



THE TREASURY

OF SOUTH AUSTRALIA

ANNUAL REPORT

1992-93

MR E J CAREY

During the course of the year a former Under Treasurer Mr Ted Carey died.

Apart from a period of war service with the RAAF during the Second World War, Mr Carey spent most of his working life in Treasury. He made a particular contribution to the development of the State's case for special grants during the early years of the Commonwealth Grants Commission when the principles applied by that body were still in their formative stages. Subsequently he became the public service member of the Industries Development Committee of Parliament and played a critical role in advising the committee on applications by firms for assistance prior to the emergence of a separate Government agency to carry out this function.

Much of his career coincided with the term of office of Sir Thomas Playford and was lived in the shadows of such public service legends as Sir Fred Drew and Mr Gilbert Seaman who both served long periods as Under Treasurer. Mr Carey emerged from these shadows in 1972 and served as Under Treasurer until his retirement in 1975.

Current Treasury staff would like to record their appreciation of the significant contribution which Mr Carey made to the reputation of the department and of his unfailing thoughtfulness and good humour.

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ADMINISTRATION AND ENFORCEMENT OF STATE TAXATION LEGISLATION

CHARTER

The principal functions of the State Taxation Office are the collection of taxation revenue for the South Australian Government and the provision of policy advice to the Under Treasurer and the Government.

LEGISLATION

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

1. Business Franchise (Petroleum Products) Act 1979

The Act provides for the licensing of wholesale (Class A Licence) and retail (Class B Licence) vendors of petroleum products in South Australia with the licence fee consisting of an annual payment of \$100 plus an ad valorem component calculated by reference to the value of sales of petroleum products made by the licensee in an earlier period.

2. Debits Tax Act 1990

Debits tax is charged on all withdrawals from bank accounts with a cheque drawing facility. The Commonwealth Government imposed the tax in April 1983 and transferred responsibility to the States and Territories (except the ACT) on 1 January 1991. An agency arrangement has been entered into whereby the Australian Taxation Office continues to collect the tax on behalf of the States.

3. Financial Institutions Duty Act 1983

Financial institutions duty is payable on any receipt of money by a financial institution that is registered or required to be registered under the provisions of the Act. The rate of duty which was 10¢ per \$100 or \$1,200 (whichever was the lesser) was reduced from 1 June 1993 to the lesser of 6.5¢ per \$100 or \$1,200.

Duty at a concessional rate (0.005%) is payable by those persons who are registered as short-term money market operators for the purposes of the Act. The Act provides for

certain accounts (eg charitable organisations) to be exempt from the imposition of the duty.

4. Land Tax Act 1936

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

5. Pay-roll Tax Act 1971

Employers and groups of employers are required under the provisions of the Pay-roll Tax Act 1971 to pay 6.1 per centum tax on wages and salaries paid to employees. Where wages and salaries are below a given level (currently \$456,000 per year), described as the threshold, pay-roll tax is not payable.

6. Stamp Duties Act 1923

The Stamp Duties Act 1923 provides for the payment of duty on a diverse range of instruments, the largest being duty on the conveyance of land. Duty is also levied on a number of transactions relating to rental business, insurance business, stock exchange dealings and applications to register and transfer registration of motor vehicles.

7. Taxation (Reciprocal Powers) Act 1989

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

8. Tobacco Products (Licensing) Act 1986

The Tobacco Products (Licensing) Act 1986 provides for a legislative scheme under which a direct contribution to State revenue, in the form of a licence fee, is made by a consumer who takes out a consumption licence.

Consumers are relieved from the obligation to hold a consumption licence for the consumption of tobacco products obtained through a merchant in circumstances where

the merchant chooses to be licensed and thus by payment of licence fees makes a contribution to State revenue on behalf of consumers. The current licence fee rate is 100% of the value of tobacco products sold.

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

OBJECTIVES

The corporate objectives of the State Taxation Office are -

- To provide Government with efficient, effective and equitable administration of taxation legislation.

This includes -

- carrying out an ongoing review of legislation in order to ensure the legislation is achieving the aims of Government through revenue collections;
- identifying areas of tax avoidance and tax evasion;
- monitoring compliance levels to preserve the tax base;
- timely collection of taxes and early instigation of recovery proceedings providing the Government with maximum benefit of cash flows.
- The provision of the best possible service to the public given legislative requirements and budget limitations.
- To improve the State Taxation Office corporate image to taxpayers as a professional and efficient taxation collection organisation.
- To review existing systems on an ongoing basis to ensure effective tax administration and efficient collection of revenue for both taxpayers and the Government.
- To maintain an adequate consultation process with taxpayer groups.
- To provide timely and accurate advice to Government in relation to State taxation policy activities.

- To ensure the quality and amount of training provided to staff meets organisational and individual needs and, at the very least, meets the minimum requirements of the Industry Training Levy.
- To provide a sound personnel management service to the employees of the State Taxation Office.
- Successful implementation of Information Technology to all branches.

Management Plan

The State Taxation Office Strategic Management Plan was developed in 1990-91 and established a five year strategy to set the future direction of the organisation. 1992-93 saw a continuation of strategies developed to resolve the issues identified in the original plan.

The strategic issues identified requiring resolution are -

- Communication processes which arise both internally and externally to the organisation.
- Image of the State Taxation Office (building expertise, professionalism, effectiveness and efficiency).
- Information Technology.
- Legislation.
- Human resource development - technical competency.
- Strategic and operational planning.

THE YEAR IN REVIEW

Stage 1 of the State Taxation Office Information Technology Plan 1991-95 proceeded during 1992-93. Full implementation of the Common Cash Receipting System as part of the overall State Taxation Office Revenue Management System (STORMS) commenced on 1 March 1993 and provides a "one-stop shop" for the Office's public cash receipting and assessing functions.

A key part of the implementation strategy involved meeting with clients to discuss the proposed changes and seek their input into the change process. The input received from clients has ensured the best possible result has been achieved with a minimum level of disruption.

The new system provides a computer generated notice of assessment for all work lodged for the opinion of the Commissioner and a faxed requisition service for faster turnaround times.

In keeping with the Office's philosophy of improved customer focus the Stamp Duties Office has on regular occasions throughout the year extended its hours of operation to respond to peak lodgement periods for the legal, accounting and landbroking professions.

The State Taxation Office continues to examine interstate revenue collection systems and procedures in detail to ensure that Best Practice Principles are in place in the Office. As part of this commitment the State Taxation Office hosted a meeting of interstate tax offices' client services staff. At this forum members from the various jurisdictions were able to discuss common problems experienced in service delivery and uniformity across State borders.

A continuing feature of the State Taxation Office's activities is the development of legislation to counter tax avoidance and evasion. During 1992-93 a number of amendments were made to legislation administered by the Office. The mortgage provisions of the Stamp Duties Act were extensively amended to minimise tax avoidance whilst a rental duty avoidance scheme was also legislated against. A reassessment power has also now been incorporated into the Stamp Duties Act.

In addition to the amendments made to counter avoidance and evasion a number of changes were made to the rates of taxation of Acts administered by the Office. Many of these changes resulted in an extensive deployment of resources into taxpayer education. The Commissioner and a number of senior staff spoke at numerous professional development forums both in the city and country regional centres. These forums provide an excellent opportunity for the Office to further enhance its policy of taxpayer education.

Expenditure for the year on training and development of staff was equivalent to 2.7% of staff salaries and clearly met the requirements of the Training Guarantee Scheme. During the course of 1992-93 staff training was focused more on in-house courses tailored to specific needs of staff required to deal directly with taxpayers or their representatives.

As was reported in 1991-92 the State Taxation Office has placed a far greater emphasis on the use of circulars, booklets, guides and rulings as a means of disseminating information. During

1992-93 a further twenty-six circulars/rulings were issued.

The State Taxation Office Consulting Groups continued to meet on a regular basis during 1992-93. These groups meet to discuss a wide range of issues arising out of the legislation administered by the Office and provide a means of achieving greater cooperation and understanding of problems faced by taxpayers and their representatives. The membership of these groups has been expanded to include the Taxpayers' Association of SA, the National Institute of Accountants and the Credit Union Association of SA.

Financial Performance

State Taxation Revenue

Taxation revenue accruing to the State through the State Taxation Office can be classified into seven major categories -

- Business Franchise (Petroleum);
- Debits Tax;
- Financial Institutions Duty;
- Land Tax;
- Pay-roll Tax;
- Stamp Duties;
- Tobacco Products (Licensing).

Figure 1 depicts the relative contribution of these receipts during 1992-93 and incorporates a comparison for the year 1991-92 with 1992-93.

Optimising State Taxation Revenue

The tax base has expanded marginally during the past four years with the adoption of the Debits Tax Act. Figure 2 shows revenue collected for the last four financial years.

Appendix 5 summarises the revenue collections of the Office for the three years ended 30 June 1993.

The taxation revenue collected by the Office in the financial year was \$1,340.1 million. It is 30.8 per cent of the total recurrent revenue of the State of South Australia (or 52.6 per cent of the recurrent revenue received if Commonwealth funds are excluded). The total taxation revenue received by the State in 1992-93 was

\$1,594.2 million and the legislation administered by the State Taxation Office contributed 84.1 per cent of this revenue.

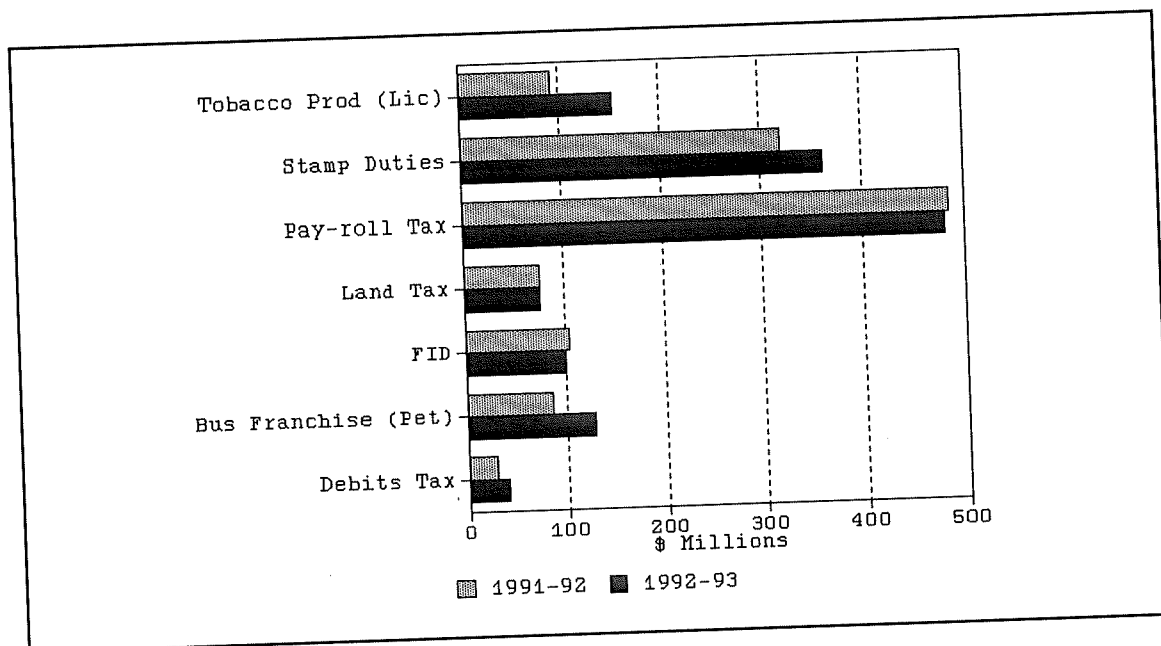


Figure 1: Major Sources of Income

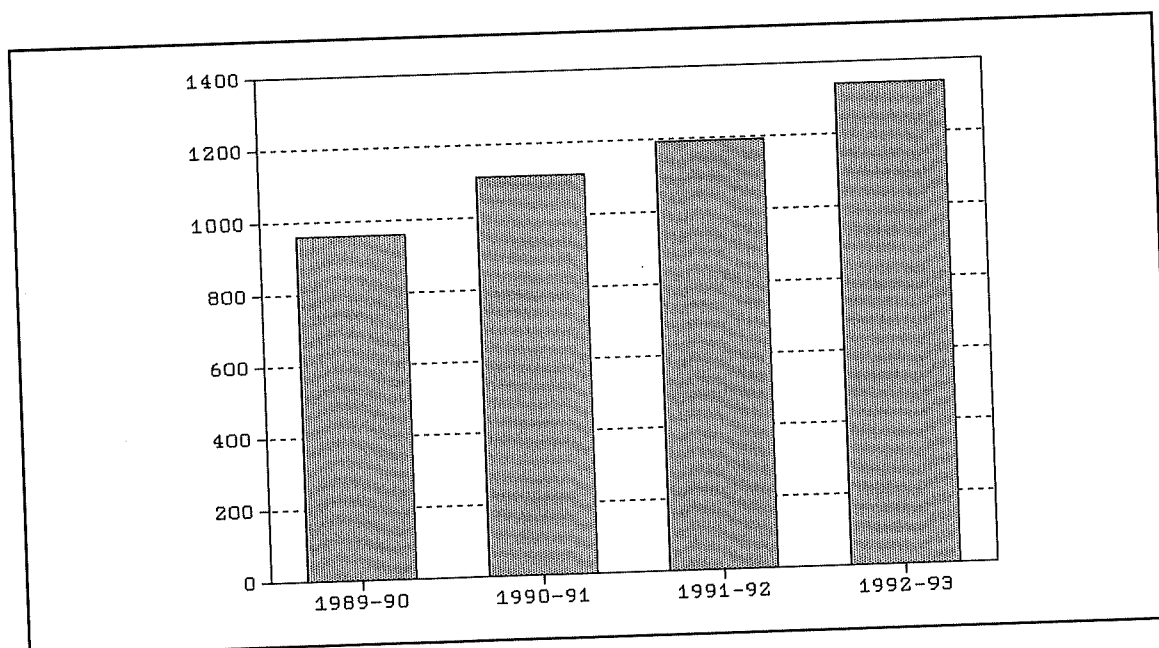


Figure 2: Comparison of Receipts

Cost of Administration

A sum of \$7,898,202 was expended on both recurrent and non-recurrent costs of administration which includes pay-roll tax liabilities, superannuation contributions and termination payments. Table 1 shows the

distribution of this expenditure among the different cost centres of the Office. Table 2 outlines the costs of collection of different taxes/duties administered by the Office after the deduction of overheads.

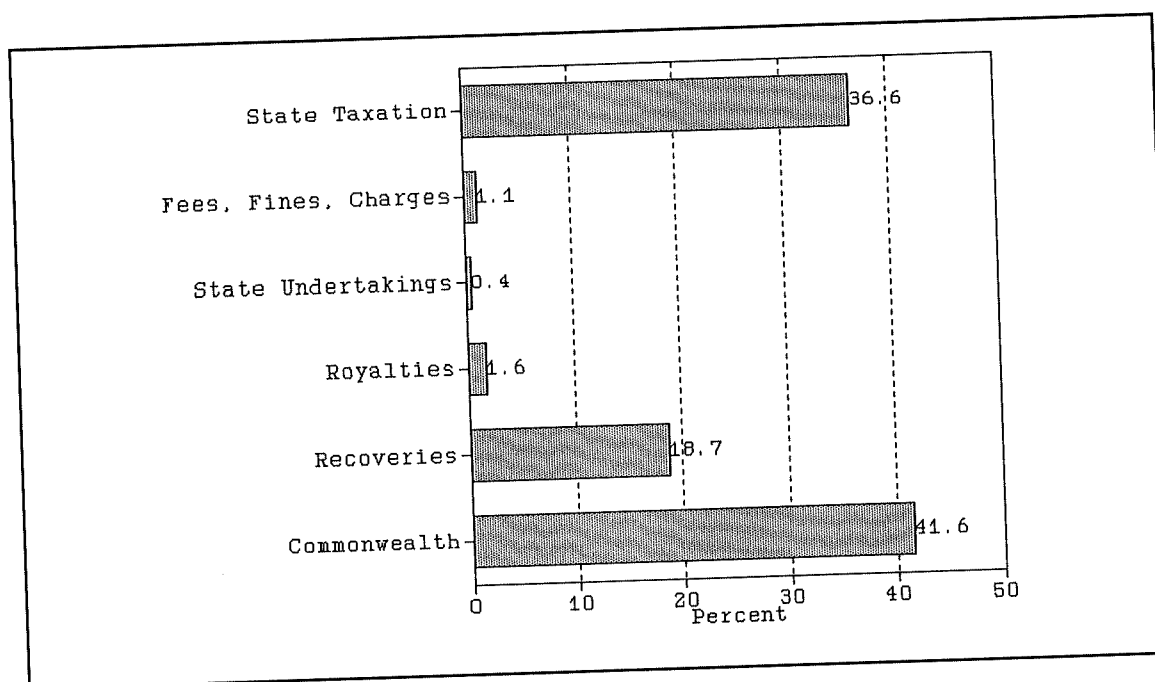


Figure 3: Analysis of SA Government Revenue 1992-93

Table 1: Administration Costs - 1992-93

	Average FTE	Salaries*	Administration Expenses	Total	%
		\$	\$	\$	
Business Franchise (Petroleum)	2.0	44,424	5,919	50,343	0.6
Debits Tax*	**	**	54,710	54,710	0.7
Executive, Administrative, Legal & Policy	12.9	626,395	83,506	709,901	9.0
Financial Institutions Duty	2.8	62,194	2,630	64,824	0.8
Information Technology	3.8	184,329	1,165,467	1,349,796	17.1
Compliance	22.5	868,489	83,562	952,051	12.1
Land Tax	16.0	503,146	1,368,973	1,872,119	23.7
Pay-roll Tax	22.8	729,875	328,046	1,057,921	13.4
Stamp Duties	43.0	1,485,268	249,608	1,734,876	22.0
Tobacco Products (Licensing)	2.0	44,424	7,237	51,661	0.7
TOTAL	127.8	4,548,544	3,349,658	7,898,202	100.0

* Includes pay-roll tax and superannuation payments.

