

# Annual Report

## 2002 - 03



Department of Treasury and Finance  
Government of Western Australia

# Contents

The Hon E S RIPPER BA, Dip Ed, MLA  
TREASURER OF WESTERN AUSTRALIA

## 2002-03 Annual Report

I have pleasure in presenting the Department of Treasury and Finance's Annual Report for the year ended 30 June 2003 for your information and presentation to Parliament.

We have prepared this report in accordance with the requirements of sections 62 and 64 of the *Financial Administration and Audit Act*, section 31 of the *Public Sector Management Act* and other relevant written laws.



J L Langoulant  
UNDER TREASURER

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## Under Treasurer's Review

In a year where important progress was made across a number of policy areas, the single most significant development that impacted on the Department of Treasury and Finance was the Government's decision late in 2002 that the Department should assume responsibility for procuring goods and services across the public sector.

This expansion of the Department's responsibilities flowed from the Government's decision to accept most of the recommendations of the Taskforce Established to Review the Delivery of Government Priorities by Public Sector Agencies (commonly referred to as the Functional Review Taskforce). One of the Taskforce's recommendations was to abolish the Department of Industry and Technology and that its responsibilities be split between the Departments of Treasury and Finance, Premier and Cabinet, and Industry and Resources.

In receiving the Government's procurement activities, the Department of Treasury and Finance is now responsible for facilitating all goods and services procurements across the public sector agencies where those procurements exceed the agencies' delegated limits to purchase in their own right. This involves the purchase of a vast array of goods and services totalling around \$3 billion a year.

In recommending that the procurement task be undertaken by the Department of Treasury and Finance, the Functional Review Taskforce also noted that the procurement process should be more outcome and strategically focused, and that significant savings should be targeted through correcting those shortcomings and from increased aggregated buying. These matters are being addressed and implemented.

The procurement task is broader than just buying goods and services. It also includes:

- operating the Western Australian Government On-line internet facility;
- providing a rapidly expanding audio-visual communication facility across the public sector;
- developing and operating an e-commerce government procurement facility – known as the Gem system; and
- working with the State Supply Commission and the State Tenders Committee to ensure appropriate procurement policies, guidelines and practices are in place.

The addition of the procurement responsibility has increased significantly the scope of tasks that fall to the Department of Treasury and Finance. When it is remembered that this is only the second annual report of the Department, following the amalgamation of the previous Departments of Treasury and State Revenue in July 2001, and that an additional 130 staff have joined the Department through the procurement role, it is evident that there has been considerable change at many levels throughout the organisation.

## Under Treasurer's Review (contd)

Since January 2003, much time and resource has been devoted to incorporating the procurement responsibility as part of the broader Department. A large burden has fallen to the corporate division in ensuring the Department's human resource systems, financial management practices and information technology capacities have been adjusted to accommodate the expanded Department's activities. These actions are resource-intensive and compounded in this case by a substantial backlog of vacancies, secondments and contract employment arrangements that needed to be addressed urgently in transitioning the procurement staff to the Department of Treasury and Finance. Special mention is appropriate of the considerable effort that the corporate team has made to ensure the smooth transition in all these areas.

The effectiveness of any merger process is critically dependent on the attitude of the people involved. The adoption of new systems, policies and practices can often be difficult. Nevertheless, I am very pleased to note that all members of the procurement team have accepted the merger readily and worked cooperatively in ensuring a seamless transition to their new organisation.

These organisational changes have been accompanied by an ongoing demanding work program across all areas of the Department. Later sections of this report detail the issues that have been addressed through the year. The following provides a brief outline of the scope of the issues involved:

- the Department was heavily involved in the review of the Functional Review Taskforce which was established in July 2002 and delivered its report to the Premier in December 2002. The Department had direct responsibility in supporting and assisting the Taskforce in dealing with a vast array of issues that had broad application across the public sector;
- 27 of the Functional Review Taskforce's recommendations either impacted directly on the Department or involved it in implementing measures or in developing further specific recommendations. The most substantial work has been on the development of corporate services initiatives and the procurement reforms recommended by the Taskforce. Detailed development work in both areas has involved the Department directly and that will be ongoing through 2003;
- a comprehensive review is being undertaken of the health system's service delivery processes and the sustainability of its finances. This review also flows from the Functional Review Taskforce's recommendations and the Department contributes directly to the health reform process;

- the Electricity Reform Taskforce reported to the Government late in 2002 and proposed major changes to the structure of the electricity market across the State. The Department was represented on that Taskforce and continues to be directly involved in developing implementation arrangements for the recommended reforms;
- one of the most comprehensive reforms of the State's taxation system and its administration was largely realised in the year with the passage of the *Taxation Administration Act* and Business Tax Review legislation through Parliament. Further legislation currently, or shortly to be, before Parliament will deliver the complete suite of business tax reforms which will provide for the abolition of six taxes and a more efficient, fairer and simpler State taxation system. Over the year, staff have not only worked to implement these reforms, but have also continued to deliver high quality service in the face of growing workloads driven by record property sector activity;
- the Department has been responsible for the development of the legislation which will support the Economic Regulation Authority in Western Australia. That Authority will have responsibilities for regulating the gas, water, rail, and in time, the electricity sectors. Following the expected passage of legislation later in 2003, the Authority is scheduled to be established in January 2004; and
- throughout 2002-03, the Department applied substantial resources to reviewing Commonwealth/State relations. This has involved working with New South Wales and Victoria in a major independent study of the Commonwealth Grants Commission process. The Department has also worked actively as part of the Grants Commission's own major review of its methodologies. Thirdly, we have led work among States and Territories to achieve more efficient specific purpose payment arrangements between the Commonwealth and the States.

In addition to these very substantial policy issues, the Department again worked closely with the Government in framing the 2003-04 Budget. An important feature of that Budget was the maintenance of the Government's financial targets. The recommendations of the Functional Review Taskforce were also important in framing the financial projections, particularly in terms of their impact across the out-years. The Taskforce's recommendations have significant fiscal impacts in these years and it is most important that the recommendations that underpin those projections are implemented in full. This requirement has been accepted across the public sector and considerable effort is being directed by all agencies to implement the recommendations, particularly in the areas of corporate service and procurement reform.

Turning to internal developments, the Department of Treasury and Finance continues to evolve as the core areas of our business (Treasury, State Revenue and Procurement) gradually assimilate with support from our Corporate Services unit. It has always been expected that

## Under Treasurer's Review (contd)

time would be necessary to realise the benefits from our new structure and I am very pleased with the progress that has been made. A number of initiatives we are taking are helping to ensure that we improve the working environment and arrangements for our staff. At the same time we are endeavouring to enhance our productivity so that we are able to maximise the return from the resources that are available to the Department and meet our statutory responsibilities and the Government's requirements.

Considerable effort has also been given to improve how we work with our major stakeholders. These efforts have had several dimensions including increased contact with government agencies to ensure we understand, as far as possible, the issues facing them in managing the competing demands on their resources. Our major electronic systems have been enhanced to ease the task of information sharing with agencies and other clients (including taxpayers). We have also constantly sought to meet the Government's requirements in a timely fashion. In this later regard, we continue to enjoy a very effective working relationship with the Treasurer and his Office.

In closing, I would like to recognise the effort of all staff through the course of the year. Those efforts have been greatly appreciated as, without them, we would not achieve the high standards we set for ourselves and which are expected by our key stakeholders.

**J L Langoulant**

UNDER TREASURER

# Treasury and Finance at a Glance

## Our Vision

Employer of choice. Provider of choice.

## Our Mission

To provide quality economic and financial advice and financial management, and to administer revenue laws fairly and equitably.

## Outcomes/Outputs

The outcomes we seek to achieve and the outputs we produce are detailed in the Performance Assessment section of this report.

