premier and Cabinet, State electorate offices and statutory authorities within the Treasurer's portfolio.

Comprehensive, streamlined client support has been achieved by integrating such services as purchasing, the help desk and security, and delivering them through an account management structure.

The executive management sub-groups that IAS supports (IT Steering Committee and the Accredited Purchasing Unit) carried out a steady program of reform that impacted across all levels of the agency. Major achievements included:

- the successful management of corporate data, communications and building management aspects of the agency Y2K project;
- the development and publication of the department's *Information & Communication Services Strategic Directions Plan 2000–03*;
- the establishment of an agency-wide e-Services Project that aligns with the whole-of-government online initiative;
- successful completion of the Integrated Security Management Project for Treasury and Finance and the Department of the Premier and Cabinet;
- redevelopment of a suite of corporate policies and procedures;
- significant improvement of integrated financial and custodial asset management;
- redevelopment of a procurement framework in line with the whole-of-government Strategic Procurement Reform agenda.

## Corporate Services

### Strategic Management Process Coordination

During the year, Treasury and Finance reviewed its objectives and outputs in line with the Government's Budget reforms and developed a framework based on two output classes and eight outputs. Key performance measures were identified for the majority of these outputs.

The four key priorities developed in the 1999–2000 Corporate Plan were the focus of work designed to deliver on the Government's reform programs and improve the organisation. Branch business plans had close links with the Corporate Plan, strengthening the link between the strategic directions for the organisation and the delivery of the eight outputs.

Work commenced on the 2000–03 Corporate Plan and associated annual branch business plans.

The system of executive performance management for heads of the major branches was developed and refined and performance agreements were negotiated with branch heads in longer-term contract positions.

### The year ahead

Corporate Services will play a significant role in addressing the department's corporate priorities for 2000–03 and also will focus on integrating the delivery of services through organisational merger and functional integration. Specific initiatives will include:

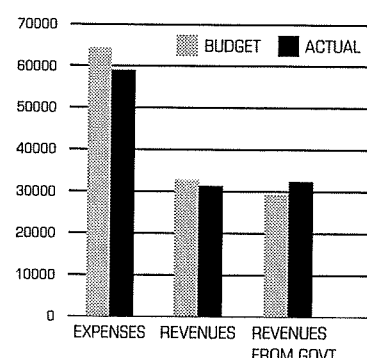
- improved management reporting through the automation and electronic distribution of key financial reports and information and the accurate corporate reporting of a range of human resource statistics;
- implementation of the *Women in Treasury: Achieving Balance* strategy;
- development of a corporate e-Services Policy and Strategy to meet Cabinet requirements and satisfy proposed electronic transactions legislation;
- implementation of the *Information and Communication Services Strategic Directions Statement* and associated *Corporate Action Plan*;
- implementation of new WorkCover standards and integration of these into planning processes;
- implementation of accounting and administration for GST;
- consolidation of new organisational structures and the introduction of a performance management program that provides for staff development and training.

## Financial Overview

The following tables provide summaries of the Operating Statement, Statement of Financial Position and Statement of Cash Flows that compare the budget for 1999–2000, the results for 1999–2000 and the results for 1998–99. The detailed Financial Statements reflecting the actual results for 1999–2000 are presented later in this report.

### Summary Operating Statement

	Budget 1999–2000 \$'000	Actual 1999–2000 \$'000	Actual 1998–1999 \$'000
Operating Expenses	63 174	58 803	48 722
Operating Revenues	33 221	32 246	23 996
Net Cost of Services	29 953	26 557	24 726
Revenues from Government	28 986	33 056	28 570
Increase/(Decrease) in net assets resulting from operations before abnormal items	(967)	6 499	3 844
Abnormal Items	–	–	2 033
Increase/(Decrease) in net assets resulting from operations	(967)	6 499	1 811



As highlighted in the table, the 1999–2000 result of a surplus of \$6.5 million represents a significant turnaround of \$7.5 million from the approved budget. This variation is detailed below.

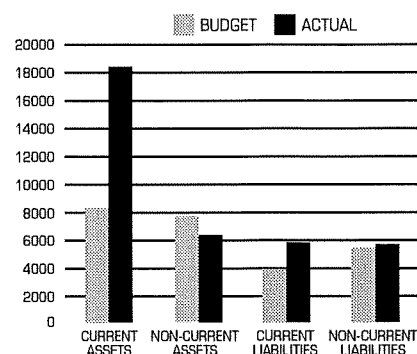
Operating expenses were \$4.4 million lower than forecast, primarily due to delays in costs associated with implementing the collection and management functions of the fixed property component of the Emergency Services Levy on a staged basis, lower resources than anticipated to undertake the divestment of electricity assets and delays in filling vacant positions throughout the year.

Operating revenue decreased by \$1.0 million reflecting the lower recovery of costs of services for the divestment of electricity assets. Revenues from Government increased by \$4.1 million primarily due to once-off funding for the implementation and administration of the Goods and Services Tax across the portfolio, agencies and the Government (\$3.0 million) and the implementation of legislative changes to the Emergency Services Levy (\$1.1 million).

## Financial Overview

### Summary Statement of Financial Position

	Budget 1999-2000 \$'000	Actual 1999-2000 \$'000	Actual 1998-1999 \$'000
Current Assets	8 189	18 617	10 694
Non-Current Assets	7 824	6 350	6 518
<b>Total Assets</b>	<b>16 013</b>	<b>24 967</b>	<b>17 212</b>
Current Liabilities	3 945	5 593	5 018
Non-Current Liabilities	5 229	5 627	4 946
<b>Total Liabilities</b>	<b>9 174</b>	<b>11 220</b>	<b>9 964</b>
<b>Net Assets</b>	<b>6 839</b>	<b>13 747</b>	<b>7 248</b>
<b>Equity</b>	<b>6 839</b>	<b>13 747</b>	<b>7 248</b>



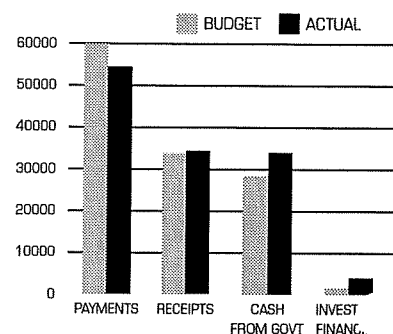
Current assets were \$10.4 million higher than forecast reflecting an improvement of \$9.8 million in the cash balance from a budget forecast of \$7.1 million to an actual balance of \$16.9 million. The higher cash balance mainly reflects expenses incurred but not due to be paid until 2000-01 and delays in the spending of appropriated funds for various departmental projects including the implementation of the Emergency Services Levy and the Goods and Services Tax. In addition, receivables were \$0.6 million higher than forecast. The decrease in non-current assets of \$1.5 million reflects the impact of the change in the capitalisation limit of non-current assets in late 1998-99 which resulted in a lower opening balance than estimated.

Current liabilities were \$1.6 million higher than anticipated reflecting amounts outstanding to creditors being higher than estimated by \$1.5 million. This was consistent with higher cash balances. Non-current liabilities were higher than anticipated due to a higher liability for long service leave.

## Financial Overview

### Summary Statement of Cash Flows

	Budget 1999-2000 \$'000	Actual 1999-2000 \$'000	Actual 1998-1999 \$'000
Cash Flows from Operating activities			
– Payments	(59 763)	(54 504)	(47 067)
– Receipts	33 205	33 466	22 810
– Cash Flows from Govt.	28 986	33 056	28 570
Net Cash provided by Operating activities	2 428	12 018	4 313
Cash Flows from Investing and Financing activities			
– Payments	(1 029)	(2 321)	(2 576)
– Repayment of borrowings	–	–	(13)
Net cash used in Investing and Financing activities	(1 029)	(2 321)	(2 589)
Net increase/(decrease) in cash held	1 399	9 697	1 724
Cash at the beginning of the financial year	5 654	7 228	5 504
Cash at the end of the financial year	7 053	16 925	7 228



The operating outcomes on the Cash Flow Statement are consistent with the results shown on the Operating Statement except that the amounts vary in relation to accrual adjustments for both revenue and expenses. As indicated in the Summary of Financial Position there was significant increase in cash at the end of the year from a combination of under-expenditure and increased appropriation.

Cash payments from investing activities were higher than anticipated by \$1.3 million due to increased expenditure for the development of major systems associated with the Emergency Services Levy.



## Financial Overview

### Trends

The table provided below shows the trends in key financial performance measures of the Department over the last three years.

Key Performance Indicators	1999-2000 \$'000	1998-1999 \$'000	1997-1998 \$'000
Net Cost of Services	26 557	24 726	24 991
Revenue from Government as total source of funding	50.62%	54.35%	54.71%
Average Employee Cost	63	58	58
Operating Expenses per Employee	119	108	107
Consultants as percentage of Operating Expenses	1.84%	2.20%	5.90%
Increase/(Decrease) in Net Assets	16 925	7 228	5 504
Net Assets	13 747	7 248	4 828
Current Assets/Current Liabilities	3.33	2.13	1.25
% of Creditors paid within 30 days	88%	86%	85%

The Department's operating expenses continued to increase from previous years reflecting an increase in resources to meet the demands from significant Government initiatives. The major determinants of the increase during 1999-2000 have been the need for additional resources for the implementation of the fixed property component of the Emergency Services Levy and the Goods and Services Tax. These initiatives will continue to increase expenditure during 2000-01.

Operating revenues continued to increase primarily reflecting the additional recovery of implementation and administration costs for the Emergency Services Levy from the Justice Portfolio. The Department aims to recover costs wherever possible to supplement government funding with the primary sources of revenue for the Department coming from SAFA, SAICORP, the SA Superannuation Board, the Electricity Reform and Sales Unit and the Justice Portfolio.

Expenditure on non-current assets will continue to increase due to ongoing systems development for the fixed property component of the Emergency Services Levy. In addition, continuing capital projects include the superannuation management systems, the budget and financial management system and a replacement program for general office equipment.

Although cash reserves have increased in 1999-2000, it is anticipated that the cash balance will be run down during 2000-01 to meet the costs delayed from 1999-2000. In particular, the implementation of the fixed property component of the Emergency Services Levy and the Goods and Services Tax will continue to occur during 2000-01. Current projections from 30 June 2001 show that cash balances will increase over the next few years as reserves are built up from additional appropriation provided to fund accrued liabilities, additional recoveries from the SA Superannuation Board for future capital replacements and additional recoveries from the Justice Portfolio for amortisation of Emergency Services Levy costs.

## Financial Overview

### Account Payment Performance

All agencies are required to report quarterly the number and value of creditors' accounts paid and the extent to which the accounts have been paid in accordance with Treasurer's Instruction 11. This instruction requires all undisputed accounts to be paid within 30 days of the date of the invoice or claim unless there is a discount or a written agreement between the agency and the creditor.