** This tax is administered by the Commonwealth on behalf of the State.

Table 2: Direct Cost/Revenue Comparisons - 1992-93

Branch	Revenue Received	Direct Cost	Cost of Collection of \$100 Revenue
	\$	\$	Cents
Business Franchise (Petroleum)	127,722,542	261,073	20
Debits Tax	40,008,629	54,710	14
Financial Institutions Duty	100,278,342	472,361	47
Land Tax	75,370,778	2,046,095	271
Pay-roll Tax	482,022,368	1,755,207	36
Stamp Duties	361,320,393	2,794,757	77
Tobacco Products (Licensing)	153,392,541	513,999	34
TOTAL	1,340,124,118*	7,898,202	59

* Succession Duty revenue of \$8,525 has been included in this figure.

Branch Reports

Land Tax

The rates of land tax were revised for the 1992-93 financial year and are set out in the following table -

Taxable value of Land	Amount of tax
Not exceeding \$80,000	Nil
Exceeding \$80,000 but not exceeding \$300,000	0.35 % of the excess over \$80,000
Exceeding \$300,000 but not exceeding \$1,000,000	\$770 plus 1.65 % of the excess over \$300,000
Exceeding \$1,000,000	\$12,320 plus 2.80 % of the excess over \$1 million

In addition to the above rate change for 1992-93 the Land Tax Act was also amended to insert a definition of "Defined shack-site area" together with widening the land tax definition of "owner" to include an occupier of land in a defined shack-site area. The amendment (Land Tax (Rates) Amendment Act 1992 (No. 50 of 1992)) ensures short term lessees and occupiers of shack sites are treated as owners for land tax purposes in a similar way to long term (ie over 40 years) lessees.

Pay-Roll Tax

The development of the Generic Return Assessing and Support Project (GRASP) system, the second stage of STORMS, was commenced during

1992-93. The pay-roll tax segment is expected to be completed in September 1993 and become fully operational by January 1994.

During the year the Pay-roll Tax and Land Tax Branches were brought under one Assistant Commissioner. Staff rationalisations have resulted from this change.

Ongoing training continued for the year including instruction on telephone techniques and the development of telephone standards for the Branch.

In keeping with our policy of ensuring taxpayers are informed as to their rights and obligations circulars in relevant areas were issued during 1992-93.

A pay-roll tax rebate scheme to provide tax relief for the 1992-93 financial year designed to assist employers expand or maintain employment levels was announced. In general an employer that increases its employment or decreases it by less than 2% will be eligible for the rebate. The rebate is \$1,700 per full time equivalent employee, being pay-roll tax payable on the estimated average annual private sector employee earnings of \$28,000.

Stamp Duties

During 1992-93 a number of legislative amendments were made to the Stamp Duties Act to minimise tax avoidance/evasion including extensive amendments to the mortgage duty

provisions, amendments to counter a rental duty avoidance scheme and the provision of a power of reassessment.

The first home concession scheme was modified and rationalisation of minor duties continued.

Significant developments occurred in relation to the implementation of STORMS. Full implementation of Stage I, the Common Cash Receipting System, commenced on 1 March 1993 following extensive consultation, development and testing.

The system has required significant changes in work practices resulting in staff being more responsible for the tasks they perform.

Stringent audit controls are a feature of the system and the new processes have been the subject of discussion and subsequent approval by the Auditor-General during the year and prior to implementation.

The system has proven itself with considerable interest being shown by other Government departments both within South Australia and interstate.

An integral part of the new system is an improved capability in relation to revenue reporting and forecasting.

During the year the Stamp Duties Branch was involved in the development of computer software to fully automate the mortgage return system.

The software was made available to financial institutions from January 1993 and there are currently 26 institutions utilising it. The system provides significant efficiencies for both the State Taxation Office and private sector institutions using it.

Increases in the rates of petrol and tobacco tax during the year required the Branch to carefully monitor the payment of franchise fees and revenue information provided to Treasury to ensure that forecasting was as accurate as possible.

Investigation And Compliance

The principal functions of the Compliance Branch include -

- carrying out research, audits and investigations;

- detecting tax avoidance and underpayment;
- conducting enforcement activities;
- administration and maintenance of a high level of compliance with legislation;
- recovering outstanding liabilities.

During 1992-93 interstate investigators conducted several inspections in South Australia utilising the provisions of the Taxation (Reciprocal Powers) Act. An increasing trend of large corporations centralising their management and accounting functions on the eastern seaboard will require State Taxation Office investigators to carry out an increasing number of audits under the auspices of this legislation in the future.

Revenue detected during 1992-93 as a direct result of the Compliance Branch's activities was \$3,753,416. During the year 440 investigations were completed. Figure 4 shows the field times deployed between various taxation heads in 1992-93. These figures indicate a significant shift in resource allocation to audits relevant to the Financial Institutions Duty legislation.

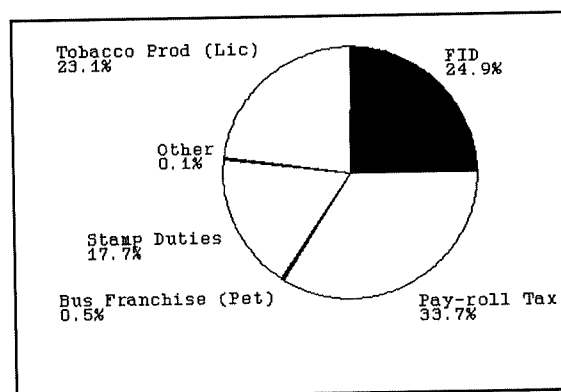


Figure 4 Inspection Branch field times

The main audit activity of the Branch in respect of the Pay-roll Tax legislation in 1992-93 focused on three main areas - Service Contracts and Employment Agents; identification of group members inappropriately claiming deduction entitlement; and the ongoing conduct of Australian Taxation Office programs.

While the Service Contract program indicated good compliance with the newly introduced legislation, both the grouping program and the Australian Taxation Office program indicated an unacceptably high level of non-compliance and

accordingly these areas will be the subject of ongoing compliance and education programs.

A considerable number of investigations were again undertaken during the year to monitor sales of illicit tobacco.

Compliance activities, which by their nature are labour intensive nevertheless produce a revenue benefit ratio of 3.9 : 1.

PROVISION OF BUDGETARY AND ECONOMIC ADVICE

OBJECTIVES

Provision of budgetary and economic advice is one of Treasury's core activities. It encompasses -

- coordinating preparation of the State budget, ensuring that the Government's budgetary targets are met, the agreed timetable is achieved and adequate consultation takes place;
- preparing budget documents of high professional standard for Parliament;
- providing timely and quality advice to the Treasurer on budgetary, economic and resource issues and monitoring budget and financial performance;
- preparing forward estimates;
- evaluating the use of resources and providing assistance to Ministers and agencies in meeting their objectives within budget constraints;
- providing consolidated reports on the financial performance of the total public sector for presentation in budget papers and in submissions to credit rating agencies;
- advising the Treasurer on Commonwealth/State financial relations with a view to maximising Commonwealth funding and coordinating advice on State/Local Government financial relations.

A large part of the budgetary work is carried out in five major cycles -

- a weekly cycle of preparing comments for the Treasurer on all Cabinet submissions with financial implications;
- a monthly cycle of reports to the Treasurer and the Economic Development Committee of Cabinet on the current year's budget, summarising progress in relation to the current year's financial and workforce targets with detailed analysis of any major variations;
- an annual cycle of budget preparation, commencing in October/November of each year with preparation of forward estimates. The budget cycle continues until October/November of the following year when Parliament passes the budget;

- preparation of briefing on Premiers' Conference and Loan Council matters and ongoing involvement in Commonwealth/State and State/Local financial relations;
- an ongoing cycle of involvement in Commonwealth Grants Commission activities with annual updates and five yearly reviews of State relativities.

In addition there is an ongoing requirement for the provision to the Government of advice on specific financial, economic and budgetary policy issues, including advice on the performance of Government financial enterprises.

Responsibility for the administration of this program is shared between the Budget Branch, the Revenue and Economics Branch and the Financial Institutions Branch.

BUDGET BRANCH

The Budget Branch has responsibility for the provision of advice to the Government in relation to all aspects of the budget. In undertaking its work, a number of factors are critical. These include -

- accurate calculations in budget preparation;
- impartiality and consistency in dealing with agencies;
- good external and internal relations;
- sound professional budget analysis and advice;
- integrity in presentation of data;
- appropriate numbers of suitably skilled staff and good morale.

The Year in Review and Achievements Expected in 1993-94

Budget Preparation and Process

The 1992-93 budget was prepared in accordance with the Government's timetable.

During 1992-93 the Branch prepared regular monthly budget monitoring reports for the Economic Development Committee of Cabinet of which the Treasurer is a member.

Work was completed to improve the quality of the 1992-93 budget papers in particular, the integration of the Consolidated Account payments and receipts document reflecting the move of most agencies' financial operations to special deposit accounts.

A number of improvements were made in budget methodology in 1992-93.

The 1992-93 financial year was the first full year in which many agencies operated their finances through Special Deposit Accounts, providing each with increased flexibility of resource use consistent with minimising the impact of agency budgets on the Consolidated Account. Consistent with the transfer of agency operations to Special Deposit Accounts and the greater emphasis on agencies controlling the totality of resources for which they are responsible, the capital and maintenance funds previously allocated to SACON were provided to individual agencies.

Major Developments

Economic and Financial Statements

The Branch was involved in the Treasury contribution to the preparation of the Premier's Economic Statement and the Treasurer's Financial Statement made to the Parliament in April 1993. There is an ongoing involvement in the public sector reform program set in train by the Minister for Public Sector Reform in May 1993. These major programs have provided the context for the process of budget preparation and monitoring.

Enterprise Bargaining

During the year the Branch contributed extensively to the development of the Government's approach to enterprise bargaining in the public sector. The Branch's involvement in this work reflects the fact that the effectiveness of the Government's overall budgetary and debt management strategy will be heavily dependent on achieving a suitable wages environment.

Early in the year the Treasurer and the Minister of Labour approved the establishment of a Treasury/Labour interdepartmental working party to develop options/models for the public sector. This work was presented to Cabinet in December 1992 and formed the basis of an overall policy framework which has subsequently been discussed with public sector unions resulting in refinement and further developments being approved by Cabinet.

It is expected that the Branch will have involvement in the development of agreements at agency level because of the complexity of the financial/resource issues involved and their potential implications for agency budgets.

Targeted Separation Package Scheme

To assist agencies in meeting budgetary targets for 1993-94, the Government introduced in the latter part of 1992-93 a Targeted Separation Package (TSP) Scheme to facilitate an increase in the level of employee separations from the public sector. An amount of \$263 million is available under the TSP Scheme to fund voluntary separations in the public sector.

The Department of Labour has primary carriage for the administration of the Scheme and the Budget Branch is represented on a joint Department of Labour/Treasury committee that oversees the operation of the TSP Scheme.

Asset Management

During 1992-93 the position of Assistant Under Treasurer (Infrastructure) was redesignated Assistant Under Treasurer (Infrastructure and Asset Management). The focus of this position now is to carry out strategic planning in relation to future capital expenditure to ensure that programs reflect the need to promote key State priorities including employment growth and the replacement of a rapidly increasing range of infrastructure items within a climate of constrained resource availability. These activities are to be supported by a new Infrastructure and Asset Management Branch in 1993-94.

The role of the Capital Works Budget Committee was reviewed and as a result, the Committee's function has moved away from involvement in the detailed annual budgeting process to a more strategic role for Government capital asset management.

Treasury worked closely with the Economic Development Authority in the development of guidelines for private sector provision of infrastructure with an underpinning criterion that such involvement must demonstrate greater efficiency and lower costs than are achievable in the public sector. The Infrastructure and Asset Management Branch will have a principal role in assessing proposals for private sector provision of infrastructure against these requirements.

Work commenced towards the end of the year on the development of a computer based State wide asset register and systems for modelling and

forecasting future funding needs for asset replacement.

A key task of the Infrastructure and Asset Management Branch for 1993-94 will be the development of asset management policies applicable to the public sector which will deal with all aspects of capital asset management ranging from the acquisition or construction of assets to the identification and disposal of surplus assets.

Public Trading Enterprises

The Budget Branch worked closely with the Cabinet Office in the Department of Premier and Cabinet regarding the development of the Public Corporations legislation which was passed by Parliament in April 1993. The legislation provides an overarching framework of accountability for monitoring the financial performance of the State's public trading enterprises (PTEs).

The Branch has a continuing involvement in the work of a Commonwealth/State steering committee on national performance monitoring of PTEs. The aim of this is to facilitate competition between State and national PTEs through the development of a data base on which PTE economic, financial and non-financial performance can be compared across jurisdictions.

Treasury is coordinating the development of the financial and economic policy aspects of the Public Corporations legislative framework. To this end, Treasury has released a draft discussion paper on the "Commercialisation of Public Trading Enterprises". The paper provides a basis for discussions between the portfolio Minister, the Treasurer and each PTE's Board (or Chief Executive Officer) regarding the development of strategies designed to improve the financial and non-financial performance of the State's PTEs.

Major topics of discussion considered in the draft paper include performance agreements and principles and processes of performance monitoring, instruments of financial control, identification and measurement of community service obligations, asset valuation, taxation arrangements, and dividend policy and capital structure.

In 1993-94 work will be completed on this discussion paper, following the receipt of comments from PTEs and other interested Government agencies. Mechanisms and procedures for the regular monitoring of the

performance of the State's PTEs will be finalised and implemented. Work on the formulation of policies defining commercialisation and corporatisation, and their relevance to Government operations will also commence.

Social Justice Strategy

The Branch continued with its involvement in the social justice budget process, with particular reference to ensuring that the Government's emphasis on social justice is reflected in budgetary processes. Discussion with agencies about resource allocation issues and the preparation of budget documentation is undertaken jointly with the Social Justice Unit of the Department of the Premier and Cabinet.

During 1992-93 the Government announced that work would proceed on a Social Development Strategy to complement efforts in the economic development of the State. The Branch has contributed to this work as a member of the overall Project Management Group and through providing expertise in relation to specific aspects of the work.

External Relations

Good relations and open communication with agencies are keys to the successful output of the Budget Branch. The Branch appreciates the cooperation of all agencies and individuals who assisted in its task in 1992-93.

Commonwealth/State Financial Relations

The Budget Branch has major responsibilities in the area of Commonwealth/State/Local Government financial relations.

These include -

- involvement in the work of the Commonwealth Grants Commission;
- negotiations and monitoring of general purpose and specific purpose programs of assistance to the State from the Commonwealth;
- preparation of briefing material for and attendance at the Premiers' Conference/Loan Council meetings;
- involvement in issues affecting the financial relationship between the State Government and the Local Government sector in South Australia, including through support for the

operations of the SA Local Government Grants Commission.

The Branch's involvement with the Commonwealth Grants Commission's major five yearly Review of State General Revenue Grant Relativities continued in 1992-93. The Commission released its Report on 31 March 1993.

Work was also undertaken as part of the Heads of Treasuries Review of Horizontal Fiscal Equalisation, initiated by the 1992 Premiers' Conference. This is expected to be completed in 1993-94.

The Council of Australian Governments (COAG), which now formalises the Special Premier's Conference process begun in 1990, met twice during 1992-93. The Branch has been involved in the preparation of briefing material for and attendance at COAG meetings.

The agenda of the Council has included an ongoing process of review of micro-economic reform by all Governments. Reports have been considered on reform in electricity, water and transport areas. Other reviews underway include those of Ministerial Councils and of functional roles and responsibilities of Commonwealth and State Governments.

The level and distribution of Commonwealth general purpose funding to the States and Territories for 1993-94 was determined at the "financial" Premiers' Conference/Loan Council meeting on 5 July 1993 together with new arrangements for establishing and monitoring annual levels of borrowings by the Commonwealth and each State and Territory. New arrangements were also established for the provision of concessions and fringe benefits to Pensioner Health Benefit card holders.