## Our Operations

There are a number of Acts that govern our operations:

- we function under the *Public Sector Management Act* for our general administration;
- the *Constitution Act* and the *Constitution Acts Amendment Act* provide the framework under which we operate;
- the *Government Financial Responsibility Act* places reporting obligations on the Department in respect to the State's financial position; and
- the *Financial Administration and Audit Act*, and associated Treasurer's Instructions, provide the powers for our officers to operate in government finance, control and accountability matters.

A list of the Acts we administered in 2002-03 is shown in Appendix A.

## Treasury and Finance at a Glance

### Responsible Minister

The Hon. E.S. Ripper, BA, Dip Ed, MLA, Deputy Premier; Treasurer; Minister for Energy.

### Our Structure

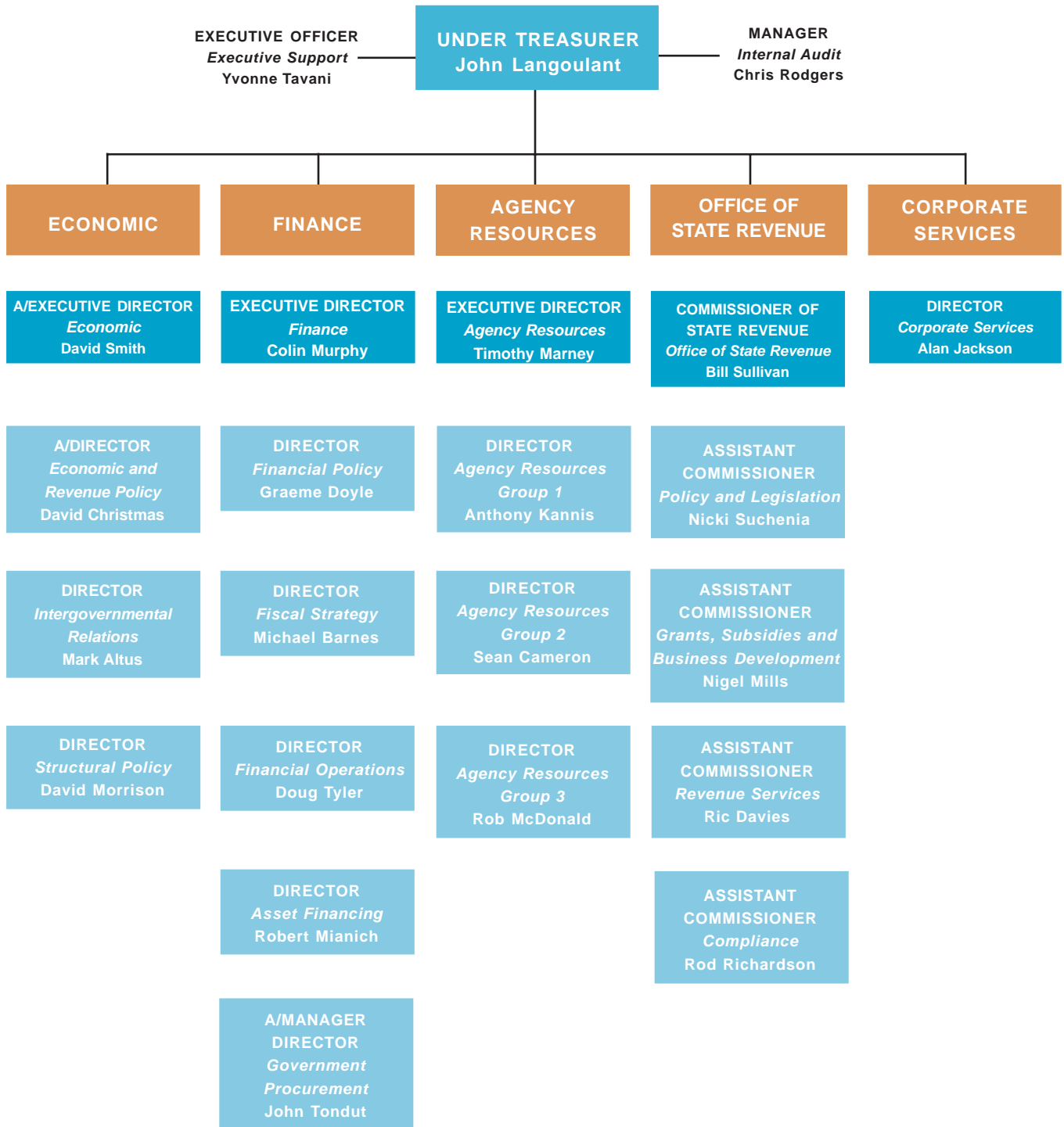
Treasury and Finance is comprised of four structural areas, these being:

- Economic;
- Finance, including the procurement function;
- Agency Resources; and
- Office of State Revenue.

In addition to these four structural areas we have a Corporate Services Division that coordinates the strategic development of Treasury and Finance, and a wide range of activities that, in combination, ensure we deliver services effectively to our customers.



## Organisational Structure



# Our People

## Our Major Asset

Our people are our major asset. In recognition of this we placed increased emphasis on the development of staff through training programs. We also continued to run a wellness program.

## Staffing

We employed 563 full time equivalent staff at 30 June 2003, compared with 404 a year earlier. 143 of this increase reflected the transfer of the government procurement function from the former Department of Industry and Technology to the Department of Treasury and Finance from 3 February 2003.

## Training and Development

Staff participated in a range of formal training activities in the areas of professional, technical and personal development. Total expenditure on training was \$255, 211.

We also continued our partnership with the University of Western Australia in relation to the Graduate Diploma in Taxation Studies and Curtin University in relation to our procurement activities.

## Employee Opinion Survey

In September 2002 we surveyed our staff to obtain their views on a range of issues and to benchmark our performance against other organisations.

The survey questions were based on the Australian Business Excellence Framework established by the Australian Quality Council. Respondents were asked to rate the survey questions in terms of both importance to them and departmental performance.

Encouragingly, the survey results showed a positive eight per cent improvement in overall performance compared to the previous year.

The top three performing areas for Treasury and Finance related to the provision of a harassment free work environment, staff feeling that they are trusted and respected in their work teams, and a commitment to quality outcomes.

The lowest performance was obtained in relation to staff receiving regular feedback on the level of their external customers' satisfaction.

In response to the survey results managers are addressing concerns specific to their areas on an on-going basis. At a corporate level the survey results impacted directly upon our strategic and business planning processes.

## Safety, Health and Welfare

The Department's performance in relation to the safety and health of employees is monitored in part through workers' compensation and rehabilitation statistics which are summarised below.

### Workers' Compensation Indicators 2002-03

Frequency rate <sup>(a)</sup>	4.48
Estimated cost of claims <sup>(b)</sup>	0.03
Premium rate Per cent <sup>(c)</sup>	0.53
Rehabilitation Success rate	n.a.

(a) Relates the number of lost time incidents, where one or more days were lost, to total hours worked.

(b) Cost incurred per \$100 of our annual payroll.

(c) Premium is calculated as a proportion of our annual payroll.

n.a. denotes not applicable

## Donations to Charity

The last Friday of each month is '*casual for a cause day*' at Treasury and Finance. Staff are encouraged to come to work dressed casually and to make a donation which is forwarded to a different charity each month. Monies raised during 2002-03 were directed to a range of charities including the Red Cross, the Cerebral Palsy Association, Princess Margaret Hospital, Kids First Foundation and the RSPCA.

# Our Customers

We have three major customer groups:

- the Government and Parliament;
- State government agencies; and
- the community, taxpayers and their agents, and local industry and suppliers to government.

## Our Customer Commitment

Our Customer Service Charter sets out our commitment to our customers and the service standards our customers can expect when dealing with us.

Our customers can expect our service to be professional and our staff to take pride in the delivery of our service.

All advice and decisions from the Department will be clearly explained, well founded, relevant and timely.

Our officers will be properly trained to deliver a high standard of service.