The following table highlights that the Department was able to pay 88% of all invoices by the due date. The remaining 12% of invoices reflect both disputed accounts and late payment of undisputed accounts. During 2000-01 performance will continue to be closely monitored to ensure that the accepted best practice benchmark of 90% of accounts being paid by their due date will be met.

PARTICULARS	NUMBER PAID	%	AMOUNT PAID (\$'000)	%
Paid by due date	15 959	88	78 180	90
Paid within 30 days or less from the due date	1 444	8	7 148	8
Paid more than 30 days from the due date	658	4	1 861	2
<b>Total</b>	<b>18 061</b>	<b>100</b>	<b>87 189</b>	<b>100</b>

### Contracting Out Arrangements

Within the Department of Treasury and Finance, there are several contractual arrangements over \$4.0 million.

One arrangement is with Australia Post, and relates to the provision of payment facilities and receipting services within the Emergency Services Levy Section. The contract runs from 13 September 1999 to 12 September 2002.

The following contractors and consultants are being used by ERSU:

- Putnam, Hayes Bartlet – Provide economic advice in regard to leasing the state's electricity assets;
- Legal Consortium – Arthur, Robinson & Hedderwicks; Allen Allen & Hemsley; Finlayson; Johnson Winter & Slattery – Provide legal advice in regard to the lease of the state's electricity assets and to undertake a due diligence process of the state's electricity assets;
- Morgan Stanley Australia Limited/Pacific Road Finance Pty Ltd – Appointed as joint lead advisers to advise government on how best to lease the state's electricity assets in order to maximise value and return to the State;
- KPMG – Appointed as accounting advisers to provide accounting advice in regard to the lease of the state's electricity assets and to undertake a due diligence process.

These contracts are all ongoing and will expire when the sale/lease process is completed.

## Business Assurance

The Risk Management and Performance Review Unit is responsible for risk management, corporate governance, facilitation of major projects and internal audit within the department.

### Risk management

Treasury and Finance has adopted the Australian and New Zealand standard AS/NZS4360:1999 in developing its approach to risk management.

During the year it actively sought to integrate risk management strategies into all areas and make them a key component of business planning and management. Most branches refined their risk assessments and updated the risk management database.

### Corporate governance

The focus for the year was on consolidating the Corporate Governance Framework implemented in 1998–99. This contains the principles and processes by which the department is managed and controlled.

The charters of some executive management sub-committees were updated and two new sub-committees were created – the Women's Development Group and the GST Implementation Committee. The Y2K Steering Committee was dissolved at the end of the project.

### Internal audit

Internal audit has been a key part of Treasury and Finance's approach to corporate governance since March 1995 and, in conjunction with a focused approach to risk management, it has helped improve the effectiveness of the control environment.

The department recognises the following new definition of internal audit approved by the Institute of Internal Auditors: *An independent consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.*

Major audits undertaken during the year were the:

- Follow up review of SAICORP;
- Review of Contingent Liabilities;
- Review of GST Implementation;
- Review of Integrated Security Project (IT focus).

In addition, a review of Treasury and Finance's status in relation to the implementation of the Financial Management Framework was undertaken. The report will be completed in 2000–01.

Copies of all internal audit reports finalised during the year were provided to the Treasurer and to the Auditor-General, who has referred to the reports and their findings as part of his department's audit work during the year.

## Business Assurance

### The year ahead

The Risk Management and Performance Review Unit's strategic priorities for 2000–01 are to:

- continue developing the Corporate Governance Framework and enhance its use at operational level;
- further develop, monitor and report on the use of the Risk Management Framework within the department;
- develop and implement Control Self Assessment to assist management and staff to review, evaluate and improve their own processes;
- contribute to the implementation of the Financial Management Framework;
- finalise the engagement of an outsourced internal audit service provider;
- undertake four major internal audit projects as endorsed by the Risk Management and Audit Committee.

### Fraud

No instances of fraud reported during the year.

The department maintains an *Ethical Standard, including Fraud Prevention Awareness* policy document which is available to all staff and is provided to new employees.

In addition, Risk Management Unit staff attended workshops and seminars aimed at raising awareness of developments in the area of fraud prevention.

## Operating Statement for the year ended 30 June 2000

	Note	2000 \$'000	1999 \$'000
<b>OPERATING EXPENSES</b>			
Employee costs	5(a)	31 041	26 380
Administration and other expenses		19 208	14 256
Accommodation and service costs		5 147	4 436
Depreciation	6	2 325	1 675
Net Decrement arising from the revaluation of assets	7	-	903
Payments to consultants	8	1 082	1 072
<b>Total Operating Expenses</b>		<b>58 803</b>	<b>48 722</b>
<b>OPERATING REVENUES</b>			
User charges and fees	9(a)	29 979	22 744
Interest		527	250
Other sundry revenues	9(b)	1 740	1 002
<b>Total Operating Revenues</b>		<b>32 246</b>	<b>23 996</b>
<b>NET COST OF SERVICES</b>		<b>26 557</b>	<b>24 726</b>
<b>REVENUES FROM GOVERNMENT</b>			
Appropriation		33 056	28 570
<b>Total Revenues from Government</b>		<b>33 056</b>	<b>28 570</b>
<b>INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS BEFORE ABNORMAL ITEMS</b>		<b>6 499</b>	<b>3 844</b>
Abnormal Items	10	-	2 033
<b>INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>		<b>6 499</b>	<b>1 811</b>

## Statement of Financial Position as at 30 June 2000

	Note	2000 \$'000	1999 \$'000
<b>CURRENT ASSETS</b>			
Cash	11	16 925	7 228
Receivables	11,12	1 364	2 597
Other	13	328	869
<b>Total Current Assets</b>		<b>18 617</b>	<b>10 694</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	6 350	6 518
<b>Total Non-current Assets</b>		<b>6 350</b>	<b>6 518</b>
<b>TOTAL ASSETS</b>		<b>24 967</b>	<b>17 212</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	11,15	3 468	3 357
Provision for employee entitlements	5(b)	2 125	1 661
<b>Total Current Liabilities</b>		<b>5 593</b>	<b>5 018</b>
<b>NON-CURRENT LIABILITIES</b>			
Imprest Account	11	7	7
Creditors and accruals	11,15	604	531
Provision for employee entitlements	5(b)	5 016	4 408
<b>Total Non-Current Liabilities</b>		<b>5 627</b>	<b>4 946</b>
<b>TOTAL LIABILITIES</b>		<b>11 220</b>	<b>9 964</b>
<b>NET ASSETS</b>		<b>13 747</b>	<b>7 248</b>
<b>EQUITY</b>			
Accumulated Surplus	16	13 747	7 248
<b>TOTAL EQUITY</b>		<b>13 747</b>	<b>7 248</b>
<b>COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES</b>	17		

## Statement of Cash Flows for the year ended 30 June 2000

	Note	2000 \$'000 Inflows/ (Outflows)	1999 \$'000 Inflows/ (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee costs		(29 560)	(26 011)
Administration and other expenses		(18 830)	(15 278)
Accommodation and service costs		(4 969)	(4 650)
Payments to consultants		(1 145)	(1 128)
<b>Total Payments</b>		<b>(54 504)</b>	<b>(47 067)</b>
Receipts			
User charges and fees		31 256	21 771
Interest		470	258
Other sundry revenues		1 740	781
<b>Total Receipts</b>		<b>33 466</b>	<b>22 810</b>
Cash Flows from Government Appropriation		33 056	28 570
<b>Total Cash Flows from Government</b>		<b>33 056</b>	<b>28 570</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	18	<b>12 018</b>	<b>4 313</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, plant and equipment	8	(2 321)	(2 576)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2 321)</b>	<b>(2 576)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		0	(13)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>0</b>	<b>(13)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>9 697</b>	<b>1 724</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>7 228</b>	<b>5 504</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>		<b>16 925</b>	<b>7 228</b>

## Outputs Schedule of Department's Expenses and Revenues for the year ended 30 June 2000

Outputs (Note 4)	1.1 2000 \$'000	1.2 2000 \$'000	1.3 2000 \$'000	2.1 2000 \$'000	2.2 2000 \$'000	2.3 2000 \$'000	2.4 2000 \$'000	2.5 2000 \$'000	TOTAL 2000 \$'000	TOTAL 1999 \$'000
<b>Department's Expenses and Revenues</b>										
<b>Expenses</b>										
Employee costs	1 006	6 842	1 506	11 372	3 455	4 269	833	1 758	31 041	26 380
Administration and other expenses	281	3 046	1 600	9 171	1 463	2 587	399	661	19 208	14 256
Accommodation and service costs	163	914	1 073	1 881	363	472	135	146	5 147	4 436
Depreciation	27	352	34	606	403	875	11	17	2 325	1 675
Net Decrement/(Increment) arising from revaluation	0	0	0	0	0	0	0	0	0	903
Payments to consultants	76	449	97	391	18	36	0	15	1 082	1 072
<b>Total</b>	<b>1 553</b>	<b>11 603</b>	<b>4 310</b>	<b>23 421</b>	<b>5 702</b>	<b>8239</b>	<b>1 378</b>	<b>2 597</b>	<b>58 803</b>	<b>48 722</b>
<b>Revenues</b>										
User charges and fees	11	1 782	4 248	9 033	4 858	7 178	1 280	1 589	29 979	22 744
Interest	24	144	0	342	0	0	0	17	527	250
Other sundry revenues	30	728	0	547	100	299	18	18	1 740	1 002
Recurrent Appropriation	1 128	9 849	0	21 405	0	10	0	664	33 056	28 570
<b>Total</b>	<b>1 193</b>	<b>12 503</b>	<b>4 248</b>	<b>31 327</b>	<b>4 958</b>	<b>7 487</b>	<b>1 298</b>	<b>2 288</b>	<b>65 302</b>	<b>52 566</b>
<b>Increase/(Decrease) in net assets resulting from operations before abnormal items</b>	<b>-360</b>	<b>900</b>	<b>-62</b>	<b>7 906</b>	<b>-744</b>	<b>-752</b>	<b>-80</b>	<b>-309</b>	<b>6 499</b>	<b>3 844</b>
<b>Abnormal Items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 033</b>
<b>Increase/(Decrease) in net assets resulting from operations after abnormal items</b>	<b>-360</b>	<b>900</b>	<b>-62</b>	<b>7 906</b>	<b>-744</b>	<b>-752</b>	<b>-80</b>	<b>-309</b>	<b>6 499</b>	<b>1 811</b>
The allocations to outputs are indicative and are based on broad costing methodologies. In particular, appropriations were not developed on the basis of outputs for 1999-2000 and have been allocated on a broad basis.										