State/Local Government Relations

Support is also being provided to the process of reform of the relationship between the State and Local Government which has been ongoing since 1990-91. In particular, work undertaken by the Branch has been concerned with negotiations on the proposed transfer of a range of existing functions and expenditure responsibilities from the State Government to Local Government which will be funded by the revenue raised for Local Government purposes by an additional duty on petroleum products introduced in 1992-93. The work of formulating the agenda of functions for negotiation between the two levels of government has reached an advanced stage and it is expected

that new arrangements will be agreed in a number of areas for implementation in 1993-94.

Local Government Grants Commission

The Local Governments Grants Commission is an independent statutory authority with the primary function of making recommendations to the responsible Minister on the allocation of Commonwealth financial assistance grants to local governing bodies in South Australia. In 1992-93 the Commission distributed a total of \$80.7 million, which included the now untied Commonwealth identified local road grants. The Commission comprises three part-time members, one nominated by the Local Government Association of South Australia (LGA), one by the Minister for Local Government Relations, and a Chairperson jointly nominated by the two parties.

The Commission's administration forms part of Budget Branch operations and is staffed by three full time officers. The Unit provides a focus within Treasury for the provision of local government financial information generally and also administers the Local Government Disaster Fund on a fee for service basis.

Funding the Commission's administration became the responsibility of Local Government in 1991 following negotiations between the State Government and the LGA. A joint State/Local Consultative Committee is responsible for approving the Commission's administration budget, staffing levels and other administrative matters. The budget is met from the Local Government Grants Commission Account. Details of the operations of this Account can be found in the chapter of this report titled "Other Accounts Administered".

The Commission has available its own Annual Report containing details of the legislative framework, principles of grant distribution, and the level of grants to individual councils.

REVENUE AND ECONOMICS BRANCH

The Revenue and Economics Branch provides budgetary and economic advice with particular emphasis on revenue-related issues and total public sector financial and debt statistics. The head of the Revenue and Economics Branch is the Assistant Under Treasurer (Economics).

The main functions of the Branch are -

- providing an economic advisory service to the Government through daily briefings on major economic indicators, a regular report to the Economic Development Committee of Cabinet and other miscellaneous and ad hoc briefings;
- preparing three year forward estimates of recurrent receipts;
- monitoring budgeted recurrent receipts against actual performance;
- preparing consolidated financial statistics for the general government, public trading enterprises and total State public sector including the preparation of forward estimates;
- other functions include preparation of submissions to Australian and overseas credit rating agencies, collection and analysis of public sector debt data and provision of advice on public sector financial issues and institutions.

The Year in Review

During the year a separate Branch was established to monitor State financial institutions and is reported separately.

The Revenue and Economics Branch further developed public finance data systems.

Initial progress was made on developing the capacity to produce forward estimates on an ABS/uniform budget presentation basis.

The Branch was also involved in the development of taxation proposals relating to the introduction of gaming machines in licensed clubs and hotels and assisted in various changes to taxation policy that formed part of the April Economic Statement.

The work program for implementing the recommendations of the Working Party Report on Uniform Budget Presentation included the preparation of a so-called "Government purpose" classification of public sector expenditures in accordance with Australian Bureau of Statistics standards. Expenditure will be classified to fourteen functional areas such as health, education and transport and communication. In addition, work proceeded on developing a dissection of financial assets and liabilities for the general government sector, public trading enterprises sector and the total public sector on a basis consistent with standards developed by the Australian Bureau of Statistics.

Achievements Expected For The Coming Year

Further work on collection and analysis of liabilities and financial assets data will continue. The development of a system to enable preparation of quarterly public sector financial statistics will be necessary for new Loan Council monitoring requirements to take effect in 1993-94. It is envisaged this Loan Council monitoring function will be transferred to this Branch from SAFA. As well, it is hoped to build on the initial progress made to date in the development of the capacity to produce forward estimates on the uniform budget presentation basis to enable 3-5 year forward estimates to be prepared on a quarterly basis.

The Branch has convened an interdepartmental Economic and Finance Forecasting Liaison Group to facilitate broader input into forecasting activity and more general issues pertaining to the presentation of information on State public sector finances.

FINANCIAL INSTITUTIONS BRANCH

The Financial Institutions Branch, formerly a section of the Revenue and Economics Branch, was created in the second half of 1992-93 on an interim basis pending finalisation of the structure of the Branch. The main function of the Branch is monitoring and providing advice on the activities and financial performance of public sector financial institutions.

The Year in Review

A priority for the Branch during the year was providing advice in relation to a possible corporatisation of the State Bank of South Australia. The Branch provided advice generally in relation to the State Bank, the Group Asset Management Division of the Bank and the State Government Insurance Commission. The Branch provided support and input as required to the State Bank Corporatisation Steering Committee and Taskforce.

The Branch was heavily involved in the implementation of the State Government Insurance Commission Act 1992, and the issue of a charter for the operation of the State Government Insurance Commission. This activity included formulating policy advice in relation to the matters requiring approval under the charter.

Achievements Expected For The Coming Year

It is likely that legislative and policy development tasks will continue to require significant resource input during 1993-94.

The Branch will continue to improve and focus arrangements to monitor and provide advice on State Bank, GAMD, and SGIC. In 1993-94, a key task is expected to be providing advice and assistance in developing and implementing legislation to corporatise the State Bank. The resources of the Branch are likely to be taken up with the processes to support Government decision making in relation to corporatisation and disposal of the State Bank.

The structure of the Branch is expected to be settled in the first half of 1993-94 to reflect the responsibilities of the Branch and Treasury and the immediate tasks to be carried out.

Task Force for Corporatisation of State Bank

During April 1993 the Government formed a State Bank Corporatisation Steering Committee under the Chairmanship of the Under Treasurer with the principal objective of investigating issues relating to the corporatisation and sale of the State Bank and the State's commitment to the Commonwealth on taxation and Reserve Bank supervision. The Steering Committee reports to the Treasurer and implements decisions made by the Treasurer and/or Cabinet.

A new Treasury Department working group called Task Force for Corporatisation of State Bank was formed in May to provide support for the Steering Committee. Dr Graeme Bethune (Assistant Under Treasurer, SAFA) was seconded as Chief Executive of the Task Force.

At 30 June 1993 the Task Force employed three Treasury officers and a combined total of 19 State Bank officers, legal consultants and contract support staff.

Group Asset Management Division (State Bank)

On 1 July 1992 the Group Asset Management Division (GAMD) was separated from the State Bank, as an entity responsible directly to the Treasurer for the holding, managing and work-out of the non-performing loan portfolio of the Bank.

This was achieved by amending the 1991 Indemnity Agreement between the Treasurer and State Bank.

GAMD therefore is a separate reporting entity accountable to and subject to the direction of the Treasurer. Detailed information on GAMD is available in the annual report and accounts issued by GAMD.

GAMD is managed by its own Board consisting of Mr Robert Ruse (Executive Chairman), Mr Robert Martin (Executive Deputy Chairman) and Mr James Glidden (member). Staffing, excluding the above executive Board and a further Treasury Chief Project Officer, is provided by State Bank.

MANAGEMENT OF STATE GOVERNMENT BORROWINGS AND INVESTMENT ACTIVITIES

The South Australian Government Financing Authority (SAFA) is established under the Government Financing Authority Act 1982. Section 11 of the Act, as amended in 1986, sets out its functions as -

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

During 1992-93 the SAFA Board and management reviewed the corporate objectives which were subsequently endorsed by the Government. Those objectives are -

- to borrow for Government and State agencies and to manage the State's debt with a view to minimising, over time, the net cost thereof consistent with an appropriate risk profile;
- to maintain adequate liquidity to satisfy the cash needs of the Government and other parts of the public sector;
- to manage in a prudent and efficient manner the State's financial assets and other Government assets referred to SAFA in line with Government policy;
- to foster the development of well qualified, motivated and skilled staff who are able to consistently perform in a manner which reflects SAFA's role as a Government financial institution;
- to understand and satisfy the needs of SAFA's customers in a cost-effective and responsive manner.

The main focus of SAFA's activities is the management of the State debt so that the cost is minimised and the Government and its instrumentalities receive finance at highly competitive rates. The interest cost associated with the State debt is an important budgetary issue for the public sector. The ability to minimise the cost in the short term is subject to two important constraints -

- SAFA's objective is to minimise the cost of debt over the medium term because to aim for low rates in the short term may unduly increase the risk of high rates over the long term;

- SAFA is required to take account of liquidity considerations to ensure there is sufficient cash to meet the needs of the Government and other parts of the public sector.

Taking account of these constraints and other factors, including differences in credit ratings between the States, SAFA's interest rates in 1992-93 were similar to those applying in other States.

In April 1993 the Business Operations Sub-Board of the Government Management Board completed a review of SAFA. The review is part of a cycle of reviews of State financial institutions which commenced in March 1991. The report was tabled in Parliament by the Treasurer on 6 May 1993 and contained 48 recommendations which, subject only to some minor qualifications, have been endorsed by the SAFA Board and the Government. The Review Committee pointed out that a review of this type tends to concentrate on areas where there is scope for improvement and that its comments and recommendations should, therefore, be read in that context. The report has confirmed many of the reasons for the establishment of SAFA and the importance of its role, including recommendations that -

- SAFA should continue to be the central borrowing authority of South Australia;
- SAFA should continue to provide risk management skills to semi-government authorities;
- public sector expertise for activities such as structured financing should continue to be concentrated in SAFA;
- SAFA should continue a pooled approach to debt and cash management.

Many of the recommendations relating to improvements in management reporting systems were under consideration. Additional resources have since been allocated to implement necessary improvements.

The SAFA annual report for 1992-93 is tabled in Parliament on the same day as the State budget and contains detail relating to its activities during the year as well as the audited financial statements.

MAINTENANCE AND DEVELOPMENT OF ACCOUNTING POLICIES AND SYSTEMS

OBJECTIVES

The task of the Accounting & Systems Branch, which has carriage of this program, is to ensure that the Government has available to it the accounting information required to satisfy its compliance, accountability, and decision making responsibilities, and staff able to use this information properly.

Because this task is very broad and has many facets it is necessary to set objectives at a more detailed level. The specific objectives of the various sections of the Branch for 1992-93 were directed towards -

Accounting Policy Unit

- Improving the quality of financial information available to the Government and public sector managers to ensure its suitability for their compliance, accountability and decision making purposes.
- Ensuring suitable systems and procedures are available to Treasury and departments to permit achievement of their accounting objectives.
- Recruiting suitable graduates and developing their skills and experience to enable them to contribute to public sector financial management.
- Maintaining and developing the financial management knowledge and skills of financial managers/personnel in order that they can carry out their roles effectively.
- Ensuring non-financial managers understand their financial management responsibilities and are adequately equipped to carry them out.

Systems Section

- Ensuring that Treasury and departmental officers use the features of the Treasury Accounting System (TAS) efficiently and effectively to help them achieve the accounting objectives of their departments and of the Government.
- Ensuring that line agency staff use the Computer Associates products supported by Treasury efficiently and effectively to help them achieve their accounting objectives.

- Ensuring that Treasury officers use information technology to help them achieve their objectives - where it is appropriate and sensible.

State Accounting Section

- Ensuring that all expenditure is authorised in terms of legal appropriation authority.
- Providing a facility for Government departments to pay their suppliers.
- Coordinating the Government's revenue collection and banking arrangements.
- Satisfying Government-wide accountability requirements and reporting regular financial information on the Government's budget.

Departmental Accounting Section

- Providing financial and management accounting services for Treasury Department.

THE YEAR IN REVIEW

The steps taken by the Sections in pursuit of the objectives are described in the following paragraphs.

Accounting Policy Unit

The Accounting Policy Unit is responsible for reviewing and where appropriate revising the general accounting policies, systems and procedures, which are used by the Government and its agencies, and for developing the financial capacity of Government employees to enhance their effectiveness within this environment.

Previous annual reports have drawn attention to impending changes in public sector accounting and financial reporting as a result of work being done by the Public Sector Accounting Standards Board. The adoption of the accrual basis of accounting by departments is one of the principal issues being addressed by the Board and will form the basis of a forthcoming accounting standard titled "Financial Reporting by Government Departments".

The Board has also begun to address the issue of financial reporting by governments and it is anticipated that a discussion paper on the topic will be issued early in 1994 as the precursor to the development of an accounting standard.

A significant proportion of the Unit's resources have been devoted to preliminary work which is necessary to ensure a smooth introduction of the accounting and systems changes which will flow from compliance with these accounting standards.

The following steps have been taken to prepare for the introduction of the standards -

- Development of master plans to ensure the coordination of the various activities associated with the change to accrual accounting.
- The issue of a Treasurer's Instruction which requires all departments to establish asset registers. This has resulted in assets controlled by departments being identified and initial valuations being made.
- The drafting of guidance notes on asset valuation as the first step towards refining valuations.
- The transfer of departments to Special Deposit Accounts to ensure that financial reports will cover the entire activities of reporting entities.
- The issue of draft financial reporting guidelines which will ultimately set minimum standards of disclosure for public authorities.
- Work on asset valuation principles for the Steering Committee on National Performance Indicators for Government Trading Enterprises established by the Premiers and for the Local Government Accounting Committee.
- Information sessions on accrual accounting were run for Government departments and representation was provided on the Commonwealth/State Treasuries Working Party on Accrual Accounting.
- Liaison with the Public Sector Accounting Standards Board and the Australian Accounting Research Foundation on accounting exposure drafts, accounting guides and discussion papers.

It will be most important to prepare staff in all departments for these changes.

The Financial Management Improvement Program has been conducted by Treasury for four years and is concerned with the recruitment and further development of graduates of financial disciplines and the training and development of

other staff. A summary of achievements during 1992-93 is provided under three main headings.

- *Graduate Recruitment Program*

A total of 28 graduates (21 accounting, seven economics) were recruited in 1992 and they were placed in fourteen agencies. The increased number recruited to match demand has been facilitated by additional contributions by agencies to meet the costs involved. The program has continued to be well received as demonstrated by the increase in the number of graduates recruited and agencies involved (Figure 5).

In addition to the normal graduate program, Treasury has provided training to 22 graduates employed for six months under the Commonwealth Government's JOBSKILLS program.

- *Non-Financial Managers Training*

During the year, Treasury arranged with the Adelaide College of TAFE for the joint conduct of a financial management training program for public sector personnel. The first course was started in February 1993, and by the end of June nine courses (four general and five tailored to meet specific agency requirements) had been completed for 170 attendees from departments and statutory authorities.

An issue of TREND, a publication designed to promote financial management improvement in the public sector, was circulated in 1992-93.

- *Financial Managers Training*

Although Treasury did not conduct any formal training courses for financial managers during 1992-93, it is recognised that considerable effort will be needed in this area as we move to accrual accounting. Indeed efforts during 1992-93 were concentrated on developing training material to support this need.

It will be important to ensure that responsibilities for various departmental and Treasury accounting activities are organised to facilitate the introduction and operation of any new accounting standards. Similarly it will be important to ensure that the systems and inter-departmental communication arrangements employed by the Government are well suited to these tasks.

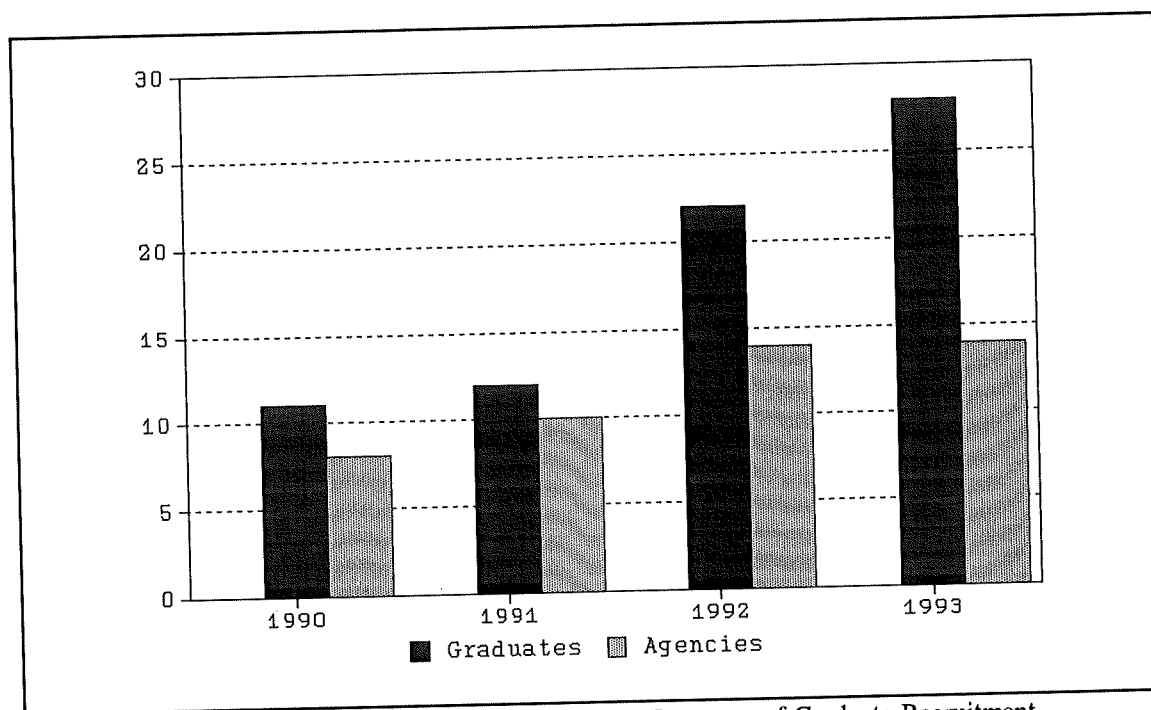


Figure 5: Graduate Development Program - Summary of Graduate Recruitment and Agency Involvement

Therefore Treasury initiated the Departmental and Treasury Accounting Review (DATAR) to examine the present arrangements for checking the availability of funds for departmental transactions, for paying accounts and for reporting details of transactions recorded in Treasury and/or departmental ledgers. The review identified certain problems that departments were experiencing under the current arrangements, and identified certain approaches to solve them. We are trying to estimate the costs and the benefits of these approaches now.