The name of the officer dealing with each customer will always be provided to establish clear points of contact for a coordinated and effective service.

We will act ethically and legally with the utmost integrity, and treat people with impartiality, fairness and respect.

We will seek to understand clearly the services required by our customers and to meet those services where it is appropriate.

We recognise that quality service helps our customers to succeed in their business.

## Achieving Customer Focus

Our strategic planning activities identified Customer Relationships as a key issue to be emphasised over the next few years.

Our objective in relation to Customer Relationships is to increase the openness and transparency of these relationships. To achieve this we seek to improve communication and develop and promote relationships with our customers.

The outcomes we expect to see are:

- increased satisfaction of our customers;
- a reduction in the number of customer complaints; and
- increased 'hits' on our website.

## Our Effectiveness

To gauge our customer effectiveness we conduct a client/stakeholder survey each year. The survey results provide valuable feedback about areas where we can make improvements. The results of the survey for 2002-03 are outlined in the Performance Assessment section of this report.

We are currently reviewing our method for gathering customer feedback to determine if we can get a better indication of areas for improvement.

## Your Say

We are committed to providing excellent service to our customers and welcome your suggestions on how this can be achieved. If you have any comments, or would like to discuss any of our services, please contact us. Contact details are provided at the back of this report.

# Report on Operations – Economic

## Activities

Provides advice and analysis on State revenues, the State economy, structural economic reforms, governance of major public utilities and intergovernmental financial relations.

## Key Achievements in 2002-03

The efforts of the Economic business unit focussed on the Government's goal of developing a strong and competitive Western Australian economy by creating conditions conducive to investment and growth.

Specific activities centred on policy advice to maximise the performance of the State economy and helping achieve sustainable financial outcomes for the State.

### **Key achievements in strengthening the Western Australian economy included:**

- development of, through public consultation and an independent reference committee, a final package of 46 State tax reform measures to improve the efficiency, equity and simplicity of the State tax system;
- significant contributions to reform of the Western Australian electricity industry, including the disaggregation of Western Power into separate generation, network, retail and regional businesses, and the introduction of a competitive wholesale electricity market;
- coordination of introduction into Parliament of legislation to establish the Economic Regulation Authority as a single independent body bringing together current industry-specific regulation regimes;
- advice on implementation of competition reforms in accordance with Government priorities, impacts on the community and risks to payments under National Competition Policy arrangements;
- contribution to gas retail deregulation, which promotes competition and choice in the gas industry to deliver end-user savings;
- promotion of a broad review of the principles used in distribute Commonwealth funding between the States based on an independent inquiry by Professor Ross Garnaut and Dr Vince FitzGerald which found that the current principles are a disincentive to economic development;
- input to the Government's policy responses to the reduced availability and affordability of certain classes of insurance, particularly public liability insurance; and

- publishing several economic research articles and papers pertinent to the Western Australian economy, including in relation to globalization, retail trading hours and economic reform in China.

**To help achieve sustainable State financial outcomes we:**

- advised Government on revenue measures to fund expenditure on essential services and infrastructure, while meeting the Government's overall financial targets. We also provided advice on, and responses to, community queries regarding the new revenue measures;
- contributed to the Commonwealth Grants Commission's 2004 Review of methods used to distribute Goods and Services Tax revenue among the States and Territories. Our aim was to improve Western Australia's grant share and we attempted to do this through a major submission, representation at a national conference and coordinating a week-long visit by the Commission to Western Australia;
- ensured the State received the maximum competition payments available from the Commonwealth, an amount of \$72 million, for 2002-03;
- chaired an interjurisdictional working group to reform arrangements for Commonwealth specific purpose payments to the States;
- within Western Australia, initiated an interagency specific purpose payments reference group, to ensure that a whole-of-government position is presented to the Commonwealth in negotiating these grants. We also assisted in specific negotiations;
- participated with other States and Territories in discussions with the Commonwealth on Goods and Services Tax administration and policy issues, including monitoring the performance of the Australian Tax Office in administering this Tax;
- assisted effective governance of State enterprises by providing ongoing advice to the Minister for Government Enterprises as 'shareholder' for agencies in that portfolio, including through tabling of statements of corporate intent and annual reports in Parliament; and
- contributed to the introduction of more flexible administrative structures within government that are more responsive to potential changes in government policy direction through coordinating feedback on reviews of statutory authorities.

# Report on Operations – Finance

## Activities

Provides policy advice, analysis and services in relation to financial management and reporting, accounting policy, asset financing and cash management. Delivers various online services and undertakes a central contracting and tendering role for government.

## Key Achievements in 2002-03

**Assisted the Government to deliver financial outcomes and projections consistent with its financial targets, including maintenance of the State's triple-A credit rating.** This was achieved by closely monitoring the impact of government decisions and known pressures on the financial aggregates, and the provision of advice to the Treasurer and the Expenditure Review Committee on a budget strategy for ensuring compliance with the Government's financial targets.

**Significantly improved the timeliness of whole-of-government financial reporting,** with the regular release of monthly and quarterly reports throughout the year enabling closer tracking of government finances. A significant backlog of monthly and quarterly financial results reports was cleared in the first half of 2002-03. As a result of this, and streamlined internal processes, these reports are now being produced on a regular and more timely basis. This has increased the relevance and usefulness of the reports in assessing how the State's finances are tracking against the Government's projections.

**Comprehensively reviewed the Treasurer's Instructions.** A number of the Treasurer's Instructions were outdated as a result of advances in financial management policies and practices. The new set of Treasurer's Instructions now reflect these advances and facilitate further streamlining of financial management practices in government agencies.

**Released Partnerships for Growth** which enunciates the Government's policy position in respect to public sector partnering with the private sector to deliver its services and illustrates the guidelines to be followed for pursuing these arrangements in Western Australia.

**Received Cabinet approval to draft legislation to replace the *Financial Administration and Audit Act*.** Advances in financial management practices, such as devolution of accounting and banking functions from (the former) Treasury to agencies and the implementation of accrual accounting in government, have caused the need to modify this legislation.

The proposed new legislation provides for a new Financial Management Act and a separate Auditor General Act. This split will enhance the independence of the Auditor General and add clarity to the distinction between financial management practices and the requirements to audit those practices.



**Effectively managed the investment of the Public Bank Account.** We achieved a rate of return on invested funds (4.93 per cent per annum) in excess of the cash management benchmark (4.67 per cent per annum).

**Developed five new common use contracts dealing with business machines, human resource systems and furniture.**

Prominent amongst these was the Strategic Partnering in Resourcing Information Technology (SPIRIT) project which was introduced to replace and disaggregate a contract held by a single supplier. All government agencies are now tendering under the SPIRIT framework. SPIRIT has pre-qualified 320 suppliers and 200 agency buyers have registered to use the online system. We also established a pre-qualified panel of telecommunications bill management providers.

We now manage 68 common use contracts with an annual turnover of \$847 million and involving 468 contractors. The prices obtained through common use contracts are on average 23 per cent below retail prices.

**As the State Supply Commission delegate, we received 243 new procurement projects and awarded agency specific contracts to 215 suppliers with a total value in excess of \$130 million.** The total number of agency specific contracts we manage now exceeds 500.

**Achieved accreditation for AS/NZS ISO 9001:2000 Quality Management Systems in our tendering and contracting processes.** The upgraded accreditation reflects our ability to consistently provide services that meet customer expectations and regulatory requirements.

**Implemented the new Gem Contracting online development and management system** for use in all our tendering and contracting processes.

**Received a positive performance audit on the security of the Government Internet Gateway, ServiceNet.** The audit report found that ServiceNet had established a sound security infrastructure to support reliable services to government. It recommended that government agencies not already using ServiceNet should evaluate the security benefits of connecting to the Internet through this gateway.

# Report on Operations – Agency Resources

## Activities

Advises on and manages the allocation of taxpayers' resources to achieve government outcomes.