## Outputs Schedule of Administered Expenses and Revenues for the year ended 30 June 2000

Outputs (Note 4)	1.1 2000 \$'000	1.2 2000 \$'000	1.3 2000 \$'000	2.1 2000 \$'000	2.2 2000 \$'000	2.3 2000 \$'000	2.4 2000 \$'000	Not Alloc. 2000 \$'000	TOTAL 2000 \$'000	TOTAL 1999 \$'000
<b>Administered Expenses Consolidated Account</b>										
<i>Operating</i>										
<b>Payments for which Specific Appropriation is Authorised in Various Acts</b>										
– Parliamentary salaries and allowances								188	188	184
– Superannuation Provisions – including ETSA						49 483			49 483	117 569
<b>Other Payments</b>										
– Interest					647 585				647 585	669 553
– Unfunded superannuation liability under various schemes										139 000
– Prepayment of Accruing Superannuation Liability										126 300
– Funding for Targeted/ Voluntary Separation Package Schemes								53 921	53 921	50 000
– Fiscal Contribution to the Commonwealth										18 697
– Other			108 226	108 989	11 214	8 650	7 000	141 258	385 337	197 436
<i>Investing</i>										
<b>Other Payments</b>										
Other								17 494	17 494	15 232
<i>Financing</i>										
Repayment of Debt									–	5 913
<b>Other Administered Accounts (refer Note 22)</b>										
			542 495 862	89 591	–	139 599	–	248 917	2 974 023	289 580
<b>Total</b>			54 2 604 088	198 580	658 799	197 732	7 000	461 778	4 128 031	1 629 464

Continued over page.

## Outputs Schedule of Administered Expenses and Revenues for the year ended 30 June 2000 (continued)

Outputs (Note 4)	1.1 2000 \$'000	1.2 2000 \$'000	1.3 2000 \$'000	2.1 2000 \$'000	2.2 2000 \$'000	2.3 2000 \$'000	2.4 2000 \$'000	Not Alloc. 2000 \$'000	TOTAL 2000 \$'000	TOTAL 1999 \$'000
Administered Revenues										
Consolidated Account										
Operating										
Taxation			2 380 277						2 380 277	2 334 547
Interest				159 569					159 569	162 182
Other Receipts										
- Recoveries		513 042						13 594	526 636	545 885
- Superannuation				49 681				49 681	117 671	
- Fees, fines and charges		22 787				19		2 380	25 186	28 915
- Commonwealth Specific Purpose Grants			27 262				27 262	19 087		
Commonwealth General Purpose Grants				1 718 072					1 718 072	1 676 832
Investing										
Other Receipts										
- Other					848				848	139 471
Other Administered Accounts (refer Note 22)		10 781	2 114 711	89 947	-	139 599	-	255 620	2 610 658	320 245
Total		546 610	2 114 711	2 470 224	1 905 751	189 299	-	271 594	7 498 189	5 344 835
Administered revenues less administered expenses		546 556	(489 377)	2 271 644	1 246 952	(8 433)	(7 000)	(190 184)	3 370 158	3 715 371

## Notes to and forming part of the Financial Statements

### 1 Departmental Objectives

The Department of Treasury and Finance aims to contribute to three major Outcomes. Associated with each Outcome are a series of Objectives to which the Department makes a significant or sole contribution.

The Outcomes and associated Objectives are as follows:

- Improved State Economic Performance
  - Establish medium to long term economic and fiscal policy to lift the State's economic performance and strengthen the State's finances
  - Ensure revenue is raised in an equitable manner, with least cost to economic efficiency, and in ways which are competitive with other jurisdictions and supportive of economic development
  - Ensure a fair and equitable share of Commonwealth funding for the State
- Strengthened State Finances
  - Ensure sustainable outlays in aggregate over the long term, with no borrowings to meet current expenditure needs
  - Maintain and improve the Government's net worth over time while minimising risk exposure
  - Achieve the lowest possible economic cost of outstanding debt consistent with agreed risk tolerances
- Improved Services
  - Ensure client needs are integrated into the delivery of services
  - Ensure sustainable quality superannuation services are available to all public sector employees
  - Ensure comprehensive insurance protection of the State's finances and assets

To achieve these Objectives, Treasury and Finance delivers a number of Outputs for the Government.

The Output information is summarised in Note 4.

### 2 Summary of Significant Accounting Policies

#### (a) Financial Reporting Framework

The financial report is a general purpose financial report.

#### (b) Basis of Accounting

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

#### (c) The Reporting Entity

The financial report encompasses all activities transacted through 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. Administered resources are reported on an accrual basis with the exception of items processed through the Consolidated Account, which are on a cash basis.

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

## Notes to and forming part of the Financial Statements

### 2 Summary of Significant Accounting Policies (continued)

#### (d) 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 Outputs Schedule of Administered Expenses and Revenues. Such amounts are required to be paid to the Consolidated Account or other Funds not controlled by the Department.

#### (e) 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.

#### (f) Non-Current Assets

All non-current assets controlled by the Department are reported in the Statement of Financial Position. 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. System development costs are capitalised once all costs associated with the development of the system have been incurred and the system is ready for its intended use.

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.

Specific classes of non-current assets which have a total value greater than \$1.0 million are revalued every three years in accordance with Treasurer's Accounting Policy Statement 3 'Revaluation of Non-Current Assets'. Buildings and Improvements, and Furniture and Fittings were revalued as at 30 June 1999 by Edward Rushton (Australia) Pty Ltd (refer Note 14).

#### (g) 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. The estimated useful lives of each asset class are as follows:

Buildings and Improvements	10 years
Furniture and Fittings	10 years
Systems Development	5 years
Office Equipment	3 years

#### (h) 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 eight or more years of service and the current rate of remuneration for each of these employees respectively. The eight years has been based on an actuarial calculation as directed in the Accounting Policy Statements. The liability is measured as the amount unpaid at the reporting date.

##### (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.

## Notes to and forming part of the Financial Statements

### 2 Summary of Significant Accounting Policies (continued)

#### (i) 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.

#### (j) 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 Change in Accounting Policy

During the financial year, the Department changed the point of expense recognition on the Purchase Order module of the Masterpiece financial system from goods expensed at the time of receipt to one where goods are expensed at the time of invoice receipt and recording. The reason behind this change was to reduce the high overhead costs of maintaining a purchase variance liability account and adopt an approach used by other government agencies. There was minimal effect on the Financial Statements as a result of this change.

### 4 Outputs of the Department

During 1999–2000, the Department managed the delivery of eight outputs to the Treasurer and broader community within two Output classes. Outputs are defined as goods and services produced, provided to or acquired for external customers. The identity and description of each output of the Department during the year ended 30 June 2000 are summarised below (refer to the Output Schedule of Department's Expenses and Revenues).

#### OUTPUT CLASS 1: MANAGING STATE FINANCES

This output class encompasses the outputs Treasury and Finance delivers in its role of managing the States' Finances through coordinating resource allocations for Government programs and priorities at the whole of Government level, providing financial and economic policy advice, and reviewing the performance of Government businesses.

##### *Output 1.1: Economic Policy Advice*

Treasury and Finance provides economic policy advice at a whole-of-government level on revenue issues (including taxation policy and intergovernmental financial relations), microeconomic reform, national competition policy, and economic conditions generally.

##### *Output 1.2: Budget and Financial Management*

Treasury and Finance has a central role in managing the State Government finances through the annual Budget Process and the provision of advice on a range of financial and commercial matters relating to government entities. This output includes: management of the State Budget process; provision of policy advice to Government on whole of government budgetary and financial issues including financial risk management; monitoring and reporting of financial performance; providing commercial advice to Government on its consolidated financial position; advice to Government on budgetary and structural reform; and facilitation of best practice financial management reforms.

##### *Output 1.3: Electricity Reform*

Treasury and Finance undertakes asset reviews and sales with the objectives of minimising business risk and maximising return to the Government, implementing microeconomic reform and achieving ongoing debt reduction. This output covers the implementation of the Government's objectives for electricity market reforms and asset sales in the context of the national electricity market and the National Competition Policy.

## Notes to and forming part of the Financial Statements

### 4 Outputs of the Department (continued)

#### OUTPUT CLASS 2: FINANCIAL SERVICE PROVISION

This output class encompasses the outputs Treasury and Finance delivers in its role of providing a range of services to the Government and broader community including asset and liability management, collection of state taxes, and insurance and superannuation administration.

##### *Output 2.1: Revenue Collection and Management*

The Department, through RevenueSA, provides policy advice on taxation issues and the management of taxation legislation, revenue systems and compliance functions to enable the Government to raise revenue using its taxation powers. This output covers the provision of an efficient and effective tax revenue service that is fair and equitable to maximise its value to the Government and taxpayers.

##### *Output 2.2: Financing Services*

The Department through the South Australian Government Financing Authority, manages the existing stock of Government liabilities and provides certainty of funding to the State. This allows the funding of acquisitions of capital goods necessary for the production of a wide range of public goods and services. This output also covers the provision of cash management and financial risk management advisory services to public organisations.

##### *Output 2.3: Superannuation Services*

The South Australian Superannuation Board is the statutory body responsible for administering the major superannuation schemes for public sector employees. As a branch of Treasury and Finance, the State Superannuation Office delivers this output by administering the schemes for the Board, under a service level agreement, as well as the superannuation arrangements for parliamentarians, judges and governors. The output also covers the provision of superannuation policy and legislative advice to the Board, the Under Treasurer and the Treasurer.

##### *Output 2.4: Insurance Services*

The Department is a provider of insurance to other government agencies through the South Australian Government Captive Insurance Corporation (SAICORP). SAICORP insures and reinsures Government risks, and provides advice to the Government on issues relating to the insurance and management of those risks. This output ensures the protection of the States' finances from very large property losses or liability claims at competitive and stable premiums.

##### *Output 2.5: Business Support Services*

The Department provides a number of specialist services to the Government and external clients. These services include corporate services to clients external to the Department. This output also includes the provision of support staff to and the management of the Treasurers' Office.

#### NOT ALLOCATED

Certain items administered by the Department are not allocated to outputs.