Meanwhile, the Departments of Housing & Construction, Engineering & Water Supply, and Marine and Harbors have been given approval to operate their systems independently of the Treasury Accounting System for a twelve month pilot period. This approach will be the subject of a post implementation review at the end of the pilot.

The Branch is also responsible for reviewing, and where appropriate introducing, various accounting procedures employed by Government departments.

Some emphasis was given to reducing red tape or adopting innovations in an effort to permit administrative savings. While this usually entails increased risks, it is considered that, in the cases of the proposals adopted, they will be more than offset by administrative efficiencies.

In November 1991, following evaluation of trials in several agencies and the calling of tenders, a contract was signed with the Westpac Banking Corporation for the supply of a State Government corporate credit card facility. The card can be used for the purchase of various goods and services and is available for use by all public sector agencies. Treasurer's Instructions and detailed guidance notes have been sent to all agencies to ensure that this facility is used properly. In addition a number of training sessions were held during 1992-93 to assist agencies with the establishment of the facility.

Similarly a new risk management strategy for the payment of Government accounts is proposed. This strategy provides that accounts less than \$1,000 be subject to a reduced level of checking and relevant Treasurer's Instructions have been redrafted and forwarded to several departments for comment. It is anticipated that amended Treasurer's Instructions will be issued to agencies early in 1993-94.

The Accounting Policy Unit also assisted in the triennial review of SAMCOR and the introduction of accrual accounting in Local Government.

Treasury Systems Section

In addition to supporting the principal financial systems employed by most Government departments, the Treasury Systems Section also

supports the computing activities of certain other Branches of Treasury.

The major activities during the last year included -

- modifications and enhancements to the State Superannuation System, and the Public Sector Employees Superannuation Scheme;
- supporting the introduction of a contributions and pensions administration system for the Police Superannuation Fund;
- systems analysis and requirements specification for the State Superannuation Benefits Scheme;
- review of the activities of the Contributions Section of the State Superannuation office;
- acquisition of new hardware and software tools for Treasury's superannuation applications;
- the development of software to support the issue of targeted separation packages.

State Accounting Section

The State Accounting Section is responsible for the central accounting and reporting activities of the Government. During 1992-93 it prepared the Government's consolidated financial reports, ensured compliance with Parliamentary appropriation, provided a central accounts payable service for most other departments and coordinated the revenue collection and banking activities of agencies.

New procedures were developed to improve the recording and reporting of contingent liabilities arising from guarantees and indemnities given by the Treasurer.

The Government's ledgers and its banking arrangements were restructured to accommodate the changes to the Government's portfolios in September 1992.

Specific targets during 1993-94 will include -

- revision of accounting and banking arrangements to accommodate further reductions in the number of departments;
- revision of accounting arrangements for superannuation recoveries to satisfy the requirements of changes to superannuation legislation;

- improving procedures for the preparation of the Treasurer's Statements and Accounts.

Departmental Accounting Section

The Departmental Accounting Section is concerned with Treasury's internal accounting activities. During 1992-93 it paid Treasury's staff and suppliers, collected revenue due to Treasury and prepared monthly management reports and end of year financial statements. A new payroll reporting system was implemented to improve these processes.

The Section won a competitive tender for the provision of similar accounting services to the Office of Public Sector Reform and started to provide these services late in the financial year.

The Section prepared the 1992-93 financial statements of the South Australian Superannuation Scheme in accordance with the new Australian Accounting Standard AAS25 "Financial Reporting by Superannuation Plans".

The knowledge gained in this change will be employed in preparing Treasury's departmental financial statements for 1993-94 on an accrual basis.

Efficiency gains will be pursued in 1993-94 by improving the receiving and cheque reconciliation functions.

An internal re-organisation will see the transfer of this Section from the Accounting and Systems Branch to the Corporate Services Branch during 1993-94.

ACHIEVEMENTS EXPECTED FOR THE COMING YEAR

Although much preliminary work has been done towards the introduction of accrual accounting in all Government agencies, much still remains to be done. This activity will need to accelerate when the Public Sector Accounting Standards Board releases its final draft on "Financial Reporting by Government Departments". Implementation of the resulting Australian Accounting Standard will be required by 1 July 1995 to permit reporting on that basis for the year 1995-96. By that time all departments must be positioned to implement the standard and all associated accounting standards, and Treasury must be positioned to prepare consolidated financial statements embracing the activities of all agencies.

The new standards will change the nature of financial information reported by every department in its annual financial statements. They will also change the nature of departmental budgets and the nature of financial information presented in the Government's budget papers. Future financial statements will be more consistent with the financial reports produced in the private sector and in addition to reporting cash flows and compliance with appropriations, will report information depicting the financial position, and the financial performance of agencies and of the State.

Treasury accepts that if accrual accounting is to be implemented in a well coordinated manner, it must provide strong leadership to all other agencies. Treasury's effort is being coordinated by the Accounting and Systems Branch. Inter alia, this involves rearranging financial relationships with agencies; reviewing and revising Treasury and departmental systems and systems responsibilities; reviewing proposals by the Public Sector Accounting Standards Board, the Australian Accounting Research Foundation and other bodies; developing Treasurer's Instructions and guidance notes to help agencies to apply the new standards; conducting training programs for staff in all agencies; and providing a consulting service to agencies as they introduce the new standards.

During 1993-94 the Branch plans to complete the following subsidiary projects forming part of the change to the new standards -

- whole of Government reporting submission;
- accrual accounting and reporting training package;

- accounting standards training package;
- Government accounting training package;
- State Financial Statements framework;
- State Budget framework;
- Australian Bureau of Statistics reporting framework;
- commence implementation of accrual accounting;
- acquisition of software to satisfy the requirements of the Departmental and Treasury Accounting Review (DATAR);
- commence implementations of DATAR software.

Other activities for 1993-94 will be -

- conversion of existing superannuation systems to the new hardware and software platforms;
- development and installation of the main modules of the State Superannuation Benefits System;
- modification of the State Superannuation Administration System to address the requirements of the Superannuation (Scheme Revision) Amendment Act 1992;
- development and installation of an automated benefits entitlement module for the State Superannuation Administration System.

STATE SUPERANNUATION OFFICE

The State Superannuation Office is the administrative arm of the South Australian Superannuation Board, which has statutory responsibility for the administration of the Superannuation Act 1988 and the Superannuation (Benefits Scheme) Act 1992. The Board produces a separate annual report which can be obtained from the Superannuation Office. The Pension and Lump Sum Schemes under the Superannuation Act are both contributory schemes and the Benefits Scheme is non-contributory.

The staff of the Superannuation Office and the associated facilities form part of the Treasury Department. They are made available to the Board pursuant to section 10(3) of the Superannuation Act 1988.

A new Unit has been established within the State Superannuation Office. The Unit administers the State Superannuation Benefits Scheme (SSBS) which provides the minimum superannuation benefit to employees who are not members of the State Pension or Lump Sum Scheme. SSBS also provides the productivity benefit for those employees who are members of contributory schemes other than the State schemes and previously received the productivity benefit under the Public Sector Employees Superannuation Scheme (PSESS). The minimum benefits provided under the scheme are those required in terms of the Commonwealth's Superannuation Guarantee Charge (SGC) legislation. The employees administering the scheme are also employees of Treasury.

PUBLIC SECTOR EMPLOYEES SUPERANNUATION SCHEME

PSESS became operational on 1 January 1988 and was effectively closed on 30 June 1992. PSESS continues to operate until such time as the balances of accrued benefits as at 30 June 1992 for employees who are not members of the State contributory schemes are rolled over to SSBS established in December 1992. Members of the State contributory schemes have had the productivity benefit provided under PSESS amalgamated with benefit structures under the Superannuation Act 1988. PSESS will cease to exist in the near future. Treasury administers PSESS on behalf of a Board of Administrators. Approximately 116,000 employees and 170 public sector agencies participated in PSESS.

The PSESS Board produces a separate annual report. A detailed report of the Board activities is separately available and can be obtained from the Unit within Treasury which administers PSESS.

SUPERANNUATION POLICY AND MANAGEMENT UNIT

The Superannuation Policy & Management Unit which is part of the Superannuation Branch, coordinates superannuation activity in the public sector, develops Government policy relating to superannuation issues, monitors existing schemes, administers superannuation schemes for politicians, judges and governors, and services the interdepartmental Superannuation Task Force.

The Year in Review

The Unit was extensively involved in the restructuring of South Australian public sector superannuation arrangements in order to comply with the Commonwealth's SGC legislation.

The on-going program of superannuation scheme rationalisations for newly incorporating hospitals was continued.

The Unit was also actively involved in the restructuring of the 1975 ETSA Pension Scheme to bring it into line with the provisions of the State Pension Scheme.

Extensive work was also carried out on restructuring the Police Superannuation Act and the ETSA Act to ensure that the superannuation schemes for both Police and ETSA employees complied with the SGC legislation.

Because of major restructuring of the State Pension and Lump Sum Schemes, involving the amalgamation of the 3% productivity benefit into the contributory schemes, extensive amendments were made to the Superannuation Act 1988.

The Unit was also responsible for the establishment of the new 'safety-net' scheme providing the SGC benefits under the Superannuation (Benefits Scheme) Act 1992.

SOUTH AUSTRALIAN SUPERANNUATION FUND INVESTMENT TRUST

The South Australian Superannuation Fund Investment Trust (SASFIT) is the statutory body charged with the responsibility of investing and managing the South Australian Superannuation Fund, the Police Superannuation Fund and certain other public sector superannuation moneys.

The Trust comprises five members including Mr R G Schwarz, a Treasury officer appointed on the nomination of the Treasurer.

In addition to the staff which the Trust employs directly, nine Treasury employees are assigned to SASFIT to assist in the provision of administrative, accounting and investment management services. Treasury is reimbursed in full for the cost of these and other services (including personnel, supply and correspondence) which it provides to the Trust.

Financial and other information with respect to the activities of SASFIT during 1992-93 is contained in its own annual report which is produced pursuant to Section 21 of the Superannuation Act 1988.

OBJECTIVES

The principal objectives of the program are -

- to provide actuarial advice and services to the Government, departments and authorities;
- to provide policy advice to the Government on insurance and related matters;
- to coordinate and administer the Government's insurance and risk management arrangements;
- to administer the Friendly Societies Act, the Benefit Associations Act and the Housing Loans Redemption Fund Act.

The program is administered by the Actuarial and Insurance Services Branch.

THE YEAR IN REVIEW

During the year the statutory requirement for there to be a Public Actuary was removed.

Previously the Friendly Societies Act had required that the Governor appoint a person to be a Public Actuary and to perform duties assigned by the Act. The Public Actuary was also required to perform duties pursuant to other Acts.

The Friendly Societies (Miscellaneous) Amendment Act 1992, which was passed by Parliament in November 1992 and came into operation on 10 December 1992, removed the statutory requirement for there to be a Public Actuary.

It made consequential amendments to the Friendly Societies Act to provide, in general, that the actuarial tasks previously required to be carried out by the Public Actuary be carried out by a qualified actuary, and that the regulatory tasks previously carried out by the Public Actuary be carried out by the Minister (ie the Treasurer) who may however delegate any of those powers, duties or functions to a person assigned to any specified position in the public service of the State.

The Treasurer subsequently delegated administrative powers, duties and functions to the Manager, Actuarial and Insurance Services, Treasury. As the Manager was the person who previously held the position of Public Actuary, the abolition of the position of Public Actuary did not, in practice, materially affect the operations

of the Branch during the year in relation to the administration of the Friendly Societies Act.

The above Amendment Act also introduced other changes that were considered necessary or desirable for the better operation of the friendly society industry in South Australia. Those changes related to allowable forms of investment of funds, transfers between benefit and management funds, quarantining of friendly society bond funds from other funds of a society, extension of the lawful objects of societies, basis of society accounts and charging of fees to allow the Government to recover the costs of services provided.

During the year a considerable amount of work was done to reduce the backlog of outstanding friendly society rule registrations. This work is continuing.

The Statutes Amendment (Public Actuary) Act 1992 was also passed by Parliament in November 1992 and also came into operation on 10 December 1992.

This Act removed references to the Public Actuary from the following eight statutes: the Benefit Associations Act, the Construction Industry Long Service Leave Act, the Judges' Pensions Act, the Motor Vehicles Act, the Parliamentary Superannuation Act, the Police Superannuation Act, the Superannuation Act and the Workers Rehabilitation and Compensation Act.

The Act provided for most of the functions previously performed by the Public Actuary to be handled, in general, in one of three ways -

- actuarial tasks to be undertaken by a qualified actuary;
- regulatory tasks to be carried out by persons nominated or given delegated authority by the responsible Ministers;
- board or committee memberships to be taken up by persons nominated by the responsible Ministers.

In particular, the Act placed with the Minister (ie the Treasurer) the administrative duties of a regulatory nature previously carried out by the Public Actuary pursuant to the Benefit Associations Act but allowed the Minister to delegate any of them to a person assigned to any specified position in the Public Service of the State.

The Treasurer subsequently delegated these duties to the Manager, Actuarial and Insurance Services, Treasury - the previous Public Actuary. Thus the operations of the Branch in relation to the administration of the Benefit Associations Act was, in practice, unchanged.

During the year the Minister of Consumer Affairs established a Working Party to look at the operation of Prepaid Funeral Plans in South Australia. The Manager of the Branch is a member of the Working Party.

Pursuant to the Superannuation Act, as amended by the Statutes Amendment (Public Actuary) Act, the Treasurer appointed the Manager of the Branch as actuary to report, in relation to the triennium ended 30 June 1992, on the cost of the South Australian Superannuation Scheme to the Government and the ability of the South Australian Superannuation Fund to meet its liabilities under the Act. Previous actuarial reports on the Scheme were prepared by the Public Actuary.

The investigation was duly carried out and a report provided to the Treasurer.

The Police Superannuation Act, as amended by the Statutes Amendment (Public Actuary) Act, requires the Treasurer to appoint an actuary to provide a report on the Police Superannuation Scheme in relation to the triennium ended 30 June 1993. Previous reports on this Scheme were also prepared by the Public Actuary.

Preliminary work for this investigation was begun during the year.

Estimates of the Government's accrued superannuation liabilities were again calculated and included in the budget papers.

Advice was also provided to some statutory authorities in respect of their superannuation liabilities.

Calculations were carried out and advice given to the Government Workers Rehabilitation and Compensation Office and to individual agencies and authorities in respect to workers compensation liabilities.

The Branch continued to administer the Housing Loans Redemption Fund Act.

During the year the Manager of the Branch carried out an examination of the state and sufficiency of the Housing Loans Redemption Fund in connection with a proposal to pay an

amount of money from the Fund into Consolidated Account pursuant to the Act. As a result of the examination the proposed transfer was effected.

The Branch has continued to coordinate and administer the Government's insurance and risk management arrangements with the assistance of insurance broker, Sedgwick Limited, which is contracted by the Government to provide technical and insurance advice and risk management expertise as required.

The underlying rationale for the arrangements is that the Government as a whole has the capacity to meet most claims as and when they occur and that over time self insuring most risks will save the Government money. In addition, by involving agencies directly in the claims handling process and by assisting them to identify and manage risk exposures, potential losses should be reduced.

Under the arrangements most insurance policies previously effected by Government departments and agencies have been allowed to lapse and claims are now met by agencies up to agreed levels with Treasury meeting the balance of costs.

Because of the large risk exposures borne by the Government under the arrangements, a commercial catastrophe insurance program was effected in October 1991 to safeguard the State Budget against a very large loss or claim or a series of large losses or claims.

The program, which is managed by Sedgwick, was renewed in October 1992.

In view of the current state of the world insurance market, with reducing capacity and increasing costs, it was considered very important to meet with Sedgwick's overseas representatives to begin preliminary planning for the 1993 program renewal and to meet with current and prospective overseas underwriters to present to them, first hand, details about the State Government of South Australia and the assets and liabilities covered by the program.