## Key Achievements in 2002-03

**Assisted the Government to undertake a detailed program of functional reviews** across all general government agency activities to ensure funding was allocated to the Government's priority areas. This entailed considerable input into a comprehensive review of the services provided by government agencies, as well as a review of procurement and asset management practices. It also involved the further development and implementation of specific recommendations of the Functional Review Taskforce.

**Monitored the progress and assisted the management of the 2002-03 Budget.** We did this through the provision of regular reports and advice to the Expenditure Review Subcommittee of Cabinet. Major areas of focus included:

- wages policy;
- CBD Courts project;
- New MetroRail;
- Burrup infrastructure package;
- the environment; and
- community support.

**Contributed to the formulation of the 2003-04 Budget and forward estimates,** making several enhancements to the process to enable further increases in the quality and timeliness of the advice provided to Government.

**Greatly enhanced the performance, functionality and stability of the central financial management system, the Treasury Information Management System.** This system is utilised by all general government agencies. The Treasury Information Management System budget paper module was introduced for use in the production of the 2003-04 Budget, making it easier for agencies to meet their budget paper reporting requirements.

**Continued to improve and foster relationships with agencies.** Through a program of regular visits to agencies we developed a better understanding of agencies' business and the issues impacting them. This enabled us to improve the quality of our advice to both agencies and Government.

**Undertook a major analysis of health financial settings and inter-jurisdictional comparison of health service performance indicators.** This provided Government with significant information and analysis to assist in its funding decisions on health in the 2003-04 Budget.

# Report on Operations – Office of State Revenue

## Activities

Collects revenue and administers grants and subsidies on behalf of the Western Australian Government.

## Key Achievements in 2002-03

**Undertook the revenue laws administration task.** This included:

- collecting \$2.9 billion in revenue;
- paying \$161.9 million in grants and subsidies;
- answering 168,020 telephone enquiries;
- processing 380 items of ministerial correspondence; and
- completing over 3,500 investigations, raising additional tax or recovered grants of \$54.3 million.

**Improved the administration of taxes collected by:**

- implementing the first release of an Internet-based system to provide electronic advice to the conveyancing industry on the land tax liability of properties being sold.

The Electronic Advice of Sale system, implemented in 1997, was a joint development by the Office of State Revenue, Water Corporation and the Department of Land Information to provide the conveyancing industry with a single window to land tax and water rate information.

In partnership with these agencies, we have now implemented the first release of a redeveloped Electronic Advice of Sale system that allows members of the conveyancing industry to request land tax and rating information via the Internet;

- enhancing the Revenue Collection Information System, one of our core business computer systems used in the administration of taxes, grants and subsidies, so that it is deployed more efficiently via the intranet and is fully integrated with our new Document Management System.

Benefits from the changes include improved security, remote access capabilities, faster response times and easier access to a wide range of records management functions;

- enhancing the Revenue Online system, currently used for the lodgement and payment of pay-roll tax over the Internet, enabling customers to have better access to view and update information and receive reminders and other advice through e-mails.

This has improved the information flow between the Department and its customers, reducing the number of forms that have to be completed and processed manually. It has also assisted customers by providing up to date account details, thereby eliminating a number of telephone enquiries;

- implementing the *Taxation Administration Act*. Significant effort was required to ensure that supporting regulations for the Act and related taxing Acts were in place for the 1 July 2003 implementation date; and
- drafting and implementing the pay-roll tax and land tax measures, effective from 1 July 2003, and which arose from the Business Tax Review.

**Improved the administration of the stamp duty scheme by:**

- drafting the more complex stamp duty measures arising from the Business Tax Review so that the legislation could be introduced into the Parliament in June 2003. Subject to the Parliamentary process, the majority of these measures are planned to commence prior to the end of 2003;
- drafting the *Stamp Amendment (Budget) Act 2003*, which contains the stamp duty increases announced as part of the 2003-04 Budget, which came into operation on 1 July 2003;
- publishing the stamp duty information requirements on the Internet; and
- providing high levels of customer service in the face of growing work volumes, in part generated by significant property market activity.

**Improved the administration of the pay-roll tax scheme by:**

- enhancing our Revenue Online system to provide a more comprehensive service for pay-roll tax taxpayers. About 16 per cent of monthly payers now use the system; and
- implementing a comprehensive strategy including educational seminars, an addendum to the pay-roll tax ruling on sub-contractor arrangements, and a limited amnesty to improve the level of compliance in relation to the declaration of contractor payments where an employer/employee relationship exists. The Government's temporary relief package for taxpayers in these circumstances was also implemented.

**Improved the administration of the land and financial taxes scheme by:**

- continuing the land tax audit project and targeting specific residential land in country areas for land tax liability; and

## Report on Operations – Office of State Revenue

- completing the audit program for the abolition of financial institutions duty.

### **Improved the administration of grants and subsidies by:**

- developing a replacement computer system to assist with processing claims from local government authorities, for concessions available to pensioners and seniors on local authority rates and the new emergency services levy.

In particular, additional checks included in the new system will remove the requirement for each local government authority to conduct triennial reviews of pensioner registrations as required under the *Rates and Charges (Rebates and Deferrals) Act 1992*. The new web-based computer system was introduced from 1 July 2003;

- managing the tender process and negotiating a new contract with a service provider for the provision of maintenance, support and web hosting services for the First Home Owner Grant national computer system. We will manage the new contract on behalf of all States and Territories; and
- ensuring that all First Home Owner Grant applications are subject to a pre-payment eligibility and post-payment residency check.

# Performance Assessment 2002-03

# Opinion of the Auditor General



AUDITOR GENERAL

## INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF TREASURY AND FINANCE  
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

### Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Department of Treasury and Finance are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended June 30, 2003.

### Scope

#### *The Under Treasurer's Role*

The Under Treasurer is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

#### *Summary of my Role*

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

Handwritten signature of D D R Pearson in black ink.

D D R PEARSON  
AUDITOR GENERAL  
October 15, 2003



# Certification of Performance Indicators

## Treasurer's Instruction 905

### *Financial Administration and Audit Act 1985*

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Treasury and Finance's performance, and fairly represent the performance of the Department of Treasury and Finance for the financial year ended 30 June 2003.



J L Langoulant  
UNDER TREASURER

15 AUGUST 2003

# Performance Assessment

## Our Outcomes

The outcomes we seek to achieve are:

- an effective framework for the development of a strong, competitive Western Australian economy;
- an effective framework for resourcing public services;
- revenue raised to fund the operations of government and the payment of grants and subsidies to the community; and
- contribute to business development in Western Australia through support to clients.

## Our Outputs

We aim to achieve these outcomes through our seven outputs:

- economic management and advisory services;
- financial management and advisory services;
- land and financial taxes assessment and collection;
- pay-roll tax assessment and collection;
- stamp duties assessment and collection;
- payment of grants and subsidies to eligible members of the community; and
- public sector procurement systems and supply.

## Measuring Our Performance

Performance information was collected through two formats, statistically based information and survey based questionnaires.

Statistically based effectiveness indicators have been included to help measure performance in both outcome and output areas. The use of in-house statistical data complements the survey-based results and adds scope and objectivity to the sources of information used in measuring our performance.

The efficiency indicators have been sourced from information held on our internal output measurement systems.

For the economic and financial based outcomes and outputs a client/stakeholder survey was undertaken in June/July 2003, on our behalf, by an external consultant. The Survey consisted of either a telephone-based interview or a self-completion questionnaire. 211 client/stakeholders were approached for the survey, with responses received from 124, an overall response rate of 59 per cent.

The numbers sampled and responses rates were as follows:

Client/ Stakeholder Groupings	Total Number Surveyed	Response Number	Response Rate (per cent)
Ministers	14	7	50
Members of Parliament	77	21	27
Agencies	110	88	80
Economic and Financial commentators	10	8	80
<b>Total</b>	<b>211</b>	<b>124</b>	<b>59</b>

Interview questions were designed specifically for each identified client/stakeholder group.