## Notes to and forming part of the Financial Statements

	2000 \$'000	1999 \$'000
<b>5 Employee Entitlements</b>		
<b>(a) Employee Costs</b>		
Wages and Salaries	24 462	20 850
Superannuation and Payroll Tax expenses	4 544	3 984
Annual and long service leave expenses	1 072	788
Board Fees (i)	127	89
Other employee related expenses	836	669
	<b>31 041</b>	<b>26 380</b>
(i) Represents fees paid to members of the SA Superannuation Board, SA Government Financing Authority Advisory Board and the Board of Directors of SAICORP.		
<b>(b) Employee Entitlements Liability</b>		
<i>Current Liability</i>		
Annual Leave	1 794	1 252
Long Service Leave	331	409
	<b>2 125</b>	<b>1 661</b>
<i>Non-Current Liability</i>		
Long Service Leave	<b>5 016</b>	<b>4 408</b>
<b>6 Depreciation</b>		
Depreciation was charged in respect of:		
Buildings and Improvements	6	45
Furniture and Fittings	351	467
Office equipment	156	143
Systems Development	1 812	1 020
	<b>2 325</b>	<b>1 675</b>
<b>7 Net Decrement arising from the revaluation of assets</b>		
Net Decrement:		
Buildings and Improvements	0	190
Furniture and Fittings	0	713
	<b>0</b>	<b>903</b>

## Notes to and forming part of the Financial Statements

	2000 Number of Consultants	1999 Number of Consultants
<b>8 Payments to Consultants</b>		
Payments to consultants fell within the following bands:		
\$0 – \$10 000	30	23
\$10 001 – \$50 000	16	26
\$50 001 – \$100 000	6	5
\$100 001 – \$150 000	–	–
\$150 001 – \$200 000	–	–
\$200 001 – \$250 000	–	1
Over \$250 000	1	1
The total payments to the 58(56) consultants engaged was \$1 082 000(\$2 066 000). Of this amount \$1 082 000(\$1 072 000) was met from operating expenses and \$0(\$994 000) was capitalised.		
	2000 \$'000	1999 \$'000
<b>9 Revenue from Operations</b>		
(a) User charges and fees comprised:		
<i>Recoveries from</i>		
Agencies for the provision of Corporate Services	1 578	1 604
South Australian Government Captive Insurance Corporation	1 280	1 315
South Australian Government Financing Authority	4 859	5 555
Superannuation Schemes	7 178	8 877
Electricity Reform and Sales Unit Operating Account	4 248	3 478
Emergency Services Levy	8 300	–
Other Recoveries for Services	2 105	1 524
Land Agents – Enquiry Fees	431	391
	29 979	22 744
(b) Other sundry revenues comprised:		
Reimbursement for TVSPs paid	178	–
Reimbursement for workers compensation claims	77	127
Other sundry items	1 485	875
	1 740	1 002



## Notes to and forming part of the Financial Statements

	2000 \$'000	1999 \$'000						
<b>10 Abnormal Items</b>								
The Abnormal Item in 1999, represents the expense which resulted from the retirement of non-current assets with a cost base for depreciation between \$2 000 and \$5 000, following a change in accounting policy increasing their capitalisation limit. The following reflects the financial effect of the Abnormal Item:								
Non-Current Assets – increase in capitalisation limit	–	2 033						
	–	2 033						
<b>11 Financial Instruments</b>								
The following disclosures have been provided to satisfy the requirements of Australian Accounting Standard AAS 33, 'Presentation and Disclosure of Financial Instruments'.								
(a) Terms, Conditions and Accounting Policies								
(i) Financial Assets								
<ul style="list-style-type: none"><li>Cash on hand is available at call and is recorded at cost.</li><li>Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 60 days.</li></ul>								
(ii) Financial Liabilities								
<ul style="list-style-type: none"><li>The imprest account is repayable to the Treasurer and is recorded at the value of the monies received.</li><li>Creditors and accruals are raised for all amounts billed or ordered but unpaid. Sundry creditors are normally settled within 30 days.</li></ul>								
(b) Interest Rate Risk								
	<b>Floating Interest Rate</b>	<b>Non-Interest Bearing</b>	<b>Total Carrying Amount</b>	<b>Weighted Average Effective Interest Rate Percent</b>				
	<b>2000 \$'000</b>	<b>1999 \$'000</b>	<b>2000 \$'000</b>	<b>1999 \$'000</b>	<b>2000 \$'000</b>	<b>1999 \$'000</b>	<b>2000 %</b>	<b>1999 %</b>
<b>Financial Instrument</b>								
<i>Financial Assets:</i>								
Cash on hand	16 918	7 221	7	7	16 925	7 228	5.58	4.63
Receivables	–	–	1 364	2 597	1 364	2 597	–	–
	16 918	7 221	1 371	2 604	18 289	9 825		
<i>Financial Liabilities:</i>								
Imprest Account	–	–	7	7	7	7	–	–
Creditors and Accruals	–	–	4 072	3 888	4 072	3 888	–	–
	–	–	4 079	3 895	4 079	3 895	–	–

## Notes to and forming part of the Financial Statements

### 11 Financial Instruments (continued)

#### (c) Net Fair Values

Financial instruments are valued at the carrying amount as per the Statement of Financial Position which approximates the net fair value. The carrying amount of financial assets approximates net fair value due to their short term to maturity or being receivable on demand. The carrying amount of financial liabilities is considered to be a reasonable estimate of net fair value.

	2000 \$'000	1999 \$'000
<b>12 Receivables</b>		
Fees Receivable	1 369	2 605
Less: Provision for doubtful debts	5	8
	1 364	2 597
<b>13 Other Current Assets</b>		
Prepayments	328	869

### 14 Property, Plant and Equipment

	At Valuation and Current Cost		Accumulated Depreciation		Written Down Value	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Buildings and Improvements	145	155	119	113	26	42
Furniture and Fittings	3483	3 503	2 004	1 646	1 479	1 857
Office Equipment	1 352	983	836	680	516	303
Systems Development	7 669	5 844	3 340	1 528	4 329	4 316
	12 649	10 485	6 299	3 967	6 350	6 518

Valuations of asset classes greater than \$1 000 000, being buildings and improvements and furniture and fittings were determined as at 30 June 1999 by Mr A Corson (Certified Practising valuer), of Edward Rushton (Australia) Pty Ltd. Valuers.

Systems development reflects costs incurred in the design and development of inhouse applications, including the development of the Budget Management System within Finance Branch and the Treasury Management System within SAFA. It includes an amount of \$79 050 for work in progress upon which depreciation will not be charged until the development is complete.

## Notes to and forming part of the Financial Statements

	2000 \$'000	1999 \$'000
<b>15 Creditors and Accruals</b>		
<b>Current</b>		
Employee costs	761	626
Administration and other costs	1 972	1 613
Accommodation and service costs	23	106
Payments to consultants	10	130
Unearned revenue	559	608
Purchases of non-current assets	143	274
	3 468	3 357
<b>Non-Current</b>		
Employee costs	604	531
	604	531
<b>16 Accumulated Surplus</b>		
Balance at the beginning of the financial year	7 248	4 828
Increase/(Decrease) in net assets resulting from operations	6 499	1 811
Gain on the initial recognition of assets not previously recognised	–	609
Balance at the end of the financial year	13 747	7 248
<b>17 Commitments For Expenditure and Contingent Liabilities</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	3 608	3 313
Later than one year and not later than five years	9 576	11 935
Later than five years	–	–
	13 184	15 248
<b>(b) Capital Commitments</b>		
Capital expenditure contracted for at the reporting date but not recognised in the financial report as liabilities:		
Office Equipment	300	1695
These expenditures are payable:		
Not later than one year	300	1 395
Later than one year and not later than five years	–	300
	300	1 695
<b>(c) Contingent Liabilities</b>		
The Department is not aware of any contingent liabilities or claims against the Department not accounted for in the Financial Statements.		

## Notes to and forming part of the Financial Statements

	2000 \$'000	1999 \$'000
<b>18 Reconciliation of Net Cash Provided by Operating Activities to Net Cost of Services</b>		
Net cash provided by operating activities	12 018	4 313
Cash Flows from Government	(33 056)	(28 570)
<b>Non cash items</b>		
Depreciation expense	(2 325)	(1 675)
Loss on disposal of fixed assets	(43)	
Decrement arising from revaluation of assets	–	(903)
<b>Investing Activity</b>		
Net (loss)/gain on disposal of office equipment	–	–
<b>Change in operating assets and liabilities</b>		
Increase (decrease) in receivables	(1 233)	1 660
Increase (decrease) in prepayments	(542)	500
(Increase) decrease in creditors and accruals	(305)	773
(Increase) decrease in provision for employee entitlements	(1 071)	(824)
<b>Net cost of services</b>	<b>(26 557)</b>	<b>(24 726)</b>
<b>19 Remuneration of Employees</b>		
The number of employees whose total employment cost was over \$100 000 fell within the following bands:		
	<b>2000 Number of Employees</b>	<b>1999 Number of Employees</b>
\$100 000 – \$109 999	16	11
\$110 000 – \$119 999	5	5
\$120 000 – \$129 999	2	4
\$130 000 – \$139 999	3	1
\$140 000 – \$149 999	1	1
\$150 000 – \$159 999	5	–
\$160 000 – \$169 999	–	2
\$180 000 – \$189 999	1	1
\$190 000 – \$199 999	1	
\$210 000 – \$219 999	–	1
>\$250 000	–	–
	<b>34</b>	<b>26</b>
The table includes all employees who received remuneration of \$100 000 or more during the year.		
The total remuneration received by these employee for the year was \$4 199 000 (\$3 215 000).		

## Notes to and forming part of the Financial Statements

	2000 \$'000	1999 \$'000		
20 Remuneration of Auditors Amounts received or due and receivable by the auditors with respect to the audit of the Department are: Treasury and Finance	319	307		
21 Targeted/Voluntary Separation Package (TVSPs) Schemes  Number of employees paid TVSPs <i>Amount paid to these employees</i> TVSP Accrued annual and long service leave  <i>Amount recovered from the targeted/voluntary separation package schemes</i> Special deposit account  These amounts are included in the financial statements.	3  178 72  250  178	–  – –  –  –		
22 Other Administered Accounts  The following deposit accounts established pursuant to Section 8 of the Public Finance and Audit Act 1987 are administered by the Department. Reflected below are a summary of revenues and expenses, and assets and liabilities of each administered item.				
Name	Revenues 2000 \$'000	Expenses 2000 \$'000	Assets 2000 \$'000	Liabilities 2000 \$'000
Agency Provisions for Future Asset Replacements	–	–	16 070	16 070
Asset Sales Unit	10 781	54	36 750	17
Bank SA Sale Account	–	–	446	–
Community Development Fund	19 500	19 500	–	–
Gaming Supervisory Authority	919	705	279	29
Electricity Planning Council	1 500	358	1 247	105
Electricity Reform and Sales Unit	93 851	85 330	47 939	17 729
Emergency Services Levy	89 947	89 591	356	–
ETSA Sales/Lease Proceeds Account	2 019 360	2 410 174	1 303 283	1 694 098
Home Purchases Assistance Account	302	302	1 219	1 219
Home Builders Account No.2	962	962	–	–
Hospitals Fund	158 777	158 777	12 125	12 125
Local Government Disaster Fund	7 972	1 935	30 384	–
SAAMC – Returns to the Treasurer	–	–	1 800	1 800
SAIIR	1 823	1 371	1 381	930
State-Local Government Reform Fund	48 107	48 107	4 034	–
Stony Point Indenture Account	5 413	5 413	28 898	28 898
Totalizator Dividend Adjustment Account	2 650	2 650	446	446
Treasury Working Account	148 794	148 794	442	442
Void Cheques	–	–	1 174	1 174
Total	2 610 658	2 974 023	1 488 273	1 775 082

## Notes to and forming part of the Financial Statements

### 22 Other Administered Accounts (continued)

Accounts of the South Australian Government Financing Authority, the South Australian Finance Trust Limited and the South Australian Government Captive Insurance Corporation established pursuant to the *Public Finance and Audit Act 1987* are not included. For further information on these accounts reference should be made to the financial statements of the South Australian Government Financing Authority and the South Australian Government Captive Insurance Corporation.