To this end, the Manager of the Branch accompanied the Treasurer and the Under Treasurer on a joint insurance/finance trip during which presentations were made to major United Kingdom, European and United States insurance company underwriters and to senior underwriters from some of the major Lloyd's of London syndicates.

The reactions from underwriters were positive and encouraging.

During the year the Branch has acted to consolidate and formalise the administration of the arrangements.

Two further South Australian Government Insurance and Risk Management Bulletins were issued to follow on from the first Bulletin issued in November 1991.

Bulletin No 2 dealt with the Hazardous Materials Management Taskforce which was established in October 1992 as a collaborative effort coordinated by Treasury and involving the Department of Labour, the Occupational Health and Safety Commission and the Department of Environment and Land Management.

More than thirty Government agencies are participating in the Taskforce and its working groups.

The aim of the Taskforce is to develop a Service-wide strategy to enable the public sector to better manage hazardous materials.

The strategy will promote the sharing of information, expertise and resources, and will address the four main risk management considerations of asset protection, environmental protection, public liability and occupational health and safety.

The major product to be developed by the Taskforce for use by agencies will be a hazardous materials risk management manual which will be supplied to all agencies to promote a consistent and effective approach across the Service.

A major service to be developed by the Taskforce will be a centralised chemical information database to provide agencies with accurate detailed information on a wide range of chemicals. The database will be accessible to all agencies and emergency services twenty four hours a day, seven days a week.

Other objectives of the Taskforce include the compilation of training materials for use by agencies and the development of a range of standard items including safety signs and chemical label formats.

An officer of the Branch is acting as the Taskforce Coordinator and managing the project.

Bulletin No 3 was issued in connection with the preparation of information for the renewal of the Government's catastrophe insurance program and with the calculation of agency contributions to Treasury to finance the cover provided under the arrangements.

A questionnaire was issued with the Bulletin seeking details about each agency's activities, assets and liabilities. The details provided will enable Sedgwick to determine appropriate contributions to be paid by agencies to Treasury and will assist Sedgwick to present a complete and consistent submission to underwriters when the catastrophe insurance program renewal is being negotiated.

Documentation has also been prepared by the Branch, in consultation with the Crown Solicitor's Office, to formalise the agreements made between agencies and Treasury for cover provided under the arrangements. Forms of agreement will be completed for each agency covered by the arrangements during the 1993-94 year.

ACHIEVEMENTS EXPECTED FOR THE COMING YEAR

The actuarial review of the Police Superannuation Scheme as at 30 June 1993 will be carried out.

Accrued superannuation and workers compensation liability calculations will be performed.

Work will continue to eliminate the backlog of outstanding friendly society rule registrations.

The Government's insurance and risk management arrangements will be further consolidated and expanded.

ADMINISTRATIVE SERVICES

The Department's central Administration Section provides the Department with support services ranging from general administration and registry to transport, supply, accommodation and expert keyboard services. The Section also provides a Ministerial Office service for matters relating to the portfolio of the Treasurer including the administration of the Unclaimed Moneys Act and the Rural Advances Guarantee Act. The Section aims to deliver these services in a quality manner and timely fashion.

Certain recommendations arising from a review of Corporate Services functions throughout Treasury were implemented. The central Administration Section assumed responsibility for providing support services to all Treasury branches within QBE Building, including SAFA. Administrative Support services, including those relating to Personnel and Training were also made available to the Office of Public Sector Reform on a Bureau basis. The Section also assumed responsibility for coordinating the provision of keyboard services for all Treasury branches in QBE, including the provision of basic and advanced training in the use of word processing software. This activity reflects the increased emphasis given to author generated keying over recent years.

Accommodation was again a major issue for the Section as work continued on the finalisation of plans for the Department's proposed move to the State Administration Centre.

The Section also contributed significantly to the development of procedures associated with the introduction of the corporate credit card and to the coordination of responses to the Economic and Finance Committee arising from the Committee's enquiries into use of consultants in the public sector and executive remuneration.

With the introduction of Freedom of Information (FOI) legislation, the Section became the focal point within Treasury on FOI issues. FOI statements and summaries were developed and published as required by section 9(2) of the FOI Act.

PERSONNEL AND TRAINING

Personnel Management

Ten applications for reclassification lodged as a result of award restructuring were resolved; three were upheld, and seven were disallowed (two of

which proceeded to an appeal and were further disallowed).

The update of job and person specifications continues on an on-going basis, with particular emphasis being given to the results of award restructuring.

Assistance was provided to the Courts Services Department and DETAFE in the hearing of some of the large volume of applications for reclassification which had arisen from their award restructuring processes.

Treasury participated in the programmed review of the principles of personnel management conducted by the Commissioner for Public Employment, involving the issues of staff selection on merit, proper access to training and development, and equal opportunity to secure promotion and advancement.

The Section coordinated the recruitment and induction of 12 trainees employed under the JobSkills Training Program funded by the Commonwealth Government.

Staff Training and Development

Information relating to training and development activities continued to be circulated to all staff, and on-going encouragement was given to employees to undertake study towards formal academic qualification and to attend seminars and conferences. The Department's expenditure for staff training and development activities amounted to \$147,700; this figure included costs relating to in-house training, external courses and academic study. During the period 51 employees attended formal academic courses.

One middle level manager attended the Public Sector Management Course coordinated by the Office of Public Sector Reform.

The Section again assisted in the conduct of the induction course for the Financial Graduate Development program, and again conducted an expanded course for departmental employees.

Safety Health and Welfare

The OHS&W Committee met on three occasions during the year and gave priority to the following issues -

- WorkCover audit of Prevention Performance Standards;

- monitoring of work-related injuries;
- update of OHS&W policy statements;
- provision of training to managers/supervisors (67 people attended or were scheduled to attend a one day course conducted by the Department of Labour);
- assistance to managers in identifying and resolving workplace hazards;
- analysis of employee sick leave.

OHS statistics for the year are attached as Appendix 7.

Worker Rehabilitation and Compensation

Emphasis was given to assisting in the early return to work of an employee who was previously injured whilst employed elsewhere. Notwithstanding that the claim was eventually disallowed, the early intervention program was very successful and the employee returned to normal duties as planned by the program.

During the period eleven employees reported work-related injuries, seven of which resulted in claims. Of this latter number two were journey accidents and one resulted from a lunch-time sporting activity.

Equal Employment Opportunities

During the year the number of Aboriginal people in Treasury remained at seven, approximately 2 per cent of Treasury's FTE's.

EEO aspects, particularly those relating to Treasury's sexual harassment policy and procedures, and selection on the basis of merit, were emphasised at staff induction training courses.

A Multicultural Management Commitment Plan (MMCP) relevant to Treasury's operations was developed.

LOTTERY AND GAMING/ COLLECTIONS FOR CHARITABLE PURPOSES

Under the direction of the Manager, Corporate and Superannuation Services, Treasury continued to administer the Lottery and Gaming Act and the

Collections for Charitable Purposes Act involving, respectively -

- the issue of licences to conduct small lotteries;
- the licensing of charitable organisations to collect donations from the public.

During the year, a review of the Lottery Regulations was completed. The drafting of new Regulations was commenced with an expectation that revised arrangements would take effect during 1993-94.

The Working Party established by the Minister in 1992 to review the Collections for Charitable Purposes legislation presented its report and recommendations in December 1992. The Report was circulated widely to charitable and other community organisations for comment. Draft legislation relating to areas covered by the Report should be available for consideration by the Government during 1993-94.

TREASURER'S OFFICE

The Treasurer's office provides the Minister with comprehensive administrative and executive support services.

The Minister's office coordinates responses from other agencies within the portfolio including SAFA, SASFIT, Lotteries Commission, State Bank and SGIC.

Correspondence and other material from the general public, Members of Parliament and other government bodies are referred to the appropriate organisations and progress of subsequent investigations is monitored. The Minister's office is responsible for the finalisation of Cabinet Submissions for the portfolios of Treasury and Mines and Energy.

The office also ensures the Ministers legislative program is administered effectively and efficiently by the preparation of Bills and the coordinating and liaising with interest groups.

The office also ensures the Minister is presented with timely information relating to issues within his portfolios, by conducting research, arranging appointments and deputations.

FINANCIAL AND EMPLOYMENT INFORMATION

FINANCIAL INFORMATION

**Table I: Comparative Financial Statement
For The Years Ended 30 June 1991 to 1993**

	1991 Actual \$'000	1992 Actual \$'000	1993 Budget \$'000	1993 Actual \$'000
FUNDS HELD AT 1 JULY	0	1,280	3,560	3,560
PAYMENTS				
Recurrent				
Administration and Enforcement of State Taxation Legislation	5,862	6,889	7,215	6,965
Provision of Budgetary and Economic Advice	2,209	2,438	2,749	2,650
Management of State Government Borrowing and Investment Activities	4,713	4,337	4,513	4,507
Maintenance and Development of Accounting Policies and Systems	2,816	2,586	2,730	2,548
Provision of Superannuation Services	1,600	1,573	1,650	1,977
Provision of Actuarial and Insurance Services	608	447	490	456
Intra-Agency Support Service Items not Allocated to Programs	3,631	3,870	4,119	4,377
Total Recurrent Payments	<u>21,439</u>	<u>22,140</u>	<u>23,466</u>	<u>23,480</u>
Capital				
Administration and Enforcement of State Taxation Legislation	84	221	935	933
Provision of Budgetary and Economic Advice	122	30	31	20
Management of State Government Borrowing and Investment Activities	958	156	257	306
Maintenance and Development of Accounting Policies and Systems	31	22	30	43
Provision of Superannuation Services	34	14	10	9
Provision of Actuarial and Insurance Services	8	0	0	0
Intra-Agency Support Service Items not Allocated to Programs	23	25	21	13
Total Capital Payments	<u>1,260</u>	<u>468</u>	<u>1,284</u>	<u>1,324</u>
TOTAL PAYMENTS	<u><u>22,699</u></u>	<u><u>22,608</u></u>	<u><u>24,750</u></u>	<u><u>24,804</u></u>
RECEIPTS				
Interest earnings on operating account	0	243	215	241
Land Agents - Enquiry fees	0	456	455	442
Recoveries - For services	850	1,029	2,798	3,471
South Australian Superannuation Fund Investment Trust	597	576	575	651
South Australian Government Financing Authority	6,441	6,250	5,965	6,015
Other Sundry Receipts	71	106	101	123
TOTAL RECEIPTS	<u><u>7,959</u></u>	<u><u>8,660</u></u>	<u><u>10,109</u></u>	<u><u>10,943</u></u>
EXCESS OF PAYMENTS OVER RECEIPTS	(14,740)	(13,948)	(14,641)	(13,861)
PARLIAMENTARY APPROPRIATIONS	<u>16,020</u>	<u>16,228</u>	<u>15,430</u>	<u>15,917</u>
NET INCREASE/(DECREASE) IN FUNDS	<u>1,280</u>	<u>2,280</u>	<u>789</u>	<u>2,056</u>
FUNDS HELD AT 30 JUNE	<u><u>1,280</u></u>	<u><u>3,560</u></u>	<u><u>4,349</u></u>	<u><u>5,616</u></u>

Note - Figures for prior years have been adjusted for comparative purposes.

Table II: Non-Current Assets Employed as at 30 June 1993

The recorded value of assets employed by the Treasury Department at 30 June 1993 amounted to \$895,000 (after deducting accumulated depreciation of \$1,112,000).

Asset Class	Cost (\$'000)	Accumulated Depreciation (\$'000)	Written Down Cost (\$'000)
Infrastructure	-	-	-
Land	-	-	-
Buildings & Improvements	-	-	-
Operating and Support	2,007	1,112	895
Assets Subject to Financial Leases	-	-	-
TOTAL	2,007	1,112	895

This information relates primarily to computing and office equipment and includes non-current assets below the \$2,000 threshold stipulated in Treasurer's Instruction 1001. The figure does not include assets employed by SAFA or SASFIT, information in respect of which can be found in the respective annual reports of those organisations.

Table III: Use Of Consultants 1992-93

Consultant	Purpose of Consultancy	Cost (\$)
Below \$10,000		
Staff Development Branch - Premier and Cabinet	Staff Training for the Financial Management Improvement Program - Graduates	3,290
Adelaide College of TAFE	Staff Training for the Financial Management Improvement Program - Graduates	1,200
M Coleman & Associates	Staff Training for the Financial Management Improvement Program - Graduates	1,050
Adelaide University - Graduate School of Management	Staff Training for the Financial Management Improvement Program - Financial and Non-Financial Staff	5,000
Learning Laboratory	Staff Training for the Financial Management Improvement Program - Graduates	1,100
Managing for Performance Excellence	Staff Training for the Financial Management Improvement Program - Graduates	1,000
Jalynda & Associates	Staff Training for the Financial Management Improvement Program - Graduates	2,000
M S Fallon	To review progress in implementing the 1991 GARG report on the Parks Community Centre and to recommend further action	5,350
Hewlett-Packard Australia Ltd	To assist in the provision of operating system services to the State Taxation Office	1,500
Ingres Pty Ltd	To assist in the provision of database performance tuning for the State Taxation Office	2,600
SASFIT (for the services of Mr R S Ruse)	To provide services on superannuation, State Bank and other Treasury related matters	419

Consultant	Purpose of Consultancy	Cost (\$)
\$10,000 - \$50,000		
Bankers Trust Australia	To provide expert advice on anticipated developments and movements likely to influence interest rates	50,000
Computer People Pty Ltd	To provide Unix systems administration services for the State Taxation Office	10,260
Megasearch Pty Ltd	To assist in the development of the Mortgage by Return system for the State Taxation Office	11,100
I Kowalick	To provide ongoing advice in respect of State Bank of South Australia	10,938 ^a
A M Smith	To provide ongoing economic advice	22,342
SA Centre for Economic Studies	Horizontal Fiscal Equalisation in Australia: Economic, Historical and Political Perspectives	25,000
Decamere Pty Ltd (for services of Mr J Glidden)	To provide expert financial advice to the management and Board of the Group Assets Management Division	41,447 ^b
Above \$50,000		
Baring Brothers Burrows	To provide advice in respect of State Bank of South Australia	100,000 ^c
Attorney-General's Department	To provide expert legal advice in relation to the corporatisation of the State Bank	108,917
Attorney-General's Department	SAFA meets the cost of salaries and overheads of two legal staff from the Crown Solicitor's Office who assist with commercial activities	
Computer Power Pty Ltd	To assist in the development of the State Taxation Office Revenue Management System (STORMS)	169,722
Sedgwick Limited	To provide technical and insurance advice and risk management expertise	Nil ^d

^a From 1 May 1993 this cost met from a Treasurer Miscellaneous line established for State Bank Corporatisation Steering Committee.

^b This cost is subsequently reimbursed by the State Bank of SA.

^c This cost met by budget line established for State Bank Corporatisation Steering Committee.

^d While no fees were paid directly to Sedgwick Limited, they did receive brokerage from the insurance market in connection with the placement of the Government's catastrophe insurance program.

TREASURY DEPARTMENT

Financial Statement for the year ended 30 June 1993

	Note	\$'000	1993 \$'000	\$'000 3 560	1992 \$'000 1 280
FUNDS HELD AT 1 JULY					
PAYMENTS:-					
RECURRENT:-					
Administration and Enforcement of State Taxation Legislation		4 548			4 579
Salaries, wages and related payments		2 417			2 310
Administrative and other expenses			6 965		
Provision of Budgetary and Economic Advice		2 379			2 154
Salaries, wages and related payments		271			284
Administrative and other expenses	3		2 650		
Management of State Government Borrowing and Investment Activities		2 907			2 506
Salaries, wages and related payments		1 600			1 831
Administrative and other expenses	4		4 507		
Maintenance and Development of Accounting Policies and Systems		1 366			1 338
Salaries, wages and related payments		1 182			1 248
Administrative and other expenses			2 548		
Provision of Superannuation Services		1 401			1 135
Salaries, wages and related payments		576			438
Administrative and other expenses	5		1 977		
Provision of Actuarial and Insurance Services		429			408
Salaries, wages and related payments		27			39
Administrative and other expenses			456		
Intra-Agency Support Service Items not Allocated to Programs		1 428			881
Salaries, wages and related payments		3 074			2 989
Administrative and other expenses	6		4 502		
Total Recurrent Payments	7		23 605		22 140
CAPITAL:-					
Administration and Enforcement of State Taxation Legislation	8	933			221
Provision of Budgetary and Economic Advice		20			30
Management of State Government Borrowing and Investment Activities	9	306			156
Maintenance and Development of Accounting Policies and Systems		43			22
Provision of Superannuation Services		9			14
Intra-Agency Support Service Items not Allocated to Programs		13			25
Total Capital Payments			1 324		468
TOTAL PAYMENTS				24 929	22 608
RECEIPTS:-					
Interest earnings on operating account		241			243
Land Agents - Enquiry fees		442			456
Recoveries - For services	4,10	3 471			1 029
South Australian Superannuation Fund Investment Trust		651			576
South Australian Government Financing Authority		6 015			6 250
Other Sundry Receipts		123			106
TOTAL RECEIPTS				10 943	8 660
EXCESS OF PAYMENTS OVER RECEIPTS				13 986	13 948
PARLIAMENTARY APPROPRIATIONS					
Pursuant to the Appropriation Act, 1992			15 917		16 228
Pursuant to the Parliamentary Remuneration Act	6		125		-
Total Parliamentary Appropriations				16 042	16 228
NET INCREASE IN FUNDS				2 056	2 280
FUNDS HELD AT 30 JUNE				5 616	3 560
OTHER PAYMENTS ON BEHALF OF THE DEPARTMENT	7				

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

1. Departmental Objectives and Funding

The Department's objectives are:-

- assist the Government to secure, in the most effective way, the financial resources it needs to carry out its policies;
- assist the Government to achieve the most effective use of the financial resources available to it;
- assist the Government in assessing the effect of its financial policies on the economy and on the community;
- keep such central records as will enable the Government to account for its financial transactions and have the financial information required for decision making;
- provide advice to the Government of an actuarial nature and administer State Superannuation arrangements.