Performance measures covering State revenue collection and assessments and the payment of grants and subsidies are sourced from in-house statistically based data collection processes.

The public sector procurement outcome and output indicators are based on annual contract turnover or award values, the amount of website or online system usage and a number of client surveys.

Client satisfaction surveys were performed for the government procurement products. The surveys were in the form of telephone-based interviews directed at our key client suppliers and agency purchasers.

Client/ Stakeholder Groupings	Total Number Surveyed	Response Number	Response Rate (per cent)
Government Buyers	1,794	1,542	86
Potential Tenderers	352	352	100
<b>Total</b>	<b>2,146</b>	<b>1,894</b>	<b>88</b>

The interview questions were designed specifically for each identified client/stakeholder group. The surveys were conducted on our behalf by an external consultant.

## Effectiveness Indicators (Audited)

### *Outcome 1: An effective framework for development of a strong, competitive economy.*

This outcome is important in maintaining the State's high standard of living. It is particularly important for the Western Australian economy to remain competitive given its large exposure to world markets through being Australia's highest exporting State.

## Performance Assessment (contd)

While the Commonwealth Government controls macroeconomic policy (eg. national fiscal, monetary and tariff policy), the State Government's role is primarily to ensure that economic and social infrastructure and supporting services are provided to the community at lowest possible cost. The State Government also needs to develop and manage efficient revenue systems and ensure their regulatory structures do not hinder the efficient functioning of markets.

The framework for development of a strong, competitive economy is one where:

- clients/stakeholders make informed decisions in respect to economic issues and trends;
- systems for collecting revenue are efficient. A tax system impacts on decision making (eg investment, savings and consumption). However, broad-based taxes levied on a growing tax base (eg pay-roll, property and motor vehicle taxes) tend to be more desirable as they are less distortionary in terms of their impact on producer and consumer decision making;
- grants from the Commonwealth Government may be tied, such as specific purpose payments, or untied, such as financial assistance grants. Untied grants are preferable because financial resources can be allocated by state governments (as distinct from the more remote Federal administration) to where they will have most impact.

Other problems with tied grants include a focus on program inputs rather than outcomes, duplication of roles and responsibilities, high compliance and administration costs, blurred accountability to clients and a lack of consultation between Commonwealth and State agencies; and

- government businesses (public non-financial corporations and public financial corporations as defined by the Australian Bureau of Statistics and reported in Budget Paper No. 3 – “Economic and Fiscal Outlook,”) adopt a commercial approach in the provision of economic and social infrastructure.

The provision of economic and social infrastructure in a commercial manner encourages government businesses to minimise operating costs, ensure that prices reflect the cost of providing goods and services and explore opportunities for adding value to the business. These outcomes, in turn, act to encourage the establishment of economic activity within the State on a sustainable economic and financial basis.

A framework for developing a strong competitive economy is considered effective if it:

- assists clients/stakeholders to make informed decisions by increasing their awareness of economic issues and trends;
- improves the efficiency of revenue systems; and
- promotes a more commercial approach by government businesses.

Indicators of effectiveness include:

- the percentage of clients/stakeholders who indicated that the information we provided on economic issues and trends had increased their awareness and assisted in their decision making. This includes information on economic conditions impacting on the State's growth prospects and revenue collections, and inter-governmental relations impacting on Commonwealth funding received by the State;
- the extent to which the efficiency of revenue systems has improved as measured by the percentage of State tax revenue raised from broad-based taxes levied on a growing tax base and the percentage of Commonwealth Government funding received as untied grants; and
- the extent to which a more commercial approach was adopted by government businesses which have been corporatised, commercialised or are subject to separate accountability arrangements.

Separate accountability arrangements for these government businesses, which themselves have not been corporatised or commercialised, act to provide incentives for more commercial behaviour as these arrangements enable the performance of these businesses to be separately monitored and benchmarked.

**(A) *The extent to which client / stakeholders indicated that information on economic issues and trends has increased their awareness and assisted with their decision-making.***

Clients/stakeholders who considered the information we provided increased their awareness and assisted in their decision making.

We provide advice and produce a number of publications to assist clients/stakeholders improve their ability to make informed decisions in respect to economic issues and trends.

Respondents Indicating Increased Awareness

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
65	79	77	83

All client/stakeholders were surveyed, representing a response rate of 47 per cent out of a sample population of 211.

The increase in the effectiveness rating for this indicator is attributed to the Department better targeting its audience and responding to client/stakeholder information requirements.

## Performance Assessment (contd)

### *(B) The extent to which the efficiency of our revenue systems have improved.*

#### *Own Source Revenue*

##### **Percentage of State tax revenue raised from taxes with a broad and growing tax base.**

Taxes levied on a broad base are more efficient than narrowly based taxes, as they are less distortionary and the revenue is more likely to grow with the general level of economic activity.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
83.1	83.0	90.2	91.7

The percentage increase to 91.7 per cent in 2002-03, reflects a greater use of broadly based taxes, such as conveyance duty, insurance duty, and stamp duty on motor vehicle licence transfers, to raise revenue.

#### *Commonwealth Grants*

##### **Commonwealth Government funding received as untied grants**

Untied Commonwealth grants allow the State to allocate resources to their most productive use.

1999-00 (a) per cent	2000-01 (a)(b) per cent	2001-02 (b)(c) per cent	2002-03 (b) per cent
52.3	53.3	51.6	51.5

- (a) Figures exclude Safety Net Revenues which were previously State sourced revenues but due to a High Court ruling in 1997 have been collected on behalf of the State by the Commonwealth government and as such are not considered Commonwealth grants.
- (b) These figures have been adjusted to remove the impact of the GST-related tax reforms. The unadjusted figures are 64.3 per cent for 2000-01, 64.5 per cent for 2001-02 and 63.7 per cent for 2002-03.
- (c) Revised due to finalisation of tied grants figures, during 2001-02 auditing process, completed after release of the 2001-02 Government Financial Results Report. Figure consistent with audited outcome, as presented in the 2003-04 Budget Papers.

### *(A) The extent to which a more commercial approach is being adopted by government businesses.*

##### **The percentage of government businesses that have been corporatised, commercialised or are subject to accountability arrangements.**

The adoption of a more commercial operational approach by government businesses provides for the establishment of economic activity on a sustainable basis and encourages those businesses to add value to their operations.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
32.5	38.5	37.5	37.5

There was no change in the number of government businesses that moved to a more commercial approach in 2002-03. The Grain Pool of WA was abolished in 2002-03, but the creation of the Community Insurance Fund resulted in the total number of government businesses being the same as in 2001-02. As a result, there was no change in the percentage of government<sup>1</sup> enterprises that operate on a commercial basis in 2002-03.

### ***Outcome 2: An effective framework for resourcing public services.***

The framework referred to in this outcome contains a range of financial management initiatives designed to improve the resource allocation and management processes, and public sector accountability and service delivery, of agencies and government.

The key components of the framework are:

- accrual financial reporting;
- output based management – identification of outcomes and outputs, accrual output budgets combined with output performance measures and targets;
- presentation of whole of government financial statements in accordance with external reporting standards; and
- a legislated financial planning, targeting and reporting process incorporating the disclosure of the government's budget strategy, financial projections and periodic reporting including actual results against targets and quarterly acquittal reports against budget targets.

Taking the above attributes into consideration, the framework for resourcing public services is considered effective if it:

- improves public sector resource allocation and management;
- increases public sector accountability; and
- enhances public sector service delivery.

Indicators of effectiveness include the extent to which:

- public sector resource allocation and management had improved, as indicated by the number and percentage of clients/stakeholders who indicated:
  - improvement in the resource allocation process; and
  - that our financial management initiatives had assisted them to improve their resource management processes;

## Performance Assessment (contd)

- public sector accountability had increased, as indicated by the number and percentage of:
  - agencies that complied with our accountability reporting requirements;
  - clients/stakeholders who indicated that implementation of financial management initiatives had increased public sector accountability; and
- public sector service delivery had been enhanced, as indicated by the number and percentage of clients/stakeholders who indicated that our financial management initiatives had assisted them to improve service delivery.