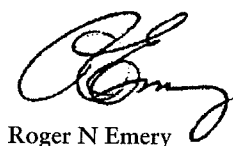
In our opinion, the attached Financial Statements of the Department of Treasury and Finance, being the Operating Statement, Statement of Financial Position and Statement of Cash Flows and notes thereto, are drawn up so as to give a reasonable and fair view of the results of the Department of Treasury and Finance for the financial year ended 30 June 2000, and state of affairs as at 30 June 2000.

The Financial Statements have been prepared in accordance with Statements of Accounting Concepts, applicable Urgent Issues Group Consensus Views, applicable Accounting Standards and the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, as amended.

Internal controls over financial reporting have been effective throughout the reporting period.



Jim Wright  
UNDER TREASURER



Roger N Emery  
DIRECTOR OF FINANCIAL SERVICES

## Independent Audit Report



**Auditor-General's  
Department**

### TO THE UNDER TREASURER

#### SCOPE

As required by section 31 of the Public Finance and Audit Act 1987, have audited the financial report of The Department of Treasury and Finance for the financial year ended 30 June 2000. The financial report comprises:

- An Operating Statement
- A Statement of Financial Position;
- A Statement of Cash Flows;
- A Schedule of Administered Revenues and Expenses;
- A Schedule of Administered Assets and Liabilities;
- Notes to and forming part of the Financial Statements;
- Certificate by the Under Treasurer and Director Financial Services

The Under Treasurer and the Director Financial Services are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it 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 that the financial report is free of material misstatement

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures re the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Australian Accounting Standards and other mandatory professional reporting requirements including 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 and performance as represented by 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

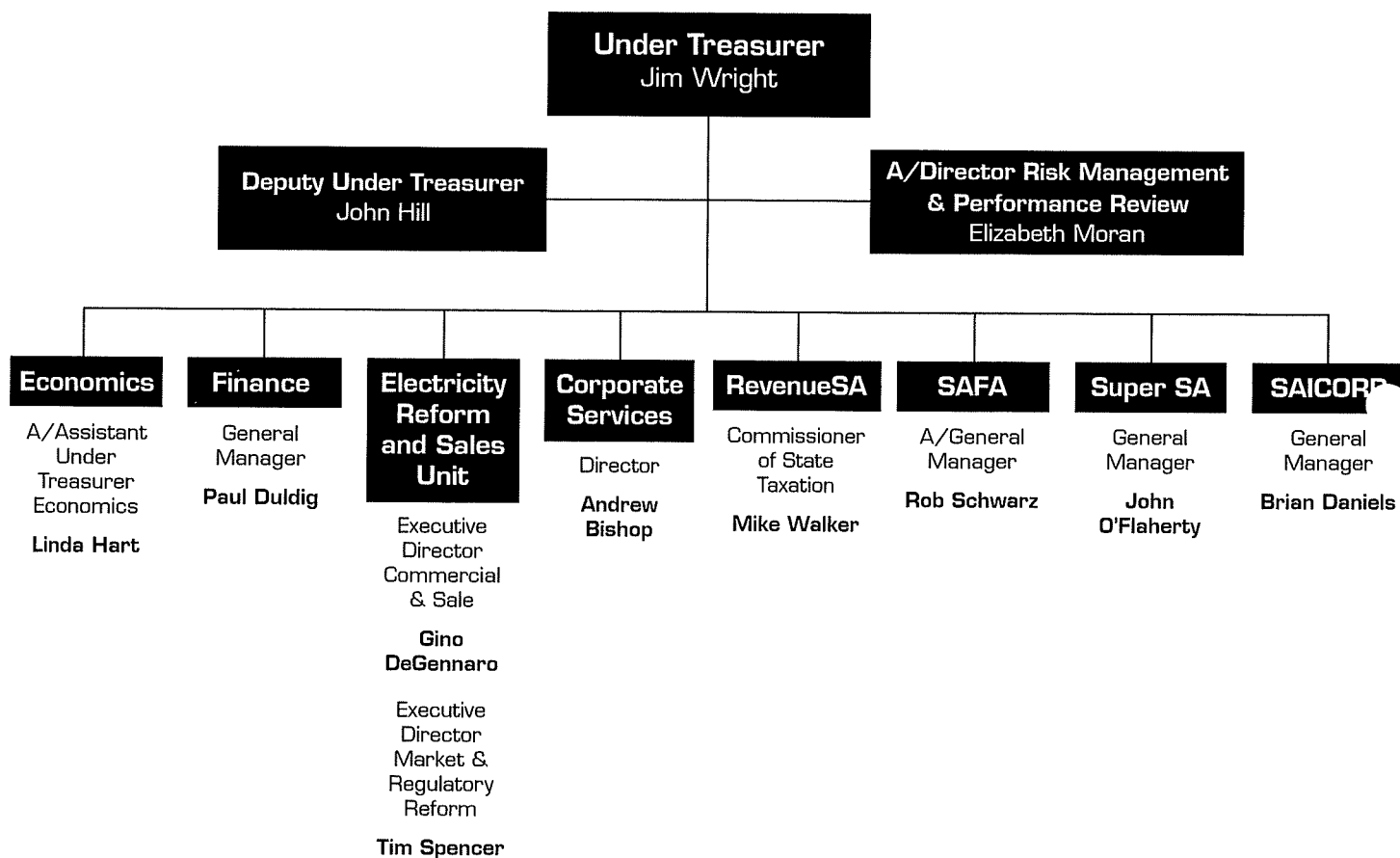
In my opinion the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Department of Treasury and Finance as at 30 June 2000. The results of its operations and its cash flows for the year then ended.

A handwritten signature in dark ink, appearing to read 'KI MacPherson'.

**KI MacPherson  
AUDITOR-GENERAL**

25 September 2000

## Department Structure as at 30 June 2000





## Department Structure as at 30 June 2000 (continued)

### Function

Economics	Finance	Electricity Reform and Sales Unit	Corporate Services
<ul style="list-style-type: none"> <li>• Provision of economic advice on a range of issues;</li> <li>• Revenue</li> <li>• Commonwealth-State relations</li> <li>• National competition Policy</li> <li>• Economic conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Management of State Budget process</li> <li>• Provision of advice on budgetary and financial issues</li> <li>• Monitoring financial performance of Government and its businesses</li> <li>• Facilitation of best practice financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Management of Government's electricity market reforms</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of a range of business support services in the areas of;</li> <li>• Administration</li> <li>• Financial management</li> <li>• Human Resources</li> <li>• Information Technology</li> <li>• Strategic Management</li> </ul>
RevenueSA	SAFA	Super SA	SAICORP
<ul style="list-style-type: none"> <li>• Management of state taxation legislation</li> <li>• Management of state revenue systems</li> <li>• Provision of policy advice on taxation issues</li> </ul>	<ul style="list-style-type: none"> <li>• Management of funding requirements and existing stock of Government liabilities</li> <li>• Provision of financial risk management and advisory services</li> </ul>	<ul style="list-style-type: none"> <li>• Management of public sector superannuation schemes</li> <li>• Provision of advice on superannuation policy to Government</li> </ul>	<ul style="list-style-type: none"> <li>• Management of the insurance and reinsurance of Government risks</li> <li>• Provision of advice on insurance and risk management issues</li> </ul>

## Acts Committed to the Treasurer as at 30 June 2000

	Committed
Advances to Settlers Act 1930	20/10/97
ASER (Restructure) Act 1997	5/2/98
Bank Merger (BankSA and Advance Bank) Act 1996	28/11/96
Bank Mergers (South Australia) Act 1997	19/3/98
Benefit Associations Act 1958	20/10/97
Casino Act 1997	11/9/97
Collections for Charitable Purposes Act 1939	20/10/97
Debits Tax Act 1994	13/2/97
Electricity Act 1996	19/8/99
Electricity Corporations Act 1994	28/5/98
Electricity Corporations (Restructure and Disposal) Act 1999	29/7/99
The Electricity Trust of South Australia (Torrens Island Power Station) Act 1962	28/5/98
Financial Agreement Act 1994*	5/2/98
Financial Institutions Duty Act 1983	13/2/97
Financial Sector (Transfer of Business) Act 1999	12/8/99
Financial Transaction Reports (State Provisions) Act 1992	20/10/97
First Home Owner Grant Act 2000	29/6/00
Gaming Machines Act 1992	13/2/97
Gaming Supervisory Authority Act 1995	13/2/97
Gift Duty Act 1968	13/2/97
Government Financing Authority Act 1982	14/12/93
Governors' Pensions Act 1976	20/10/97
Homes Act 1941	20/10/97
Housing Loans Redemption Fund Act 1962	20/10/97
Independent Industry Regulator Act 1999	19/8/99
Interest on Crown Advances and Leases Act 1944	20/10/97
Judges' Pensions Act 1971	20/10/97
Land Tax Act 1936	13/2/97
Loans for Fencing and Water Piping Act 1938	20/10/97
Loans to Producers Act 1927	20/10/97
Lottery and Gaming Act 1936	20/10/97
Motor Accident Commission Act 1992	14/12/93
National Electricity (South Australia) Act 1996	22/10/98
National Tax Reform (State Provisions) Act 200	29/6/00
New Tax System Price Exploitation Code (South Australia) Act 1999	9/12/99
Parliamentary Superannuation Act 1974	20/10/97

## Acts Committed to the Treasurer as at 30 June 2000 (continued)

	Committed
Pay-roll Tax Act 1971	13/2/97
Petroleum Products Regulation Act 1995	13/2/97
Police Superannuation Act 1990	20/10/97
Public Corporations Act 1993	14/12/93
Public Finance and Audit Act 1987	20/10/97
Rural Advances Guarantee Act 1963	20/10/97
SGIC (Sale) Act 1995	29/6/95
Southern State Superannuation Act 1994	20/10/97
Stamp Duties Act 1923	13/2/97
State Bank (Corporatisation) Act 1994	12/5/94
State Bank of South Australia Act 1983	14/12/93
Student Hostels (Advances) Act 1961*	20/10/97
Succession Duties Act 1929	13/2/97
Superannuation Act 1988	20/10/97
Superannuation Funds Management Corporation of South Australia Act 1995	13/2/97
Superannuation (Visiting Medical Officers) Act 1993	20/10/97
Supplementary Financial Agreement (Soldiers Settlement Loans) Act 1934*	5/2/98
Taxation Administration Act 1996	13/2/97
Taxation (Reciprocal Powers) Act 1989	13/2/97
Tobacco Products Regulation Act 1997	5/6/97
Unclaimed Moneys Act 1891	20/10/97
Unclaimed Superannuation Benefits Act 1997	29/1/98
Westpac/Challenge Act 1996	5/2/98
* Act of limited application	