The Department's principal source of funds consists of monies appropriated by Parliament.

This Financial Statement encompasses all activities transacted through an interest bearing Special Deposit Account entitled 'Treasury Department Operating Account'.

Treasury Department

2. Significant Accounting Policies

This Statement has been prepared in accordance with Treasurer's Instruction 1000, "Annual Financial Statements" issued pursuant to the Public Finance and Audit Act, 1987. As such it has been prepared using the cash basis of accounting consistent with the Parliamentary appropriation.

3. Provision of Budgetary and Economic Advice

Payments increased due to the creation of a Financial Institutions Branch to monitor the activities of financial institutions.

4. Management of State Government Borrowing and Investment Activities

Commencing 1992-93, payments amounting to \$327 000 in respect of Treasury officers salaries and consulting costs incurred in providing support to the Group Assets Management Division, were met from this program. These payments were subsequently recovered from the State Bank of SA.

5. Provision of Superannuation Services

As a result of the Commonwealth Superannuation Guarantee legislation a new unit was created to administer the State Superannuation Benefits Scheme.

6. Intra-Agency Support Service Items not allocated to Programs

Following the changes to Ministerial Portfolios on 7 October 1992, the Office of the Treasurer was transferred to Treasury from the Office of Transport Policy and Planning.

7. Total Recurrent Payments

Recurrent payments comprised:-

	1993 \$'000	1992 \$'000
Salaries, wages and related payments (see Note 7.1)	14 458	13 001
Administration expenses, minor equipment and sundries	5 579	5 652
Accommodation and services costs	2 168	2 229
Casino Supervisory Authority - Fees and expenses	180	141
Casino Act - Expenses of Lotteries Commission of South Australia	67	56
Cheques for departments	35	14
Grant to Local Government Association	20	90
Operation of Management Information System	559	574
Payments to consultants	366	205
Pay-roll Tax Appeal Tribunal - Fees and expenses	6	3
Reimbursement to the State Bank of South Australia for expenses of administration of loans under various Acts	167	175
	23 605	22 140

Other payments on behalf of the Department:-

Treasurer:- Debt servicing on capital expenditure

243 134

7.1 Superannuation Costs

The superannuation costs included in the Treasury Departments financial statements comprise two components:-

- (i) The Department is required to pay an amount to the Treasurer towards the accruing Government liability for superannuation in respect of currently employed contributors to the SA Superannuation Fund. Payments amounted to \$1 089 000 (\$974 000).
- (ii) From 1 July 1992, revised superannuation arrangements were implemented as a result of the Commonwealth Government's Superannuation Guarantee legislation. The existing Public Sector Employees Superannuation Scheme (PSESS) was replaced by a new scheme called the State Superannuation Benefits Scheme. This Scheme provides benefits to employees who are not active contributors to the SA Superannuation Fund in line with the requirements of the Commonwealth legislation. PSESS provided benefits for all employees. For contributors to the SA Superannuation Fund, the benefit structure was enhanced to compensate members for accrued and future PSESS benefits that would have been received.

The Department is required to make payments monthly in arrears to the Treasurer that, for 1992-93, equate to:-
for active contributors to the SA Superannuation Fund, 3 percent of eligible earnings; and
for all other employees, 4 percent of eligible earnings up to 31 December 1992 and 5 percent thereafter.

The total amount paid during the year amounted to \$407 000 (\$318 000). As payments are made monthly in arrears this amount contains a component relating to the former PSESS arrangements.

8. Capital Payments - Administration and Enforcement of State Taxation Legislation

Comprises purchases of computing and other office equipment. The increase in payments was due to purchases of computing equipment made in relation to the implementation of the State Taxation Office Information Technology Plan.

9. Capital Payments - Management of State Government Borrowing and Investment Activities

Payments increased due to major enhancements and upgrades to the existing Management Information System.

10. Recoveries - For services

Receipts increased primarily as a result of recovering from all agencies the costs incurred by the Department while administering the SA Superannuation Scheme and the Public Sector Employees Superannuation Scheme. Previously these cost were only recovered from Statutory Authorities in respect of the SA Scheme.

Treasury Department

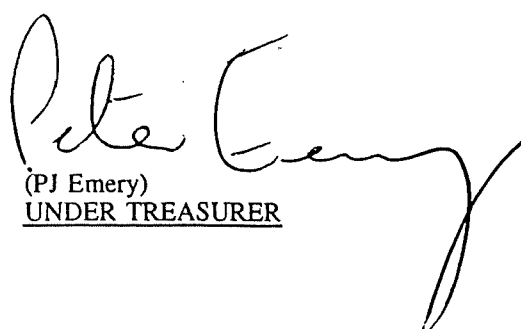
11. Remuneration of Executives

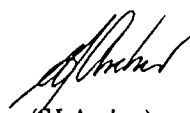
The number of executives whose remuneration received or receivable fell within the following bands was:-

\$	1993
80 001 - 90 000	5
90 001 - 100 000	4
100 001 - 110 000	3
110 001 - 120 000	-
120 001 - 130 000	-
130 001 - 140 000	-
140 001 - 150 000	1

Total remuneration received or due and receivable by these executives was \$1 247 000.

To the best of our knowledge and our belief, the foregoing Financial Statement and Notes thereto give a true and fair view of the financial transactions for the year ended 30 June 1993.


(PJ Emery)
UNDER TREASURER


(SJ Archer)
TREASURY COMPTROLLER



AUDITOR-GENERAL'S DEPARTMENT

INDEPENDENT AUDIT REPORT

To the Under Treasurer

SCOPE

As required by Section 31 of the Public Finance and Audit Act, 1987, I have audited the financial statements of the Treasury Department for the year ended 30 June 1993. The financial statements comprise:-

- . Treasury Department Financial Statement;
- . Notes to and Forming Part of the Financial Statement; and
- . Certificate by the Under Treasurer and the Treasury Comptroller.

The Under Treasurer and the Treasury Comptroller are responsible for the preparation and presentation of the financial statement and the information contained therein.

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

Audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statement, and the evaluation of accounting policies and significant accounting estimates. Those procedures were undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, and appropriate Statements of Accounting Concepts and appropriate Australian Accounting Standards so as to present a view of the Department which is consistent with the results of its operations.

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

AUDIT OPINION

In my opinion, the financial statement of the Treasury Department presents fairly the results of its operations for the year ended 30 June 1993 in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, and appropriate Statements of Accounting Concepts and appropriate Australian Accounting Standards.

25 August 1993

K I MacPHERSON
AUDITOR-GENERAL

EMPLOYMENT INFORMATION

Table IV: Comparative Employment Statistics 1991-1993

Branch	Full Time Equivalents		
	30/6/91	30/6/92	30/6/93
TREASURY DEPARTMENT			
State Taxation Office	139.4	134.4	131.5
Budget	29.0	30.6	31.6
Revenue and Economics ^a	13.0	13.6	15.8
SAFA	59.0	58.0	58.1
GAMD	-	-	3.0
Accounting & Systems - General	29.5	29.1	29.5
Accounting & Systems - Graduates	11.0	-	-
Superannuation Office	25.8	21.7	27.8
SSBS Unit	-	-	2.0
PSESS Unit	9.0	12.0	15.0
Actuarial & Insurance Services	7.8	8.8	8.9
Treasurer's Office	-	-	8.0
Executive Management	5.0	5.0	5.0
Corporate Services	11.0	11.0	10.0
Casino Supervisory Authority	1.5	1.5	1.8
Sub Total	<u>341.0</u>	<u>325.7</u>	<u>348.0</u>
OTHER OFFICES			
Lottery and Gaming	3.0	3.0	1.0
Local Government Grants Commission	2.0	2.0	3.0
SASFIT	13.0	12.0	10.0
Task Force for Corporatisation of State Bank	-	-	3.0
TOTAL	<u><u>359.0</u></u>	<u><u>342.7</u></u>	<u><u>365.0</u></u>

^a includes Financial Institutions Branch employees

Note - Figures for prior years have been adjusted to reflect the current organisational structure.

Table V: Branch Profile

	Average Full Time Equivalent		30 June Full Time Equivalent	
	1992-93 Budget	1992-93 Actual	1992-93 Budget	1992-93 Actual
TREASURY DEPARTMENT				
State Taxation Office	130.0	129.8	130.0	131.5
Budget Branch	35.1	32.5	36.4	31.6
Revenue and Economics ^a	13.8	14.3	13.8	15.8
SAFA	58.0	58.2	58.0	58.1
GAMD	-	1.1	-	3.0
Accounting and Systems	31.5	30.8	28.5	29.5
Superannuation Office	23.7	24.2	23.8	27.8
SSBS Unit	-	0.6	-	2.0
PSESS Unit	13.0	14.8	13.0	15.0
Actuarial and Insurance Services	8.8	8.3	8.9	8.9
Treasurer's Office	-	4.8	-	8.0
Executive Management	5.0	5.0	5.0	5.0
Corporate Services	12.0	11.2	12.0	10.0
Casino Supervisory Authority	1.5	1.6	1.5	1.8
Sub Total	<u>332.4</u>	<u>337.2</u>	<u>330.9</u>	<u>348.0</u>
OTHER OFFICES				
Lottery and Gaming	1.0	1.0	1.0	1.0
Local Government Grants Commission	3.0	2.8	3.0	3.0
SASFIT	12.0	10.8	12.0	10.0
Task Force for Corporatisation of State Bank	-	0.5	-	3.0
DEPARTMENTAL TOTAL	<u>348.4</u>	<u>352.3</u>	<u>346.9</u>	<u>365.0</u>

^a includes Financial Institutions Branch employees

Table VI: Classification Profile as at 30 June 1993^a

Classification	1991-92		1992-93		Total
	Male	Female	Male	Female	
CEO	1	-	1	-	1
EL-3	2	-	2	-	2
EL-2	7	-	7	-	7
EL-1	7	1	8	1	9
MAS-3	-	-	-	-	-
ASO-8	7	-	7	-	7
MAS-2	3	-	3	-	3
ASO-7	15	3	15	3	18
MAS-1	2	-	1	-	1
ASO-6	13	5	12	6	18
ASO-5	38	4	39	6	45
ASO-4	37	8	40	7	47
ASO-3	18	15	13	17	30
ASO-2 ^b	34	44	35	57	92
ASO-1	26	75	26	84	110
LE-2	-	1	-	1	1
LE-1	-	1	-	-	-
JBS-1	-	-	7	5	12

^a includes employees on contract; excludes employees temporarily reassigned to other agencies

^b includes officers on the Financial Graduate Development Program

Table VII: Staffing Statistics

		1990-91	1991-92	1992-93
Permanent Positions	Created	31	37	18
	Abolished	46	22	3
Temporary Positions	Created	37	22	42 ^a
	Abolished	16	16	17
Reclassifications		27	102 ^b	6
Classified Vacancies Advertised	Permanent	39	45	32
	Temporary	2	2	11
Appeals		2	10 ^c	2
Resignations/Retirements		27	10	23
Aboriginal employees		8	7	7

^a includes 12 Jobskills Trainees

^b includes 98 as a consequence of award restructuring

^c following award restructuring

OTHER ACCOUNTS ADMINISTERED

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION ACCOUNT

An interest bearing Special Deposit Account was created in 1991-92 entitled "South Australian Local Government Grants Commission Account", pursuant to the South Australian Local Government Grants Commission Act 1992.

The purpose of the account is to record all transactions associated with the Act including the receipt and payment of Commonwealth financial assistance grants and expenditure on the administration of the Act. During 1992-93, the Commission distributed \$80.7 million to 119 local government authorities and the Outback Areas Community Development Trust.

A Consultative Committee comprising the chairperson of the Grants Commission, the Under Treasurer and two representatives of the Local Government Association (LGA) is responsible for certain administrative functions including the approval of the Commission's administration budget.

The administration budget is principally funded by the LGA which raises the funds from interest earnings on Commonwealth financial assistance grants invested with the Local Government Finance Authority (LGFA).

The following is the financial statement of the administration budget component of the South Australian Local Government Grants Commission Account for the period ended 30 June 1993. Comparative figures for 1991-92 are also provided.

South Australian Local Government Grants Commission Account

	1991-92 \$'000	1992-93 \$'000
Funds held at 1 July	0	101
Payments		
Salaries	106	143
Administration Expenses	36	45
Accommodation and service costs	22	22
Commonwealth Financial Assistance Grants	0	80,739
Payments to consultants	8	0
Purchase to office machines and equipment	12	8
Total Payments	184	80,957
Receipts		
Funds from Local Government Association	256	230
Commonwealth Financial Assistance Grants	0	80,739
Interest from Treasury	5	10
Other sundry receipts	24	22
Total Receipts	285	81,001
Net Increase in Funds	101	44
Funds held at 30 June	101	145

LOCAL GOVERNMENT DISASTER FUND

The Local Government Disaster Fund was established in 1989 following discussions between the State Government and the Local Government Association (LGA) about the Stirling Council 1980 Bushfire settlement.

The State Government imposed a Financial Institutions Duty (FID) levy of 0.005 per cent for five years from 1 October 1990, and undertook to pay the resulting revenue into the Disaster Fund. The major portion of the funds is invested with the Local Government Finance Authority.

The Fund is managed by a Committee comprising two LGA nominees, the Under Treasurer and a nominee of the Minister for Local Government Relations.

The main roles of the Committee are to formulate guidelines by which councils might apply for assistance and consider applications made under those guidelines; to monitor and report on the

Fund generally; to circulate appropriate information about the Fund to councils and other bodies; and to provide advice on possible other source of income.

The funds are used for purposes related to the effects on local government authorities of natural disasters and to repay the State's contribution to the 1980 Stirling Bushfire settlement.

The Committee dealt with two rounds of claims from councils resulting from damage caused by flooding in late 1992 and early 1993. Grants were made available to eight councils in the first round and twenty three in the second round, which totalled \$4.365 million.

The Disaster Fund FID levy is due to cease in 1995 and the LGA State Executive has proposed continuation of the Fund from alternative revenue sources.

The following is the Financial Statement of the Local Government Disaster Fund for the period ended 30 June 1993.

Local Government Disaster Fund

	1991-92 \$'000	1992-93 \$'000
Funds held at 1 July	1,967	3,832
Payments		
Repayment of loan ^a	3,336	3,338
Compensation to SAFA for capital losses	0	33
Payments in respect of disasters	26	4,394
Interest subsidies to Local Authorities	42	39
Settlement of Ash Wednesday claims	18	409
Administrative expenses	47	52
Total Payments	3,469	8,265
Receipts		
Financial Institutions Duty	5,080	4,860
Interest from Treasury	20	28
Interest from Local Government Finance Authority	234	158
Total Receipts	5,334	5,046
Net Increase in Funds	1,865	(3,219)
Funds held at 30 June	3,832	613
Includes funds invested with the Local Government Finance	3,400	600

^a Instalments for repayment of State contribution to Stirling settlement over a five year period from 1990-91 to 1995-96

MINISTERIAL PORTFOLIO RESPONSIBILITIES

Ministerial Portfolio Responsibilities of the Treasurer

STATE BANK OF SA	Provide banking services to the community. As the Treasurer's agent, administer certain Acts providing loans for particular purposes.
SA GOVERNMENT FINANCING AUTHORITY	Act as a central borrowing authority for the SA Public Sector. Engage in other activities relating to the finances of the Government and semi-Government authorities.
LOTTERIES COMMISSION OF SA	Promote and conduct lotteries.
STATE GOVERNMENT INSURANCE COMMISSION	Undertake general and life insurance business. Operate the Compulsory Third Party (Bodily Injury) Scheme.
CASINO SUPERVISORY AUTHORITY	Supervise the operation of the licensed casino.
SA SUPERANNUATION BOARD	Administer State Superannuation Schemes.
SA SUPERANNUATION FUND INVESTMENT TRUST	Manage and invest employee contributions to the SA Superannuation Fund.
PUBLIC SECTOR EMPLOYEES SUPERANNUATION SCHEME BOARD	Administer the 3% productivity superannuation scheme.