### **(A) *The extent to which public sector resource allocation and management processes have improved.***

#### **Clients/stakeholders indicating an improvement in the resource allocation process.**

We play a major role in the resource allocation and management processes through our accrual output based management initiative. This initiative provides the basis for the contestable allocation and management of public sector resources. It aims to improve the budget process by focussing decision makers on outputs generated from the expenditure of public funds and assisting managers in their allocation and management of public sector resources.

#### **Respondents Indicating Improvement**

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
39	58	57	68

The 69 respondents (ministers and agencies) out of a total of 124 surveyed represent a response rate of 56 per cent.

The increase in respondents indicating an improved effectiveness rating reflects a growing acceptance and awareness of the benefits accruing from this initiative.

#### **Clients/stakeholders who consider our financial management initiatives have assisted them to improve their resource management processes.**

Our financial management initiatives have been developed to assist agencies improve their resource management processes.

#### **Respondents Indicating Improvement**

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
51	61	65	79



The 84 respondents represent a response rate of 42 per cent out a total of 201 client/ stakeholders (ministers, members of parliament and agencies) who were surveyed for this indicator.

The continuing improvement in this area represents an ongoing acknowledgment and acceptance by government and the public sector of the value of the outcome/output based resource allocation initiative.

**(B) The extent to which public sector accountability has increased.**

**Quarterly whole of government returns received in number and as a percentage of the total requirement.**

Agencies are required to report their output performance in accord with the Government *Financial Responsibility Act 2000*.

The department undertakes the monitoring and reporting of agency output delivery performance through quarterly whole of government returns.

**Whole of Government Returns**

Period	Agencies Req'd to Submit Return (number)	Agency Returns Received (number)	Agency Returns Received (per cent)
<b>2001-02</b>			
September	153	149	97.4
December	153	150	98.0
March	154	149	96.8
June	158	156	98.7
<b>2002-03</b>			
September	156	154	98.7
December	155	149	96.1
March	155	151	97.4
June	155	150	96.8

The variations in the number of returns received is as a result of transitional arrangements associated with changes arising from the Machinery of Government initiative and those arising from the findings of the Functional Review.

**Clients/stakeholders indicating that our financial management initiatives had increased their public sector accountability.**

The financial management initiatives we implemented are aimed at promoting increased public sector accountability through an improved budget process, the adoption of good business

## Performance Assessment (contd)

practices and the empowerment of managers and employees in decision-making processes. The initiatives include changing the budget management process to an output based process, accrual budget appropriations and associated reporting, introduction of a capital user charge, enhancing performance measurement and targeting and the establishment of separate agency bank accounts.

### Respondents Indicating Increased Accountability

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
69	76	73	73

All client/stakeholders were surveyed, representing a response rate of 46 per cent out of a sample population of 211.

While the effectiveness indicator has not changed from 2001-02, increased effectiveness ratings were received from three out of our four client groups. We will continue to work closely with all our client/stakeholders to assist them in realising the benefits of the financial management initiatives we have introduced to improve accountability in the public sector.

### **(C) The extent to which public sector service delivery has been enhanced.**

Client/stakeholders indicating that our financial management initiatives had assisted to improve their service delivery.

The financial management initiatives introduced have assisted the public sector improve its service delivery.

### Respondents Indicating Improvement

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
42	60	66	63

All client/stakeholders were surveyed, representing a response rate of 45 per cent out of a sample population of 211.

While the result represents a decrease in the effectiveness rating, we are aware that we need to further promote the benefits of our financial management initiatives as a means of more effectively and efficiently assisting agencies in their service delivery.

### **Outcome 3: Revenue raised to fund the operations of government and the payment of grants and subsidies to the community.**

The Office of State Revenue contributes in part to this outcome through its role of collecting taxation revenues and ensuring compliance with revenue laws.

The Office of State Revenue administers a range of revenue laws on behalf of the government. This involves the collection of revenue raised and payment of grants and subsidies provided under those revenue laws, as well as a number of administrative based schemes.

#### ***Revenue Collection Effectiveness Indicators***

The revenue collection effectiveness indicators provide a measure of the accuracy of the revenue assessment process, the level of compliance by self-assessed taxpayers and the timeliness of processing assessments, and are considered to be the key elements in the effective collection of revenue.

#### **Proportion of assessments issued without subsequent cancellation or alteration**

The proportion of assessments issued without subsequent cancellation or alteration provides an indication of the accuracy of the revenue assessment process.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
92	91	92	93

The percentage shown is based on the number of land tax and stamp duties assessments issued and does not apply to returns based self-assessments such as pay-roll tax.

Land tax assessments are amended to correctly state the taxable land holdings of a taxpayer. This includes matters such as applying exemptions to land which was previously taxable, changing a landowner's holdings to take account of land sales and acquisitions and applying rebates to eligible land.

The cancellation or alteration figure for stamp duty assessments consisted of only objections allowed, whereas in the past it had included online audits and supervisor checks for which assessments were found to be incorrect.

#### **Proportion of self-assessments found to be correct.**

The proportion of self-assessments found to be correct provides an indication of the level of accuracy applied by self-assessed taxpayers. The types of self-assessments covered include pay-roll tax, stamp duty on insurance, rental, cheques and other miscellaneous stamp duties.

## Performance Assessment (contd)

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
98	98	97	98

This indicator applies to returns based self-assessments. The measure for 2002-03 is consistent with previous years' results.

### **Proportion of assessments and applications for assessment issued or processed within standard turnaround times.**

The proportion of assessments and applications for assessment issued or processed within standard turnaround times provides an indication of the speed at which we are able to process assessments and thus the time taken to collect revenue. This indicator applies only to land tax and stamp duties assessments.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
94	93	95	92

In 2002-03, 97.9 per cent of the land tax assessments were issued by the target date of 28 February 2003. As a comparison, in 2001-02 the ratio was 98.6 per cent, in 2000-01, 95.5 per cent, 1999-00, 98.6 per cent and in 1998-99, 95.6 per cent of the land tax assessments were issued by the target of February in the year of assessment.

For stamp duties, 85 per cent of assessments were issued within standard turnaround times, where the standard turnaround time for routine documents was ten working days or less. This figure includes 61,353 bundles created and stamped immediately and a further 10,198 bundles which were pre-paid and stamped without requiring registration. Of 42,986 delayed assessments issued, 60.5 per cent were issued within the standard turnaround time. An assumption was made that one assessment is made for each bundle created.

### **Revenue collected as a proportion of total revenue to be collected.**

The revenue collected as a proportion of total revenue to be collected provides an indication of our effectiveness in collecting the revenue that is available for collection from the assessments raised and returns processed during the current year, plus any outstanding revenue from the previous financial year. This indicator takes into account all revenue to be collected (including Metropolitan Region Improvement Tax, Agriculture Protection Rate, the Perth Parking Levy and taxes collected on behalf of the Indian Ocean Territories) as well as revenue receivable at the commencement of the year.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
97	97	97	96

### **Proportion of assessments paid, and returns lodged and paid by the due date.**

The proportion of assessments paid, and returns lodged and paid by the due date, provides an indication of the level of compliance by those persons who make payments. Incorrect assessments paid and lodged can be an indication that persons have an insufficient knowledge of the tax laws. This indicator includes assessments for land tax, stamp duty and returns based taxes for pay-roll tax, debits tax, insurance, stamp duty rental and systems generated (non-manual) miscellaneous stamp duty.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
87	85	87	88

The measure for 2002-03 is consistent with previous years' results.