## Legislative Measures

### ELECTRICITY

#### Electricity (Miscellaneous) Amendment Act 1999 (No. 60 of 1999)

The *Electricity (Miscellaneous) Amendment Act 1999* amends the *Electricity Act 1996* in a number of substantive respects. The Act makes considerable changes to the licensing regime. In particular, it specifies a number of conditions that must be contained in electricity industry licences, including conditions that transmission, distribution and retail licensees participate in an ombudsman scheme, that generation, transmission and distribution licensees prepare, comply with and audit their compliance with safety and technical management plans approved by the Independent Industry Regulator, and that licensees comply with codes established from time to time by the Independent Industry Regulator (including codes which establish minimum standards of service). The Act vests responsibility for administering and monitoring this licensing regime in the Independent Industry Regulator. Another significant reform introduced by the Act is to establish a regime for the regulation of the maximum tariffs that may be charged to non-contestable customers and in respect of certain "monopoly" transmission and distribution network services. At least initially, this regime is largely implemented through an electricity pricing order issued by the Treasurer under the *Electricity Act*. As is the case with the licensing regime, the new price regulation regime is administered and enforced by the Independent Industry Regulator. Other reforms made by this Act are to establish the Electricity Supply Industry Planning Council, to provide for the establishment of the Consumer Advisory Committee to advise the Independent Industry Regulator and the Technical Advisory Committee to advise the Technical Regulator, to provide for the establishment of programs for locating powerlines underground (distribution and transmission licensees are required to comply with such programs) and to increase penalties for breaches of the *Electricity Act*. Finally, the Act sets out certain cross-ownership rules which are largely designed to prevent the reaggregation, at least in the short term, of the State's electricity businesses following their privatisation.

Assented to: 19 August 1999

Date of Operation: Various. Final provisions took effect 11 October 1999.

#### Independent Industry Regulator Act 1999 (No. 51 of 1999)

The Independent Industry Regulator Act provides for the establishment of the South Australian Independent Industry Regulator. This body is responsible for regulating prices and performing licensing functions in relation to specified industries, making and monitoring the operation of codes of conduct in respect of such industries and promoting improvement in the standards of service provided by participants in those industries. The Independent Industry Regulator has been given responsibility for the South Australian electricity supply industry. The Independent Industry Regulator is appointed by the Governor for a fixed term and can only be removed from office in a limited number of circumstances (and then generally only by order of the Supreme Court).

Assented to: 12 August 1999

Date of Operation: 19 August 1999

#### Statutes Amendment (Electricity) Act 1999 (No. 74 of 1999)

The *Statutes Amendment (Electricity) Act 1999* makes various miscellaneous amendments to the *Electricity Act 1996*, the *Electricity Corporations Act 1994* and the *Electricity Corporations (Restructuring and Disposal) Act 1999*. The principal amendments are those which accommodate the conversion of SA Generation Corporation into a Corporations Law company (in anticipation of the sale of that company), provide for the name of ETSA Corporation to be changed to RESI Corporation, modify the terms of certain statutory easements, modify various superannuation-related provisions to accommodate the State's gas trading business, and deem building and

## Legislative Measures (continued)

development work for certain substations and transformers to comply with the relevant statutory and regulatory requirements.

Assented to: 25 November 1999

Date of Operation: Various. Final provisions took effect 31 March 2000.

### Electricity (Pricing Order and Cross-Ownership) Amendment Act 2000

(No. 51 of 2000)

The *Electricity (Pricing Order and Cross-Ownership) Amendment Act 2000* varies the electricity pricing order issued by the Treasurer on 11 October 1999 under the *Electricity Act 1996*, the relevant amendments being set out in the Gazette on 28 June 2000 at page 3397. This Act also exempts the Crown from any liability (including contractual liability) in connection with that variation.

Assented to: 20 July 2000

Date of Operation: 20 July 2000

## SUPERANNUATION

### Southern State Superannuation (Salary) Amendment Act 1999 (No. 86 of 1999)

The amendment Act provided for non monetary forms of remuneration received by an employee pursuant to a salary packaging arrangement under an industrial award or prescribed enterprise agreement to be included in the definition of salary under the Triple S Scheme.

Assented to: 2 December 1999

Date of operation: 1 December 1999

### Statutes Amendment (Visiting Medical Officers Superannuation) Act 1999

(No. 87 of 1999)

Provides for the Triple S Scheme to be an alternative State Government scheme to the SAHC Visiting Medical Officers Superannuation Scheme.

Assented to: 2 December 1999

Date of operation: 23 December 1999

### Superannuation (Voluntary Separation Packages) Amendment Act 1999

(No. 57 of 1999)

Provided enhanced benefits to members of the Pension and Lump Sum schemes electing to take a Targeted Voluntary Separation Package.

Assented to: 12 August 1999

Date of operation: 1 July 1999

### Police Superannuation (Increments in Salary) Amendment Act 1999

(No. 54 of 1999)

This legislation amended the *Police Superannuation Act* to ensure there was consistency between the superannuation scheme and the new salary structure introduced as part of the 1998 Enterprise Agreement for police officers. The amendment ensures that the existing understanding of how the scheme operates is maintained.

Assented to: 12 August 1999

Date of Operation: 26 August 1999

**Legislative Measures (continued)****STATE TAXATION****Statutes Amendment (Financial Institutions) Act 1999 (No. 41 of 1999)**

Amends the *Debits Tax Act 1994*, the *Financial Institutions Duty Act 1983*, and the *Stamp Duties Act 1923*, to maintain the status quo in respect of the collection of debits tax, financial institutions duty and cheque duty to federal changes relating to the issuing of cheques by non-bank financial institutions. The Act also clarifies exemptions currently provided in the *Debits Tax Act 1994* and the *Financial Institutions Duty Act 1983*, for reversing entries made to correct an error or to effect the dishonouring of a cheque.

Assented: 5 August 1999

Date of operation: 1 December 1998

**Stamp Duties (Conveyance Rates) Amendment Act 1999 (No. 40 of 1999)**

The Act amends Schedule 2 of the *Stamp Duties Act 1923*, to give effect to the changes to the stamp duty rates announced in the State Budget. Stamp duty on conveyances was increased from \$4 to \$4.50 per \$100 on conveyances between \$500 000 to \$1 million, and \$4.50 to \$5 per \$100 on conveyances over \$1 million.

Assented to: 5 August 2000

Date of operation: 5 August 2000

**Commonwealth Places (Mirror Taxes Administration) Act 1999 (No. 71 of 1999)**

The Act implements essential elements of safety net arrangements agreed to between South Australia and the Commonwealth, to ensure the continuation of appropriate taxation arrangements in respect of Commonwealth places situated in South Australia.

Assented: 25 November 1999

Date of operation: 25 November 1999

**Land Tax (Intensive Agistment) Act 1999 (No. 83 of 1999)**

To include the intensive agistment of declared livestock within the definition of "business of primary production" for the purposes of a primary production exemption from land tax. "Declared livestock" is further defined to mean cattle, sheep, pigs or poultry; or any other kind of animal prescribed by the regulations.

Assented: 2 December 1999

Date of operation: 30 June 1999

**National Tax Reform (State Provisions) Act 2000 (No. 21 of 2000)**

Ratifies the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*. The Act ensures that State and Local government bodies comply with the GST, and abolishes financial institutions duty and stamp duty on quoted marketable securities. The Act also amends the *Stamp Duties Act 1923* to put beyond doubt that stamp duty is payable on the GST inclusive price, value or consideration of property; amends the *Pay-roll Tax Act 1971*, to ensure that the GST component of any deemed wages is excluded from pay-roll tax calculations, and abolishes the Off-road Diesel Users Subsidy Scheme provisions under the *Petroleum Products Regulation Act 1995*.

Assented: 8 June 2000

Date of operation: 1 July 2001

**Legislative Measures (continued)****First Home Owner Grant Act 2000 (No. 25 of 2000)**

Implements the First Home Owner Grant to offset the impact of the GST for eligible first homebuyers by providing a one-off payment of \$7,000.

Assented: 29 June 2000

Date of operation: 1 July 2000

**MISCELLANEOUS****Casino (Licence) Amendment Act 1999 (No. 47 of 1999)**

Completes the Government's major restructure of the ASER project by finalising arrangements for the ongoing management of the Adelaide Casino and establishing a regulatory regime suited to the operation of the Casino by a non-Government operator.

Assented: 12 August 1999

Date of Operation: 12 August 1999

**Statutes Amendment (Lotteries and Racing – GST) Act 2000 (No. 26 of 2000)**

Gives effect to the Government's commitment as part of the InterGovernmental Agreement on Reform of Commonwealth-State Financial Relations. Reflects a policy of revenue neutrality in making amendments to gambling taxation arrangements for the introduction of GST.

Assented: 29 June 2000

Date of operation: 1 July 2000

**Gaming Machines (Miscellaneous) Amendment Act 2000 (No. 27 of 2000)**

Gives effect to the Government's commitment as part of the InterGovernmental Agreement on Reform of Commonwealth-State Financial Relations, provides for the introduction of measures committed to in response to Parliament's Social Development Committee Gambling Inquiry Report and addresses two other gaming machine licence administrative issues.

Assented: 29 June 2000

Date of Operation: 1 July 2000

**New Tax System Price Exploitation Code (South Australia) Act 1999  
(No. 53 of 1999)**

Give effect in South Australia to Commonwealth legislation aimed at preventing price exploitation as a result of the introduction of the New Tax System.

Assented: 12 August 1999

Date of Operation: 10 December 1999

**ASER (Restructure) (Miscellaneous) Amendment Act 1999 (No. 45 of 1999)**

To add value to all of the ASER assets by simplifying and rationalising the management of the occupational regime of the ASER development.