Acts Administered by the Treasurer

Advances to Settlers Act 1930	Parliamentary Superannuation Act 1974
Appropriation Acts	Pay-Roll Tax Act 1971
Benefit Associations Act 1958	Police Superannuation Act 1990
Business Franchise (Petroleum Products) Act 1979	Public Finance and Audit Act 1987
Casino Act 1983	Rural Advances Guarantee Act 1963
Collections for Charitable Purposes Act 1939	Stamp Duties Act 1923
Debits Tax Act 1990	State Bank of South Australia Act 1983
Financial Agreement Acts	State Government Insurance Commission Act 1992
Financial Institutions Duty Act 1983	State Lotteries Act 1966
Friendly Societies Act 1919	Student Hostels (Advances) Act 1961
Gaming Machines Act 1992	Succession Duties Act 1929
Gift Duty Act 1968	Superannuation Act 1988
Government Financing Authority Act 1982	Superannuation (Benefit Scheme) Act 1992
Governors' Pensions Act 1976	Superannuation (Visiting Medical Officers) Act 1993
Homes Act 1941	Supplementary Financial Agreement (Soldier Settlement Loans) Act 1934
Housing Loans Redemption Fund Act 1962	Supply Acts
Interest on Crown Advances & Leases Act 1944	Taxation (Reciprocal Powers) Act 1989
Judges' Pensions Act 1971	Tobacco Products (Licensing) Act 1986
Land Tax Act 1936	Treasurer's Incorporation Act 1949
Loans for Fencing & Water-Piping Act 1938	Unclaimed Moneys Act 1891
Loans to Producers Act 1927	
Lottery & Gaming Act 1936	

LEGISLATIVE MEASURES 1992-93**Appropriation Act 1992 (62/92)**

Gave effect to the Government's budget proposals for 1992-93.

Assented to: 12/11/92
Date of operation: 1/7/92

Business Franchise (Petroleum Products) (Fees) Amendment Act 1992 (58/92)

Increased the fees payable for Class A and Class B licences.

Assented to: 29/10/92
Date of operation: 1/11/92

Debits Tax (Rates) Amendment Act 1992 (48/92)

Introduced a new tax scale for the calculation of debits tax.

Assented to: 17/9/92
Date of operation: 1/1/93

Financial Institutions Duty (Reduction of Duty) Amendment Act 1993 (49/93)

Decreased the rate of duty from 0.1% to 0.065%.

Assented to: 20/5/93
Date of operation: 1/6/93

Friendly Societies (Miscellaneous) Amendment Act 1992 (66/92)

Removed from the Friendly Societies Act 1919 the statutory requirement for there to be a Public Actuary; made consequential amendments to the Act to provide for the functions previously performed by the Public Actuary to be handled by other persons; made other amendments considered necessary or desirable for the better operation of the friendly society industry.

Assented to: 19/11/92
Date of operation: 10/12/92

Gaming Machines Act 1992 (49/92)

Provided for the regulation, supply and operation of gaming machines.

Assented to: 17/9/92
Date of operation: To be proclaimed

Land Tax (Rates) Amendment Act 1992 (50/92)

Provided for an increase in the rate of land tax payable on properties with a taxable value in excess of \$300,000. Enabled short term lessees and occupiers of shack sites to be treated as land owners for land tax purposes in a similar way to long term (ie over 40 years) lessees.

Assented to: 29/10/92
Date of operation: 1/7/92

Liquor Licensing (Fees) Amendment Act 1992 (46/92)

Increased the licence fee for wholesale and retail liquor licences (other than producer's licences) from 11% of the gross amount of sales during the relevant assessment period to 13%.

Assented to: 17/9/92
Date of operation: 17/9/92

Liquor Licensing (Fees) Amendment Act 1993 (50/93)

Decreased the licence fee for wholesale and retail liquor licences (other than producer's licences) from 13% of the gross amount of sales during the relevant assessment period to 11%.

Assented to: 20/5/93
Date of operation: 1/10/93

Pay-roll Tax (Exemptions) Amendment Act 1992 (51/92)

Provided for an extension of the exemption from pay-roll tax for wages paid to trainees employed under the Australian Traineeship Scheme for a further three years from 30 June 1995.

Assented to: 29/10/92
Date of operation: 1/7/92

**Police Superannuation (Miscellaneous)
Amendment Act 1992 (52/92)**

Corrected a number of minor technical difficulties; introduced new provisions to clarify a member's salary for contribution and benefit purposes and also for benefit calculation purposes the salary of a member demoted for disciplinary reasons.

Assented to: 29/10/92
Date of operation: ss 1-5 & 10 1/6/90
Remainder 29/10/92

**Police Superannuation (Superannuation
Guarantee) Amendment Act 1993 (12/93)**

Introduced to comply with Commonwealth legislation regarding the Superannuation Guarantee Charge. In particular the resignation provisions were amended to incorporate the new requirements under the Superannuation Guarantee Charge legislation. In addition, amendments were made to death benefits payable to the estate of a member where no spouse's benefit is payable.

Assented to: 25/3/93
Date of operation: s 9 19/12/91
Remainder 1/7/92

**Public Finance and Audit (Miscellaneous)
Amendment Act (6/93)**

Made several amendments to the Public Finance and Audit Act (and consequential amendments to the Government Financing Authority Act) which -

- overcame the technical difficulties associated with the granting of a "standing" guarantee to semi government authorities under the Act;
- provided a legislative framework within which semi government authorities may, with the approval of the Treasurer, enter into various financial transactions involving "derivative" products;
- provided protection for the Auditor-General against law suits for professional liability;
- rectified a number of largely technical shortcomings identified since commencement of the Act in 1987.

Assented to: 11/3/93
Date of operation: ss 8-11 1/7/87
s 3(c) & (e) 1/7/92
Remainder 11/3/93

**Stamp Duties (Rates) Amendment Act 1992
(42/92)**

Provided for -

- the stamp duty first home concession scheme to be varied so that the full concession is only available for properties valued at \$80,000 and a reducing concession is available of properties with a value up to \$130,000;
- the abolition of stamp duty on powers of attorney;
- the increase in various minor duties to \$10.

Assented to: 31/8/92
Date of operation: 1/9/92

**Stamp Duties (Penalties, Reassessments And
Securities) Amendment Act 1992 (88/92)**

Provided for -

- revised security and mortgage provisions;
- a power of reassessment;
- the recovery of penalty duty through the court system;
- the abolition of the duty payable on simple agreements;
- the closure of a potential rental duty avoidance practice;
- an increase in the conveyance rate for high value properties.

Assented to: 10/12/92
Date of operation: 14/12/92

**State Bank of South Australia (Investigations)
Act 1992 (86/92)**

Made a number of technical amendments to ensure that the Auditor-General's investigation into the State Bank Group proceeded expeditiously.

Assented to: 3/12/92
Date of operation: s 3 28/3/91
Remainder 3/12/92

State Lotteries (Soccer Pools & Other) Amendment Act 1992 (65/92)

Repealed the Soccer Football Pools Act 1981; amended the State Lotteries Act to provide for the continued existence of the Recreation and Sport Fund; and for other purposes.

Assented to: 19/11/92
Date of operation: 3/12/93

Statutes Amendment (Public Actuary) Act 1992 (69/92)

Implemented changes to the statutes listed below consequential to the abolition of the position of Public Actuary to provide for the functions previously performed by the Public Actuary to be handled by other persons -

- Benefit Associations Act 1958;
- Construction Industry Long Service Leave Act 1987;
- Judges' Pensions Act 1971;
- Motor Vehicles Act 1959;
- Parliamentary Superannuation Act 1974;
- Police Superannuation Act 1990;
- Superannuation Act 1988;
- Workers Rehabilitation and Compensation Act 1986.

Assented to: 19/11/92
Date of operation: 10/12/92

Superannuation (Benefits Scheme) Act 1992 (89/92)

Established a new scheme called the State Superannuation Benefit Scheme (SSBS). The purpose of SSBS was to meet the State Government's obligations under the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Under the Commonwealth's Superannuation Guarantee Charge (SGC) provisions it became a legal requirement for all employers to provide a minimum level of superannuation for all employees.

SSBS ensures that all employees not in other employer sponsored superannuation schemes receive the minimum SGC benefit. As from 1 January 1993 the minimum SGC benefit under SSBS was 5% of salary and will grow in steps to 9% of salary in 2002.

SSBS also replaces the discontinued Public Sector Employee Superannuation Scheme established to provide the 1988 3% productivity benefit.

Assented to: 10/12/92
Date of operation: 1/7/92

Superannuation (Scheme Revision) Amendment Act 1992 (91/92)

Detailed the benefit enhancements in the State Pension and Lump Sum Scheme that result from amalgamating benefits from the discontinued Public Sector Employees Superannuation Scheme into the main State contributory schemes.

Assented to: 10/12/92
Date of operation: s 8(b) & 8(c) 10/12/92
Remainder 1/7/92

Superannuation (Visiting Medical Officers) Act 1993 (30/93)

Ensured that the State Government's obligations under the Commonwealth's Superannuation Guarantee Charge Legislation in relation to Visiting Medical Officers (VMO's) is met. The Act achieved this by deeming VMO's to be members of the South Australian Health Commission's Visiting Medical Officers Superannuation Fund unless they are contributory members of the State Superannuation Scheme. The Act also provided that the part of VMO's remuneration paid for or in lieu of superannuation is paid into a superannuation fund thus meeting the Superannuation Guarantee Charge obligations.

Assented to: 6/5/93
Date of operation: 1/4/93

**Superannuation (Voluntary Separation)
Amendment Act 1993 (44/93)**

Details the level of superannuation benefits to be paid to members of the State Pension and Lump Sum Schemes who wish to "cash up" their superannuation and take a Targeted Separation Package as part of the State Government's voluntary separation program.

Assented to: 20/5/93
Date of operation: 27/5/93

Supply Act (No 2) 1992 (45/92)

Provided appropriation to enable the public sector to carry out its normal functions during the months of September and October 1992.

Assented to: 10/9/92
Date of operation: 10/9/92

Supply Act (No 1) 1993 (25/93)

Provided appropriation to enable the Public Sector to carry out its normal functions during the early months of the 1993-94 financial year.

Assented to: 29/4/93
Date of operation: 29/4/93

**Tobacco Products (Licensing) (Fees)
Amendment Act 1992 (47/92)**

Increased the rate of tax on purchases of tobacco products to 75%. Increased Foundation SA's share of tobacco revenues from the equivalent of a 3% levy to a 5% levy.

Assented to: 17/9/92
Date of operation: 1/9/92

**Tobacco Products (Licensing) (Fees)
Amendment Act 1993 (38/93)**

Increased the rate of tax on purchases of tobacco products to 100% and increased Foundation SA's share of tobacco revenue to 5.5%.

Assented to: 13/5/93
Date of operation: 1/6/93

APPENDIX 4

BOARDS AND COMMITTEES ON WHICH TREASURY IS REPRESENTED

OFFICER	BOARD/COMMITTEE	START DATE	EXPIRY DATE
Peter Emery Under Treasurer	SAFA, Chairman	Ex Officio	-
	State Bank of SA	Observer	-
	State Bank Corporatisation Steering Committee, Chairman	April 1993	ongoing
	SACON Board of Directors	July 1992	ongoing
	ETSA and E&WS Merger Implementation Committee	June 1993	ongoing
	Local Government Grants Commission Consultative Committee	July 1991	ongoing
	Local Government Disaster Fund Management Committee	March 1991	ongoing
John Hill Deputy Under Treasurer	SGIC	Dec 1991	Dec 1996
	Bouvet Pty Ltd	Feb 1993	ongoing
	Collins Street Properties Pty Ltd	Jan 1992	ongoing
	SA Projects Pty Ltd	Oct 1992	ongoing
	SGIC Finance Pty Ltd	Jan 1992	ongoing
	SGIC Health Pty Ltd	Jan 1992	ongoing
	SGIC Nominees Pty Ltd	Jan 1992	ongoing
	SGIC Pty Ltd	Sept 1992	ongoing
	Torrens Property Funds Management Ltd	Jan 1992	ongoing
	SGIC Audit Committee	Feb 1992	ongoing
	Lotteries Commission of SA	Nov 1990	Nov 1993
	Lotteries Commission Audit Committee	Aug 1992	ongoing
	Lotteries Commission Trustee Board	Dec 1990	ongoing
	Parliamentary Superannuation Board	May 1989	ongoing
	PSESS Board	Feb 1990	Feb 1996
	Review of Government Business Operations (GMB sub-Board)	May 1991	ongoing
	State Superannuation Board	July 1988	June 1994
	Information Policy Executive	June 1993	ongoing
	Overseas Travel Committee	April 1986	ongoing

OFFICER	BOARD/COMMITTEE	START DATE	EXPIRY DATE
Accounting Policy & Systems			
David Figg	AUSCAM Inc (National Committee)	Oct 1991	Dec 1992
	AUSCAM SA Inc (CA Products User Group)	May 1989	April 1993
	Information Technology Group - Aust Society of CPA	June 1986	ongoing
Frank McGuiness	Standing Treasuries Committee on Accounting Issues	June 1992	ongoing
	Local Government Accounting Committee	Aug 1991	Sept 1992
Tony Roth	AUSCAM SA Inc (CA Products User Group)	Oct 1991	April 1993
Bob Walsh	Public Sector Fraud Coordinating Committee	April 1992	ongoing
	Steering Committee - Departmental and Treasury Accounting Review	Oct 1990	ongoing
	EDI Project Steering Committee	Oct 1992	ongoing
Actuarial & Insurance Services			
John Barrett	ETSA Superannuation Board	Feb 1991	Jan 1994
Brian Daniels	Local Government Association Mutual Liability Scheme Board	Sept 1990	ongoing
	Local Government Superannuation Board	July 1992	ongoing
	Prepaid Funerals Working Party	March 1993	ongoing
	Risk Management Steering Committee		
	- Children's Services Office	Oct 1990	ongoing
	- Correctional Services Department	July 1990	ongoing
	- Education Department	July 1990	ongoing
	Royal Zoological Society of SA Superannuation Fund Board of Trustees	Dec 1992	ongoing
	Third Party Premiums Committee	June 1993	ongoing
Budget			
Ray Bown	Rehousing Committee (Land Acquisition Act)	April 1993	ongoing
	Correctional Services Capital Works Committee	Dec 1991	ongoing
Debra Contala	Adelaide Convention Centre Board	April 1991	May 1995
Greg Coombs	Electricity Tariff Review Working Group	April 1990	ongoing
	ETSA and E&WS Merger Implementation Committee	June 1993	ongoing
	Commonwealth/State Steering Committee on National Performance Monitoring of Government Trading Enterprises	Oct 1991	ongoing
Damien Flaherty	SACON Netley Steering Committee	Jan 1993	ongoing

OFFICER	BOARD/COMMITTEE	START DATE	EXPIRY DATE
Terry Grant	St John Ambulance Board	Nov 1991	March 1995
	Police Department Buildings Committee	July 1991	ongoing
	Targeted Separation Package Committee	April 1992	ongoing
Linda Hart	General Reserves Trust (Environment and Land Management)	May 1993	May 1995
Rick Janssan	Non-Government Schools Formula Review Committee	April 1991	May 1993
	Special Education Consultative Committee	Jan 1993	ongoing
Geoff Knight	South Australian Health Commission Finance Committee	May 1991	ongoing
	Social Justice Development Strategy Project Team	Jan 1993	July 1993
Bernie Lindner	Correctional Services Capital Works Committee	Feb 1993	ongoing
	Police Department Buildings Committee	Feb 1993	ongoing
	State Sports Park Board	Feb 1993	ongoing
	Southern Sports Complex Interim Board of Management	Feb 1993	Aug 1993
	SA Research and Development Institute Board	Feb 1993	ongoing
	Strategic Properties Committee	July 1993	ongoing
Neil Nosworthy	Urban Development Coordinating Committee	Feb 1993	ongoing
Peter O'Neill	Second Story Board	Jan 1989	June 1995
	Legal Services Commission	July 1992	July 1995
	Targeted Separation Package Committee	April 1992	ongoing
Don Orchard (retired Jan 1993)	Capital Works Budget Committee	Sept 1985	Jan 1993
	Correctional Services Capital Works Committee	Sept 1984	Jan 1993
	Court Services Building Program Committee	March 1990	Jan 1993
	Joint Planning Committee for Government and Non Government Schools	Oct 1990	Sept 1992
	Northfield Relocation Committee (Agriculture)	Oct 1989	Jan 1993
	Police Department Buildings Program Committee	Aug 1989	Jan 1993
	STA Board	Aug 1989	Jan 1993
	Urban Development Coordinating Committee	March 1984	Jan 1993
	Urban Consolidation Coordinating Committee	Jan 1992	Dec 1992
	Natural Resources Council	June 1992	ongoing
Corporate & Superannuation Services			
Doug Kitchin	Working Party on Public Collections	Jan 1992	Dec 1992