### **Proportion of overdue assessments for which recovery action has been initiated.**

The proportion of overdue assessments for which recovery action has been initiated indicates the level of urgency placed by the department on overdue debts. This indicator relates to land tax and stamp duty assessments. The measure for both revenue types is calculated on the basis that the issue of a final notice initiates recovery action.

1999-00 per cent	2000-01 per cent	2001-02 per cent	2002-03 per cent
100	100	100	100

Debt management measures were in place ensuring that for all land tax and stamp duty assessments that were issued during 2002-03 and that were overdue, recovery action had commenced.

## **Compliance Effectiveness Indicators**

These effectiveness indicators provide a measure of the compliance of self-assessed taxpayers in regard to the lodgement of dutiable instruments, their requirement to be registered for pay-roll tax and whether they pay their correct tax liability, or claim the correct concession.

### **The extent to which all instruments liable to duty are lodged for assessment within three months of execution.**

The extent to which all instruments liable to duty are lodged for assessment within the statutory required lodging period three months of execution provides an indication of the level of compliance with the stamp duty laws amongst businesses visited by departmental officers. The percentage of compliance relates to the lodgement of dutiable instruments within the statutory three months lodging period.

## Performance Assessment (contd)

NO. INVESTIGATED/AUDITED				PERCENT OF COMPLIANCE				PERCENT OF REVENUE RAISED			
1999-00	2000-01	2001-02	2002-03	1999-00	2000-01	2001-02	2002-03	1999-00	2000-01	2001-02	2002-03
1,229	2,402	1,825	1,959	86.90	90.55	93.59	90.30	0.45	1.02	0.43	2.75

Of 1,959 businesses audited or investigated during 2002-03, 190 or 9.70 per cent were found to have unstamped instruments. The revenue raised from these instruments was \$24,851,719, which represents 2.75 per cent of revenue raised from stamp duty instruments.

### **The extent to which all persons, that are required to register for pay-roll tax on a returns basis, are so registered.**

The extent to which all persons who are required to register on a returns basis for pay-roll tax are so registered, reflects the effectiveness of the Department's programs aimed at detecting unregistered pay-roll tax taxpayers. Registrations detected resulted from both specifically targeted projects as well as our general audit activities.

NO. INVESTIGATED/AUDITED				PERCENT OF COMPLIANCE				PERCENT OF REVENUE RAISED			
1999-00	2000-01	2001-02	2002-03	1999-00	2000-01	2001-02	2002-03	1999-00	2000-01	2001-02	2002-03
634	1,892	1,762	1,869	84.07	85.31	79.63	80.53	0.20	0.91	1.03	0.86

The percentage of non-compliance for 2002-03 (19.53 per cent) relates to persons found to be liable but not registered. The above percentage is not representative of the level of non-registration in the community, which is 365 registrations over the total tax base of 8,433 registered employers, which results in non-compliance of 4.33 per cent. Revenue assessed in respect to unregistered employers (\$8,834,522) represents 0.86 per cent of the total pay-roll tax revenue received in 2002-03 (\$1,027,268,293).

### **The extent to which all registered persons or recipients of grants and subsidies submit returns and pay their correct liability or claim the correct concession.**

The extent to which all registered persons or recipients of grants and subsidies submit returns and pay their correct liability or claim the correct concession reflects the level of compliance in relation to revenue laws.

EFFECTIVENESS INDICATORS	NO. INVESTIGATED/ AUDITED				PERCENT OF COMPLIANCE				PERCENT OF REVENUE RAISED OR CONCESSION PAID			
	99-00	00-01	01-02	02-03	99-00	00-01	01-02	02-03	99-00	00-01	01-02	02-03
<b>LIABILITY/ CONCESSION</b>												
<b>Pay-roll tax <sup>(a)</sup></b>	475	916	544	964	41.89	30.46	31.07	33.92	0.30	1.12	0.79	0.52
<b>Stamp duty – rentals <sup>(b)</sup></b>	158	33	26	43	86.08	42.43	46.15	46.51	0.12	0.05	0.04	0.08
<b>Pensioner Rebate Scheme <sup>(c)</sup></b>	1,049	1,179	1,249	1,491	94.47	95.38	98.24	98.67	2.17	2.29	1.12	1.39
<b>First Home Owner Grant Scheme <sup>(d)</sup></b>	N/A	358	406	479	N/A	99.45	99.53	98.96	N/A	0.65	0.48	1.11

<sup>(a)</sup> The percentage of compliance relates to persons found to have declared 100 per cent of their liability. The indicator is based on routine audits of 964 employers representing 11.43 per cent of the total pay-roll tax base of 8,433 employers.

<sup>(b)</sup> The percentage of compliance relates to persons found to have declared 100 per cent of their liability. It is based on a sample of 43 businesses representing 3.34 per cent of the total stamp duty rental registration base of 1,288.

<sup>(c)</sup> The percentage of compliance relates to the number of pensioner rebate claims found to be correct. It is based on an eligibility verification performed on all rebate claim files received (1,491). Of the 158,281 claims made 156,179 were accepted. Claims paid totalled \$38,402,440 and claims rejected totalled \$533,332.

<sup>(d)</sup> The percentage of compliance relates to the number of persons found to have correctly claimed a First Home Owner Grant (FHOG). It was based on investigations performed on 3.02 per cent of the total FHOG applications base of 15,845. Of those audited 98.96 per cent were found to be eligible for the grant. Of 15,845 claims made, 15,680 were accepted. Claims paid totalled \$118,252,806 and claims rejected totalled \$1,312,000.

#### ***Outcome 4: Contribute to business development in Western Australia through support to clients.***

This outcome strives to deliver value for money procurement services and frameworks to business and across the Western Australian public sector. Value for money is a key policy objective to ensure that public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

The effectiveness of this outcome is measured by:

##### ***A) The extent to which clients consider that the Department's contracting activities have contributed to business development.***

Prior to February 2003, the Government Procurement division belonged to the Department of Industry and Technology (DoIT). The DoIT budget for 2002-03 included an effectiveness measure that related to the industry development outcomes of DoIT. This effectiveness measure will not be included in future Department of Treasury and Finance annual reporting.

## Performance Assessment (contd)

Client Agencies responding to the surveys for Agency specific and Common Use Contracts were asked their opinion of the extent to which Government Procurement's contracting activities contributed to the development of Western Australian businesses.

2002-03 Target per cent	2002-03 per cent
70	36

Overall, 36 per cent of respondents agreed that Government Procurement's contracting activities had contributed to the development of Western Australian business. While this was a low satisfaction response rate it should be noted that, the majority of respondents (45 per cent) said that they were neither satisfied nor dissatisfied with Government Procurement's effectiveness in this area.

Clients of the agency specific contract service gave a higher rating of the Department's effectiveness than the Common Use Contract clients surveyed. Over 43 per cent of agency contract clients indicated they were satisfied that the Department had contributed to the development of Western Australian businesses.

## Efficiency Indicators (Audited)

Our efficiency indicators have been designed to measure the unit cost of our seven outputs:

- **economic management and advisory services.** This output covers the provision of management and advisory services to government to enable it to promote a strong competitive Western Australian economy;
- **financial management and advisory services.** This output covers the provision of management and advisory services to government to enable it to acquire and allocate resources to public services;
- **land and financial taxes assessment and collection.** This output covers the assessment and collection of certain revenues payable to the State including those raised in accordance with the *Land Tax Assessment Act*, *Land Tax Act*, *Metropolitan Region Improvement Tax Act*, *Financial Institutions Duty Act*, *Debits Tax Assessment Act* and the *Debits Tax Act*;
- **pay-roll tax assessment and collection.** This output covers the assessment and collection of revenues payable in accordance with the *Pay-roll Tax Assessment Act* and *Pay-roll Tax Act*;
- **stamp duties assessment and collection.** This output covers the assessment and collection of revenue payable in accordance with the *Stamp Act*;



- **payment of grants and subsidies to eligible members of the community.** This output covers the payment of grants to eligible first home owners and the payment of claims to fuel distributors/end users under the On-Road Diesel Subsidy Scheme. Payments are also made to local governments under various rebate and subsidy schemes; and
- **development and implementation of public sector procurement arrangements and systems.** This output covers the development and management of whole of government contract frameworks as well as contracts to meet specific agency requirements. It also manages contracts under the ServiceNet arrangement, providing Internet access services to 44 government agencies and manages the Gem suite of online procurement services.