Assented: 12 August 1999

Date of Operation: 19 August 1999

## Profile of Remuneration Levels as at 30 June 2000

CLASSN	ONGOING CONTRACT			SHORT TERM CONTRACT			LONG TERM CONTRACT			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Administrative Services Administrative Services Officers												
TRAINEES	0	0	0	3	4	7	0	0	0	3	4	7
ASO1	8	19	27	4	10	14	0	0	0	12	29	41
ASO2	21	70	91	7	24	31	0	0	0	28	94	122
ASO3	23	45	68	3	3	6	0	0	0	26	48	74
ASO4	40	22	62	4	3	7	0	0	0	44	25	69
ASO5	42	21	63	3	3	6	0	0	0	45	24	69
ASO6	37	13	50	2	1	3	0	0	0	39	14	53
ASO7	19	7	26	1	4	5	0	0	0	20	11	31
ASO8	26	4	30	1	2	3	0	0	0	27	6	33
CONTRACT	0	0	0	0	1	1	9	1	10	9	2	11
<b>TOTAL</b>	<b>216</b>	<b>201</b>	<b>417</b>	<b>28</b>	<b>55</b>	<b>83</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>253</b>	<b>257</b>	<b>510</b>
Executives Executive Officers												
EL1	0	0	0	0	0	0	0	0	0	0	0	0
EL2	1	0	1	0	0	0	0	0	0	1	0	1
EL3	0	0	0	0	0	0	0	0	0	0	0	0
EXA	0	0	0	0	0	0	15	3	18	15	3	18
EXB	0	0	0	0	0	0	5	0	5	5	0	5
EXC	0	0	0	0	0	0	3	0	3	3	0	3
EXD	0	0	0	0	0	0	1	0	1	1	0	1
EXE	0	0	0	0	0	0	0	0	0	0	0	0
EXF	0	0	0	0	0	0	1	0	1	1	0	1
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>3</b>	<b>28</b>	<b>26</b>	<b>3</b>	<b>29</b>
<b>TOTAL ALL</b>	<b>217</b>	<b>201</b>	<b>417</b>	<b>28</b>	<b>55</b>	<b>83</b>	<b>34</b>	<b>4</b>	<b>38</b>	<b>279</b>	<b>260</b>	<b>539</b>



### **Boards and Committees Administered by Department of Treasury and Finance as at 30 June 2000**

Electricity Supply Industry Planning Council  
Pay-Roll Tax Appeal Tribunal  
RESI – Energy Corporation  
RESI – Power Corporation  
RESI Capital (No.2) Pty Ltd  
RESI Capital Pty Ltd  
RESI Corporation Board  
RESI OE Pty Ltd  
RESI Power Pty Ltd  
RESI SYN Pty Ltd  
RESI Utilities Pty Ltd  
South Australian Asset Management Corporation Board  
South Australian Government Captive Insurance Corporation Board (SAICORP)  
South Australian Government Financing Advisory Board  
South Australian Superannuation Board  
Parliamentary Superannuation Board  
Distribution Lessor Corporation  
Generation Lessor Corporation

## Use of Consultants

Note: Payments to consultants include amounts paid and payable at 30 June 2000.

CONSULTANT	PURPOSE OF CONSULTANCY	NUMBER	TOTAL \$
Value Below \$10 000			
Various	Various		
<b>Subtotal</b>		<b>30</b>	<b>71,996.65</b>
Value \$10 000 – \$50 000			
Brett Watson	Provision of Actuarial work – various		
Com Tech Communications	Assistance with Software Audit for DTF/DPC		
Computer Associates	Provision of Information Technology Archiving Review		
	Provision of External Service (Help Desk)		
	Technical assistance with 9802 Upgrade		
	Continuing Education Program		
Edward Rushton	Performing a revaluation of fixed assets within DTF and DPC		
John Morris	Change Management workshops		
Julie Sloan Mgmt Pty Ltd.	Provision of seminars on Managing Cultural Diversity		
Morgan and Banks	Outplacement services for Revenue SA employee – employment contract expired		
	Provision of resources for a search for the position of Under Treasurer		
New South Wales Treasury	Provision of joint venture national industry markets study with interstate counterparts		
Office of Energy, NSW	Joint venture national industry markets study with interstate counterparts		
Oztrain Pty Ltd.	Provision of assistance with the Graduate Development Program		
	Provision of the Strategic Planning day		
	Coordination of the planning day for Information Administration Systems section.		
	Devising a Corporate Strategic Plan for medium to long term.		
Quoin	Formatting and layout of Finance Branch handbook		
Rowan Ashby	Recruitment fee for staff		
	Engagement of a consultant for preparation of financial statements		
	Provision of assistance with the Graduate Development Program recruitment		

## Use of Consultants (continued)

CONSULTANT	PURPOSE OF CONSULTANCY	NUMBER	TOTAL \$
Simson Bowles	Preparation of the Information Technology strategic plan		
Speakman Personnel	Recruitment of senior staff for Finance Branch		
State Revenue Dept. (WA)	Contribution to conveyance duty consultancy to 31/12/99 Provision of advice on the First Home Owners Grant scheme		
Towers Personnel	Provision of an investment consultancy		
<b>Subtotal</b>		<b>16</b>	<b>295,497</b>
<b>Value Above \$50 000</b>			
Arthur Andersen	Provision of GST technical advice and training Fringe Benefits Tax review Review of Treasurer's Administered lines and deposit accounts to assess the impact of GST		
Econtech	Devising a study on the Impact of Tax Reform on Input Costs		
Interim Technology	Provision of advice on South Australia's contribution to the development costs associated with First Home Owner Grant (FHOG)		
KPMG Assurance and Advisory	Supply and implementation of a Fringe Benefits Tax management system Quantum associated costs Provision of GST technical advice and training Development of financial management reporting system. Industry search for a chairman for NEMMCO		
Myers-Holumn	Assistance with Provision of External service (help desk) Provision of Continuing education program Provision of advice and support in implementing a new management reporting tool		
Resource Investment Strategy	Assistance with conducting a Case Study on the Gas Market		
SWOOD Financial Solutions	Specialist services for implementing the necessary process and system changes for the introduction of the GST Assistance with provision of external service (Help Desk) Provision of Continuing education program		
<b>Subtotal</b>		<b>7</b>	<b>714,964</b>
<b>Totals</b>		<b>53</b>	<b>1,082,458</b>

## Occupational Health and Safety Statistics

General	96/97	97/98	98/99	99/00
The average number of employees (FTE's) during the period	417.1	407.3	478.9	524.4
The average number of people employed				534
The total number of hours worked by employees	706,985	691,052	811,736	1,061,991
<b>Prevention</b>				
The agency's actual expenditure on OHS&W programs – as a percentage of the agency's total expenditure	0.03	0.0798	0.0230	0.0112
The agency's actual expenditure on occupational health & safety programs				6,562
The number of hours of training in OHS&W	130	1,482	821	532
The number of Health and Safety Representatives (employee and management inclusive)	4	14	19	13
The number of Health and Safety Committees	1	1	1	1
Composition of corporate health and safety committee				
• Management				3
• Employees				14
The number of issues pursuant to S35, S36, S39, S40 of the Occupational Health Safety and Welfare Act 1986	–	–	–	–
<b>Claims Management</b>				
The total number of incidents	19	7	14	17
Total number of current workers compensation claims	–	–	11	1
The total number of new workers compensation	5	4	5	9
The agency's budget allocation for workers compensation claims	46,700	50,000	55,000	53,000
The total cost of workers compensation claims charged against an insurance fund	37,565	54,064	117,873	143,006
The three most frequent causes (mechanisms) of injury – 99/00				
Falls (same level)				
Muscular stress				
Mental stress				
The three most expensive causes (mechanisms) of injury – 99/00				
Hitting moving objects				
Muscular stress				
Falls (same level)				

## Occupational Health and Safety Statistics (continued)

Claims Management (continued)	96/97	97/98	98/99	99/00
The total cost of workers compensation carried by the agency	–	–	–	
The total number of common law claims	–	–	–	
The total cost of common law claims	–	–	–	
The total number of new workers compensation claims with a lost time injury (LTI)	–	–	1	3
The total number of new workers compensation claims with a medical treatment only (MTO)	–	–	4	6
Rehabilitation	96/97	97/98	98/99	99/00
The total number of employees who participated in the agency's rehabilitation program	1	1	4	2
The total number of employees rehabilitated back to their original work task	–	–	2	1
The total number of employees rehabilitated and reassigned to other duties	–	–	–	–
The total number of employees still suitable on alternative duties	–	–	–	–
Total number of employees still on rehabilitation program				1
The total number of employees who have been certified as unable to return to any kind of work and are still receiving income maintenance				–
The total number of employees whose claims have been finalised and who have left the public sector				–

### Freedom of Information Statement

Freedom of Information Act 1991 (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 3836

#### 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 areas of state taxation and superannuation.

##### State Taxation

RevenueSA, formerly the State Taxation Office, is headed by the Commissioner of State Taxation who, in his legislative capacity, is responsible for the administration of various Acts and associated Regulations. In conjunction with its involvement in taxation collection, management and legislation, RevenueSA is also responsible for; the administration of Government incentive schemes, is involved with industry assistance packages, collecting the fixed property component of the Governments' Emergency Services Levy, the regulation of small lotteries and trade promotion functions and the administration of subsidy schemes including petroleum and the first home owners grant (the latter was applicable from 1 July 2000).

##### Superannuation

The Department of Treasury and Finance is contracted by the South Australia Superannuation Board to administer several superannuation Acts through Super SA. These Acts provide for the operation and management of various superannuation schemes across South Australia, including schemes for public sector employees, Parliamentarians, Judges and Governors. It also provides advice to the Board, the department and the Government on superannuation policy.

##### 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

## Freedom of Information Statement (continued)

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; and
- 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

RevenueSA has well established consulting groups and meetings are held regularly to discuss a wide range of issues arising out of the administration of taxation legislation. The groups represent the following:

- 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 Real Estate Institute of South Australia
- The Australian Bankers' Association
- Credit Union Association of South Australia.

In addition, RevenueSA maintains regular contact with the following:

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

## Freedom of Information Statement (continued)

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

Super SA maintains regular contact with:

- The Australian Prudential Regulation Authority
- The Association of Super Funds of Australia Ltd
- Australian Institute of Super Trustees
- Other State and Commonwealth Public Sector Jurisdictions

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.

Employee representatives are elected to South Australian Superannuation Board by members of the Schemes administered by the 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 administration of the *Lottery and Gaming Act, 1936*;
- (e) Personnel files relating to Treasury and Finance employees;
- (f) Superannuation files relating to the administration of member superannuation benefits;
- (g) Treasurer's Instructions(i)(iii)
- (h) Circulars including:
  - RevenueSA circulars(i)(iii)
  - Treasury circulars(i)
- (i) Publications/papers/reports including:
  - Budget papers(i)(iii)
  - Information papers (iii)
  - Annual Report(ii)(iii)
  - Media Releases (iii)
- (j) A range of procedure manuals:



**Freedom of Information Statement (continued)**

(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

(iii) Available on the Internet at [www.treasury.sa.gov.au](http://www.treasury.sa.gov.au)

**Section 5 – Access Arrangements, Procedures and Points of Contact****Superannuation**

The Information Statement relating to the State Pension, State Lump Sum and Triple S Schemes may be obtained from the annual report of the South Australian Superannuation Board.

**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 3836) 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):

- 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 3836

9.00 am to 5.00 pm Monday to Friday.

## Freedom of Information Statement (continued)

### 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. If the applicant requests the relevant documents to be photocopied a charge of ten cents per page will be incurred. 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 RevenueSA 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 3836

9.00 am to 5.00 pm Monday to Friday.

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 3836.