OFFICER	BOARD/COMMITTEE	START DATE	EXPIRY DATE
Revenue & Economics			
Stuart Hocking	SA State Statistical Priorities Committee	April 1991	ongoing
Robert Schwarz	Enterprise Investments Ltd	July 1990	*
	Enterprise Securities Ltd	July 1990	ongoing
	SASFIT	March 1989	July 1994
	SATCO	April 1989	ongoing
* required to retire and resubmit at 3rd AGM after appointment			
SAFA			
Kevin Cantley	SAF (HK) Ltd (alternate)	Feb 1991	ongoing
	SAFL (alternate)	July 1990	ongoing
	SA Sterling Investments Ltd	July 1990	ongoing
	SA Investments (alternate)	July 1990	ongoing
Phil Combes	Homestart Finance Ltd (alternate)	Aug 1989	Dec 1995
	Local Government Finance Authority of SA (alternate)	Dec 1990	ongoing
	National Mortgage Market Corporation (alternate)	Feb 1992	ongoing
Ross Harding	East End Re-Development Steering Committee	May 1992	Sept 1992
	Government Office Accommodation Committee	July 1990	ongoing
	Northfield Laboratories	July 1990	ongoing
	Northfield Marketing Pty Ltd	July 1992	ongoing
	Douse Pty Ltd	Mar 1989	ongoing
	Dinghy Pty Ltd	Mar 1989	ongoing
	Cutter Pty Ltd	Mar 1989	ongoing
Paul Kildea	Southern Zone Rock Lobster Rationalisation Authority	Jan 1993	ongoing
John Parkinson	Industries Development Committee	Nov 1992	ongoing
	SAMCOR	July 1990	June 1993
	SAGRIC Pty Ltd	April 1992	ongoing
	MRAD Pty Ltd	March 1993	ongoing
	Defic No 1 Pty Ltd	Dec 1990	ongoing
	Defic No 2 Pty Ltd	Dec 1990	ongoing
	Defic No 3 Pty Ltd	Dec 1990	ongoing
	Defic No 4 Pty Ltd	Dec 1990	ongoing
	SABT Pty Ltd	June 1993	ongoing
Vivienne Pring	Torrens Building Steering Committee	Nov 1992	ongoing

OFFICER	BOARD/COMMITTEE	START DATE	EXPIRY DATE
Mike Sharrad	Self Employment Ventures Scheme Advisory Committee	1984	ongoing
Jo Sutherland-Shaw	Enterprise Investments Limited (alternate)	Oct 1992	ongoing
	Enterprise Securities Limited (alternate)	Oct 1992	ongoing
John Wright	Local Government Finance Authority of SA	June 1990	ongoing
	Ministerial Committee on Rural Finance Policy	Jan 1992	ongoing
	School Loans Advisory Committee	Sept 1990	ongoing
Superannuation			
Deane Prior	SA Metropolitan Fire Service Superannuation Fund Board of Trustees	Jan 1987	ongoing
	Police Superannuation Board	July 1990	June 1996
	PSESS Board	Nov 1990	Nov 1993
	Superannuation Task Force	Oct 1986	ongoing
Task Force for Corporatisation of State Bank			
Graeme Bethune	State Bank Corporatisation Steering Committee	May 1993	ongoing
	Homestart Finance Ltd	June 1990	Dec 1995
	Jerningham Ltd	Feb 1991	ongoing
	National Mortgage Market Corporation	Nov 1990	ongoing
	SA Investments	July 1990	ongoing
	SA Sterling Investment Ltd	July 1990	ongoing
	SAF(HK) Ltd	Feb 1991	ongoing
	SAFL	July 1990	ongoing
	SAFTL	Oct 1990	ongoing

APPENDIX 5

STATE TAXATION OFFICE REVENUE COLLECTIONS

	1990-91		1991-92		1992-93	
	Number of Taxpayers/ Transactions	Amount \$	Number of Taxpayers/ Transactions	Amount \$	Number of Taxpayers/ Transactions	Amount \$
Business Franchise (Petroleum)						
Wholesalers	5	70 016 223	5	86 140 925	5	127 617 467
Retailers	1 088	117 338	1 187	110 901	1 187	105 075
Total Business Franchise (Petroleum)		<u>70 133 561</u>		<u>86 251 826</u>		<u>127 722 542</u>
Debits Tax		<u>11 487 706</u>		<u>28 190 828</u>		<u>40 008 629</u>
Financial Institutions Duty						
Financial Institutions	217	89 329 143	211	101 293 233	200	97 267 718
Short Term Money Market Operators	226	2 958 886	191	2 842 377	182	3 010 624
Exempt-Charitable Organisations Accounts	31 576		36 860		37 322	
Total Financial Institutions Duty		<u>92 288 029</u>		<u>104 135 610</u>		<u>100 278 342</u>
Land Tax	24 626	<u>76 021 349</u>	25 850	<u>75 827 321</u>	27 049	<u>75 370 778</u>
Pay-roll Tax						
Private Sector	5 437	381 634 001	5 124	387 097 694	4 947	383 705 511
Government Sector	32	91 278 912	31	98 725 611	30	98 316 857
Total Pay-roll Tax		<u>472 912 913</u>		<u>485 823 305</u>		<u>482 022 368</u>
Stamp Duty						
Adhesive Stamps		777 175		732 283		1 742 548
Annual Licences (Insurance)		55 161 009		64 412 117		80 452 596
Applications to Register or Transfer Motor Vehicles		68 903 850		73 982 576		66 586 944
Cheques		5 519 992		6 416 090		6 552 642
Conveyance of Property on Sale		135 729 809		135 340 329		161 407 908
Conveyance of Shares on Stock Exchange		3 289 979		3 364 078		3 129 956
Conveyance of Shares (Excl Stock Exchange)		2 258 689		1 643 468		4 144 210
Insurance Effected Outside SA		2 059 839		4 060 325		4 109 023
Leases		1 662 452		1 781 207		1 642 155
Mortgages		16 832 971		15 834 019		20 325 684
Other		230 328		253 194		701 975
Less Refunds, Commissions, etc		(1, 810 026)		(1 704 561)		(2 467 336)
Rental Business		12 205 997		12 146 647		10 579 218
Voluntary Conveyances of Property		2 247 554		1 833 264		2 412 870
Total Stamp Duty		<u>305 069 618</u>		<u>320 095 036</u>		<u>361 320 393</u>
Tobacco Products (Licensing)						
Wholesalers	10	85 269 044	10	92 152 568	9	153 233 496
Retailers	4 950	54 400	5 134	54 365	4 494	159 045
Total Tobacco Products (Licensing)		<u>85 323 444</u>		<u>92 206 933</u>		<u>153 392 541</u>
Total State Taxation Office Collections**		<u>1 113 245 257</u>		<u>1 192 551 487</u>		<u>1 340 124 118</u>

** Succession duty revenue of \$8,637, \$20,628 and \$8,525 has been added to the 1990-91, 1991-92 and 1992-93 years respectively.

PUBLIC SECTOR FRAUD POLICY

Treasury Department

Treasury is responsible for the Government's financing and investing activities, for paying invoices for other agencies, for collecting most of the Government's taxation revenue, and for coordination of the associated accounting for these activities. It has a keen interest in steps that can be taken to prevent and to detect any fraud. This interest extends beyond Treasury and into the accounting activities and internal controls of each agency. It is expressed through the issue to all agencies of "Treasurer's Instructions", which provides guidance to agencies on generally accepted practices, procedures and internal controls designed to secure the Government's financial assets and to prevent and detect fraud. The Treasurer's Instructions are being assessed almost continuously by those applying them, and as weaknesses are perceived revised instructions are released. Public service staff are assisted in being kept aware of changes by the inclusion of explanatory articles in the publication TREND shortly after new instructions or changes to existing instructions have been approved by the Treasurer.

Treasury observes the Treasurer's Instructions in the conduct of its internal operations and relies on the measures prescribed for its internal controls. They provide an inter-related and overlapping network of controls intended not only to reduce our exposure to fraud but also to promote data and systems privacy, security and integrity.

Formulation of audit controls firstly, to prevent fraud and secondly, to detect it formed part of systems analysis, formulation, specification and implementation of the first stage of the State Taxation Revenue Management System (STORMS) implemented during this year. Audit

controls were built into the system to safeguard the revenue and assets of the State, to preserve the integrity of STORMS and to prevent fraud during the assessment revenue collection function of the State Taxation Office (STO). The system in addition generates information that is used to avoid fraud against the State through tax evasion.

Additionally, the STO needs to face fraud through tax evasion. The STO employs some 22 (FTE's) Investigation staff who provide a proactive stance towards -

- *Verification*

To sustain the validity of data submitted by taxpayers under Returns and Applications as to the quantum of their tax liabilities.

- *Compliance Monitoring*

To reduce the scope for tax avoidance and evasion.

- *Investigations*

To uncover schemes and arrangements aimed at minimising the liability for taxation.

- *Recovery*

To recover outstanding tax debts.

The Compliance Branch of the STO completed 440 investigations during the year. These investigations detected unpaid revenue of \$3.8 million. These investigations involved the verification of taxpayer compliance with various taxation legislation administered by the STO, the verification of returns, documents and statements made by the taxpayers and the investigation into avoidance and sham transactions.

APPENDIX 7

OCCUPATIONAL HEALTH AND SAFETY STATISTICS

	1990-91	1991-92	1992-93
(a) The average number of employees employed during the period	346.3	344.9	352.3
(b) The total number of hours worked by employees	486 978	587 192	597 148
(c) The total number of work injuries	12	21	11
(d) The agency's actual expenditure on occupational health and safety programs - as a percentage of total expenditure	.003	.07	.04
(e) The agency's budget allocation for workers' compensation claims	40 000	41 000	49 100
(f) The total number of workers' compensation claims	8	12	7
(g) The total cost of workers' compensation claims charged against an insurance fund	29 245	10 978	11 605
(h) The total cost of workers' compensation claims carried by the agency	-	-	-
(i) The total number of common law claims	-	-	-
(j) The total cost of common law claims	-	-	-
(k) The total number of employees who participated in the agency's rehabilitation program	-	-	1
(l) The total number of employees rehabilitated back to their original work task	-	-	1
(m) The total number of employees rehabilitated and redeployed onto other work tasks	-	-	-
(n) The total number of employees still on suitable alternative duties	-	-	-
(o) The total number of employees who left, declared medically unfit	1	-	-
(p) The agency's budget allocation for property damage accidents	-	-	-
(q) The total number of property damage accidents	-	-	-
(r) The total cost of property damage accidents	-	-	-
(s) The number of hours of training in Occupational Health and Safety	127.5	574.5	212.5
(t) The number of Health and Safety Representatives	3	3	3
(u) The number of Health and Safety Committees	1	1	1
(v) The number of Default Notices issued pursuant to S.35 of the OHS&W Act	-	-	-
(w) The number of times work was stopped pursuant to S.36 of the OHS&W Act	-	-	-
(x) The number of Improvement Notices issued pursuant to S.39 of the OHS&W Act	-	-	-
(y) The number of Prohibition Notices issued pursuant to S.40 of the OHS&W Act	-	-	-

FREEDOM OF INFORMATION ACT 1991

**INFORMATION STATEMENT of the TREASURY DEPARTMENT
(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
South Australian Treasury Department
Level 12
108 King William Street
ADELAIDE 5000

Telephone 226 9516

SECTION 1 - Structure and Functions

Information concerning the structure and functions of the Treasury 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 the Treasury Department 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's operations do have a more direct public impact in the following areas:

State Taxation

Through the State Taxation Office, the Department administers the following taxation legislation -

Business Franchise (Petroleum Products) Act 1979

The Act provides for the licensing of wholesale (Class A Licence) and retail (Class B Licence)

vendors of petroleum products in South Australia with the licence fee consisting of an annual payment of \$100 plus an ad valorem component calculated by reference to the value of sales of petroleum products made by the licensee in an earlier period.

Debits Tax Act 1990

Debits tax is charged on all withdrawals from bank accounts with a cheque drawing facility. The Commonwealth Government imposed the tax in April 1983 and transferred responsibility to the States and Territories (except the ACT) on 1 January, 1991. An agency arrangement has been entered into whereby the Australian Taxation Office continues to collect the tax on behalf of the States.

Financial Institutions Duty Act 1983

Financial Institutions Duty is payable on any receipt of money by a financial institution that is registered or required to be registered under the provisions of the Act. The rate of duty which was 10¢ per \$100 or \$1,200 (whichever was the lesser) was reduced from 1 July 1993 to the lesser of 6.5¢ per \$100 or \$1,200.

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

Land Tax Act 1936

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

Pay-roll Tax Act 1971

Employers and groups of employers are required under the provisions of the Pay-roll Tax Act, to pay 6.1 per centum tax on wages and salaries

paid to employees. Where wages and salaries are below a given level, described as the threshold, pay-roll tax is not payable.

Stamp Duties Act 1923

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

Taxation (Reciprocal Powers) Act 1989

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

Tobacco Products (Licensing) Act 1986

Provides for a legislative scheme under which a direct contribution to State revenue, in the form of a licence fee, is made by a consumer of tobacco products who takes out a consumption licence.

Consumers are relieved from the obligation to hold a consumption licence for the consumption of tobacco products obtained through a merchant in circumstances where the merchant chooses to be licensed and thus by payment of licence fees makes a contribution to State Revenue on behalf of consumers.

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

Superannuation

Treasury administers -

- two voluntary State Superannuation Schemes through the State Superannuation Office (see Information Statement of the SA Superannuation Board);
- the Public Sector Employees Superannuation Scheme (PSESS), providing benefits to all Government and statutory authority employees in accordance with an agreement negotiated between the Government and the United Trades and Labor Council as a result of the

3% national productivity scheme. This scheme terminated on 30 June 1992 and was replaced by the Superannuation Benefit Scheme (see Information Statement of the South Australian Superannuation Board);

- superannuation schemes for politicians, judges and governors.

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

Lottery Licences

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

Collections for Charitable Purposes

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

Casino Prohibition Orders

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

Unclaimed Moneys

Pursuant to the provisions of the Unclaimed Moneys Act, Treasury receives from companies, unclaimed moneys exceeding ten dollars in accounts which have not been operated for six years (after details of those moneys have been published in the Government Gazette for two years in succession). The Act also provides for individuals in possession of moneys for a year or upwards and of which the owner cannot be found to pay those moneys to Treasury. 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 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);
- workers compensation redemption values;
- maintenance payment redemption values;
- surrender values payable on some friendly society policies.

SECTION 3 - Arrangements for Public Participation in Policy Formulation

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

However, on-going consultation does take place with representatives of interest groups in the following areas:

State Taxation

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

- Australian Society of CPA's;
- Law Society of SA;
- Taxation Institute of Australia;
- The Institute of Chartered Accountants in Australia;
- The National Institute of Accountants;
- The Landbrokers Society;
- The Real Estate Institute of SA;
- The Australian Bankers' Association;
- Credit Union Association of South Australia.

In addition, the Taxation Office maintains regular contact with the following -

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

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

Superannuation

Employee representatives are included on the boards of both the SA Superannuation Board (see Information Statement of the SA Superannuation Board) and the Public Sector Employees Superannuation Board.

SECTION 4 - Description of the Kinds of Documents held by Treasury

Documents held by Treasury 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) departmental files

(known as dockets), which are official files containing correspondence on all aspects of the Department's operations;

(b) taxation documents

including applications, returns etc required for the purpose of administering State Taxation legislation;

(c) accounting records

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

(d) lottery and gaming files

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

(e) personnel files

relating to Treasury employees;

(f) superannuation files

relating to the administration of the Public Sector Employees Superannuation Scheme (see also Information Statement of the SA Superannuation Board);

(g) Instructions

Treasurers's Instructions⁽ⁱ⁾;

(h) Circulars

including -

- State Taxation Office Circulars⁽ⁱⁱ⁾;
- Treasury Circulars⁽ⁱ⁾ ;

(i) Publications/Papers/Reports

including -

- Budget Papers⁽ⁱ⁾;
- Information papers;
- Annual Report⁽ⁱⁱ⁾;

(j) Procedure Manuals

including -

- Returns Branch Work Manuals;
- Compliance Branch Investigators Manual;
- Stamp Duties Office Internal Practice Notes;

(k) Actuarial Files

including -

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

(i) Available for purchase

(ii) Available free of charge

SECTION 5 - Access Arrangements, Procedures and Points of Contact

General Information

Where possible (subject to the observance of privacy principles and confidentiality standards), information held by Treasury 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.

Enquiries should be directed to the FOI Contact Officer (telephone 226 9516) 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
Treasury Department
GPO Box 1045
ADELAIDE SA 5001

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

Floor 12
108 King William Street
ADELAIDE SA 5001

Telephone 226 9516
9.00 am to 4.45 pm Monday to Friday

Processing an Application

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

Refusal of Access/Refusal to Amend

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

Where to Inspect Documents

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

Floor 12
108 King William Street
ADELAIDE SA 5000

Telephone 226 9514

between 9.00 am and 4.45 pm, Monday to Friday

Taxation circulars may be inspected during the same hours at -

Ground Floor
Torrens Building
Victoria Square East
ADELAIDE SA 5000

Telephone 226 3750

Enquiries concerning access to other categories of documents listed should be made to the FOI Contact Officer, telephone 226 9516.