### Number of Requests Made

The Department of Treasury and Finance received nine enquiries in accordance with the Act during the 1999–2000 financial year. All enquiries were dealt with in the appropriate manner.

## Year 2000 Compliance

The department managed the Treasury and Finance Portfolio Year 2000 (Y2K) Compliance Strategies in accordance with the Cabinet approved Y2K Implementation Plan. During the second half of 1999 the Project Director, the Portfolio Y2K Coordinator and the departmental Y2K Steering Committee focussed on the completion of testing and contingency planning for all critical items. In addition, each major branch prepared for and increased their Y2K conformity through the Y2K Working Party Group.

The Portfolio reported on a monthly basis to the Minister for Year 2000 Compliance (through the Office for Year 2000 Compliance) on progress of the compliance planning, implementation and contingency planning of the Y2K programs against designated milestones.

During the year, significant progress was made in the following areas:

- In July 1999, the Department pro-actively completed an internal audit program on Y2K progress across major branches in Treasury and Finance. All the recommendations from that audit program were completed by September 1999.
- Y2K compliance testing for all critical IT systems was completed in October 1999. Critical systems included CA-Masterpiece, ACCPAC, RecFind, Concept HRMS, ReserveLink, STORMS, Climber, Quantum, Hyperion, Superb2000, Figtree, a variety of financial packages, desktop applications and other centrally managed systems (not all systems are critical on an overall government basis).
- All buildings were classified as critical items and their respective Y2K compliance testing was completed in December 1999.
- The Department was the Lead Agency for Whole of Government Financial Management Systems (CA/Masterpiece and ACCPAC). The Y2K contingency plans, prepared by the department to assist agencies to address any operational issues that may arise on or after 1 January 2000 for these systems, were completed in November 1999.
- The Department conducted its pilot study with the Department of Transport Urban Planning and the Arts (DTUPA) for the Y2K Supply Demand Chain (SDC) program on data and money flows between agencies. The department conducted this program further with the two key portfolios (Department of Human Services and Department of Education Employment and Training). This program was essential to ensure our requirements of data/information flow would be met in the event of a problem on or after 1 January 2000.
- To provide an additional level of protection and effectively manage the Y2K risk, the department developed a comprehensive contingency planning approach. This approach included a Departmental High Level Contingency Plan (DHLCP) supported by more detailed plans covering the following areas:
  - Building and other non-IT equipment;
  - Corporate level IT infrastructures; and
  - Departmental Branch operations
- The Department held a number of Y2K Contingency Planning review workshops for all members of the Department Y2K Steering Committee, Branch Heads and Y2K Branch Coordinators to ensure a coordinated approach to Y2K contingency issues in the Department.
- The contingency planning process and a copy of the DHLCP were published on the Department Intranet.
- The same approach was also promulgated to other entities within the Treasurer's Portfolio.
- In accordance with directives from the Minister for Y2K Compliance the department's Y2K Project Team, in conjunction with representatives from the Treasurer's Office and from the Electricity Reform and Sales Unit, compiled the Legislation Audit Report.

### Year 2000 Compliance (continued)

- The report, completed in December 1999, consisted of all the Acts committed to the Treasurer as at 31 August 1999 and the audit results of these Acts and their relevant Regulations.
- The Treasurer's Portfolio passed the Y2K rollover period without incident. All systems were verified at 1.00pm on 1.1.2000. Systems were verified after all Building and non-IT equipment was verified as fully operational. The total actual expenditure as at the end of December 1999 was approximately \$1.8 million, significantly lower than the original estimate of \$2.1 million. This saving was primarily due to:
  - The efficiency in the re-use of test tools, test plans, contingency plans across branches;
  - The earlier identification of common applications and the leadership from branches who accepted their nominated primary responsibilities on compliancy for these applications; and
  - The collaborative approach that was undertaken by staff involved in the project.

The success of the rollover and the collaboration across all branches in the Department has permitted the contingency plans to be used as a good foundation for an ongoing Business Continuity Plan.

## Overseas Travel 1999-2000

DESTINATION/S	NUMBER OF EMPLOYEES	REASON FOR TRAVEL	TOTAL COST
United Kingdom	1	Meeting with current and potential underwriters of the South Australian Governments' reinsurance program.	5,799
United Kingdom	2	British Government-sponsored visit including meetings with utilities industries' regulators and others utilities' organisations.	3,743
United Kingdom, United States, Singapore.	3	To meet with potential bidders of the Government owned electricity entities within South Australia.	27,237
United Kingdom, United States, Singapore.	3	To promote the leasing of South Australia's generation assets with potential buyers.	46,250
<b>TOTALS</b>	<b>9</b>		<b>\$83,029</b>

## Revenue Collections by RevenueSA

	1997-1998		1998-1999		1999-2000	
	Number of Taxpayers Transactions	Amount \$	Number of Taxpayers Transactions	Amount \$	Number of Taxpayers Transactions	Amount \$
Petroleum Products Regulation*						
Monthly Licence Holders	0	12,699,308				
Annual Licence Holders	1,209	171,622	1,192	110,844	1162	99,037
Total Petroleum Licence Fees		12,870,930		110,844		99,037
Debits Tax		60,023,448		59,078,026		58,715,877
Financial Institutions Duty						
Financial Institutions	172	83,324,280	198	83,560,919	178	84,717,489
Short Term Money Market Operators	90	4,007,907	85	5,617,415	74	5,751,282
Exempt-Chartable Organisations Accounts	55,779		58,119		59,714	
Total Financial Institutions Duty		87,332,187		89,178,334		90,468,771
Land Tax	55,266	143,003,717	56,484	128,388,017	68,399	138,189,918
Payroll Tax						
Private Sector	5,803	535,785,069	6,060	553,291,855	6,316	579,936,947
Government Sector	29	106,828,396	29	109,798,511	37	113,798,512
Total Payroll Tax		642,613,465		663,090,366		693,735,459
Stamp Duty						
Adhesive Stamps		704,760		422,455		476,305
Annual Licences (insurance)		82,710,798		109,441,270		122,853,490
Applications to Register or Transfer Motor Vehicles		97,902,731		93,862,113		106,440,853
Hospital Fund MV Third Parties		13,225,684		41,330,409		51,640,304
Cheques		7,942,405		5,453,563		4,943,547
Conveyance of Property of Sale		212,825,103		227,409,505		313,444,362
Conveyance of Shares on Stock Exchange		5,522,029		6,853,680		11,720,186
Conveyance of Shares (Excluding Stock Exchange)		11,019,264		7,882,622		4,139,378
Insurance Effected Outside SA		3,318,071		4,293,808		4,213,596
Leases		2,365,760		2,136,260		2,588,723

Continued over page.

## Revenue Collections by RevenueSA

	1998 - 1999		1999 - 2000		2000-2001	
	Number of Tax payers Transactions	Amount \$	Number of Tax payers Transactions	Amount \$	Number of Tax payers Transactions	Amount \$
<b>Debits Tax</b>		<u>59,078,026</u>		<u>58,715,877</u>		<u>58,452,324</u>
<b>Financial Institutions Duty</b>						
Financial Institutions	198	83,560,919	178	84,717,489	102	94,849,591
Short Term Money Market Operators	85	5,617,415	74	5,751,282	44	7,413,205
Exempt-Charitable Organisations Accounts	58,119		59,714		60009	
<b>Total Financial Institutions Duty</b>		<u>89,178,334</u>		<u>90,468,771</u>		<u>102,262,796</u>
<b>Land Tax</b>	56,484	<u>128,388,017</u>	68399	<u>138,189,918</u>	71652	<u>140,346,506</u>
<b>Payroll Tax</b>	6,089	<u>663,090,366</u>	6353	<u>693,735,459</u>	6697	<u>743,902,641</u>
<b>Stamp Duty</b>						
Adhesive Stamps		422,455		476,305		505,766
Annual Licences (insurance)		109,441,270		122,853,490		135,259,446
Applications to Register or Transfer Motor Vehicles		93,862,113		106,440,853		102,150,505
Hospital Fund MV Third Parties		41,330,409		51,640,304		51,811,751
Cheques		5,453,563		4,943,547		4,225,464
Conveyance of Property on Sale		227,409,505		313,444,362		310,562,519
Conveyance of Shares on Stock Exchange		6,853,680		11,720,186		12,536,524
Conveyance of Shares (Excluding Stock Exchange)		7,882,622		4,139,378		6,347,179
Insurance Effected Outside SA		4,293,808		4,213,596		7,491,392
Leases		2,136,260		2,588,723		2,731,072
Mortgages		28,528,333		60,209,969		40,678,000
Other		-144,931		2,299,186		2,134,116
Less Refunds, Commissions etc		-2,487,237		-1,126,983		-258,629
Rental Business		12,486,164		53,079,842		36,488,563
Voluntary Conveyances of Property		7,230,664		2,749,259		2,106,240
<b>Total Stamp Duty</b>		<u>544,698,678</u>		<u>739,672,018</u>		<u>714,769,908</u>
<b>Contribution from small lotteries</b>				<u>1,127,281</u>	8690	<u>977,381</u>
<b>Total RevenueSA</b>		<u>1,485,279,344</u>		<u>1,721,909,324</u>		<u>1,760,711,556</u>

## Revenue Collections by RevenueSA (continued)

	1997-1998		1998-1999		1999-2000	
	Number of Taxpayers Transactions	Amount \$	Number of Taxpayers Transactions	Amount \$	Number of Taxpayers Transactions	Amount \$
Mortgages		28,871,258		28,528,333		60,209,969
Other		380,098		-144,931		2,299,186
Less Refunds, Commissions etc		-3,054,411		-2,487,237		-1,126,983
Rental Business		11,318,059		12,486,164		53,079,842
Voluntary Conveyances of Property		2,144,859		7,230,664		2,749,259
<b>Total Stamp Duty</b>		<b>477,196,465</b>		<b>544,698,678</b>		<b>739,672,018</b>
<b>Succession Duties</b>		<b>135,089</b>		<b>0</b>		<b>13,184</b>
Tobacco Products (Licensing)						
Unrestricted Licence Holders						
Restricted Licence Holders						
<b>Sub-Total Tobacco Products Licence Fees</b>						
Tobacco Products Regulation*						
Class A Licence Holders	0	23,539,503				
Restricted Class A Licence holders	3,579	35,814	3,154	34,515	2942	31,990
Class B Licence Holders						
<b>Sub-Total Tobacco Products Licence Fees</b>		<b>23,575,317</b>		<b>34,515</b>		<b>31,990</b>
<b>Total RevenueSA</b>		<b>1,446,750,618</b>		<b>1,484,578,780</b>		<b>1,720,926,254</b>

**\*Collections**

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

The Tobacco Products Regulation Act replaced the Tobacco Products (Licensing) Act effective 5 June 1997. Ad valorem state licence fees for Petroleum and Tobacco collected by the Commonwealth Government from 6 August 1997.

All figures have been rounded to the nearest dollar.