Measurement of the Department's outputs is based on the main activities of policy advice and implementation, collection and assessment of revenue, the payment and determination of grants and subsidy payments and public sector procurement arrangements and systems.

Unit cost measures have been obtained from our output management systems.

### *Policy Advice and Implementation*

For measurement purposes:

- **policy advice** is defined as recorded policy advice provided to a minister or to Cabinet or a Cabinet committee (eg. Cabinet comments and submissions, minutes of meetings and ministerial correspondence). The advice can have a significant impact on the public sector, taxpayers, groups of taxpayers or the community as a whole. It may be part of a broader strategy and may require further work in respect to its implementation. Measurement is based on the average cost of providing an item of policy advice. Policy advice is divided into three types:
  - **policy advice – projects.** This type of advice often has a substantial and enduring effect on the policy environment. It typically covers complex matters, requiring significant project planning, research and policy development, and involving substantial costs and extensive liaison and negotiation (eg. electricity reform, Review of State Business Taxes, Functional Review);
  - **policy advice – on going.** This advice usually involves a substantial and enduring change to the policy environment or refinement of the existing policy environment. It covers complex matters and requires some research and policy development. Substantial liaison and negotiation may be involved (eg. Cabinet submissions, revenue initiatives and the review of fleet management); and
  - **policy advice – administrative.** This type of advice does not set new policy or result in any change to the main components of the policy environment. It may, however, require research, deal with complex matters and involve some liaison and negotiation

## Performance Assessment (contd)

(eg. minutes to ministers for noting, parliamentary questions and speech preparation for ministers); and

- **implementation** is defined as services provided to external parties (other than ministers, Cabinet or Cabinet committees) to implement, and to enable the implementation of, government policies (eg reports, coordination and consultation). It is measured as the cost per report and hours of coordination and consultation. Implementation is divided into two types:
  - **implementation – reports.** This covers documents and publications for external parties (eg. DTF News, the Quarterly Economic Summary, the Business Tax Review); and
  - **implementation – coordination and consultation.** This covers implementation of government policies, speech preparation, presentations, briefings, external data requests and correspondence with external parties (eg agency coordination and consultation, external presentations, training provided to external parties and external correspondence to parties other than ministers, Cabinet and Cabinet committees).

### *Collection and Assessment of Revenue*

For measurement purposes:

- determinations for land and financial taxes assessment and collection include land tax determinations, which consists of both valid and re-assessments issued and debits tax notices issued in relation to Western Australia;
- determinations for pay-roll tax assessment and collection, which include pay-roll tax returns issued in relation to Western Australia; and
- determinations for stamp duties assessment and collection, which consist of assessments (originals, duplicates and no duty payable), instruments assessed under Collection By Returns, and returns issued (insurance, stamp duty rental, cheques and miscellaneous) in relation to Western Australia.

### *Payment and Determination of Grants and Subsidies*

For measurement purposes, determinations for the payment of grants and subsidies to eligible members of the community include First Home Owner Grant claims, On-road Diesel Scheme claims, local authority claims, which consist of pensioner rebate and deferment, seniors' rebates and swimming pool rebates.

## Procurement Arrangements and Systems

For measurement purposes this output covers the:

- development and management of whole of government contract frameworks as well as contracts to meet specific agency requirements;
- management, under the ServiceNet arrangement, for Internet access services to government agencies; and
- management of the Gem suite of online procurement services.

### Output One: Economic management and advisory services

EFFICIENCY INDICATORS	1999-00 \$	2000-01 \$	2001-02 \$	2002-03 \$
<b>Policy Advice</b>				
Cost per item of policy advice <sup>(a)</sup>	2,104	2,141	3,097	3,306
<b>Implementation</b>				
Cost per report <sup>(b)</sup>	1,799	8,166	12,835	11,495
Cost per hour of coordination and consultation <sup>(c)</sup>	172	198	233	135

<sup>(a)</sup> The increased cost per item of policy advice in 2002-03 is mainly attributed to the increased complexity of administrative policy advice eg. on matters related to the Review of State Business Taxes and Budget revenue measures.

<sup>(b)</sup> The small decrease in the cost per report in 2002-03 reflects a greater focus on more routine, regular reports during this period.

<sup>(c)</sup> The decrease in the cost per hour of coordination and consultations is due to a reduction in the complexity of issues dealt with eg. as input on electricity reformed moved from policy development to implementation.

### Output Two: Financial management and advisory services

EFFICIENCY INDICATORS	1999-00 \$	2000-01 \$	2001-02 \$	2002-03 \$
<b>Policy Advice</b>				
Cost per item of policy advice <sup>(a)</sup>	4,216	3,669	3,337	2,185
<b>Implementation</b>				
Cost per report <sup>(b)</sup>	2,734	19,028	79,215	42,378
Cost per hour of coordination and consultation <sup>(c)</sup>	159	179	263	117

<sup>(a)</sup> The decrease in the cost of policy advice is due mainly to there being no new financial management initiatives introduced in 2002-03 in comparison with previous financial years.

<sup>(b)</sup> The reduction in the cost per report is as a result of the reduction in the number of major reports produced.

<sup>(c)</sup> The reduction in cost per hour of coordination and consultation reflects an increased participation rate in this area.

## Performance Assessment (contd)

### Output Three: Land and Financial Taxes assessment and collection

EFFICIENCY INDICATORS	1999-00	2000-01	2001-02	2002-03
	\$	\$	\$	\$
Land and financial taxes cost per determination	54.17	56.27	63.80	79.50

Cost per determination reflects the unit cost of the principal work items produced by the Office of State Revenue. Determinations include notices issued and returns processed for land tax and debits tax. These determinations are in relation to Western Australia only (and do not include determinations in relation to the Indian Ocean Territories).

There were 147,411 determinations, which consisted of 147,238 land tax and 173 debits tax determinations. The number of determinations for land tax was significantly lower than the previous financial year (194,223) due to the change in the tax-free threshold from \$10,000 to \$50,000 and the fall in reassessments from 21,263 to 17,750. In 1999-00 and 2000-01 'financial taxes' also included Financial Institutions Duty (FID). As of 1 July 2001 FID was abolished and as from 2001-02 onwards this indicator no longer includes FID determinations.

This indicator is based on the gross cost of operations. Land and financial taxes cost per determination was higher than previous years results due to a reduction in the number of land tax assessments issued.

### Output Four: Pay-roll tax assessment and collection

EFFICIENCY INDICATORS	1999-00	2000-01	2001-02	2002-03
	\$	\$	\$	\$
Pay-roll tax cost per determination.	65.37	77.02	77.63	87.88

Cost per determination reflects the unit cost of the principal work items produced by the Office of State Revenue. Determinations are in relation to Western Australia pay-roll tax returns issued (and do not include determinations in respect of the Indian Ocean Territories).

There were 80,356 pay-roll tax determinations in 2002-03. In 1999-00 this indicator included business franchise tobacco licences issued for the Indian Ocean Territories and declarations made in accordance with the *Totalisator Agency Board Betting Tax Act*.

This indicator is based on the gross cost of operations. The cost per determination increased during 2002-03 due to an increase in the output cost.

### Output Five: Stamp duties assessment and collection

EFFICIENCY INDICATORS	1999-00	2000-01	2001-02	2002-03
	\$	\$	\$	\$
Stamp duties cost per determination	16.96	16.14	19.11	16.90

Cost per determination reflects the unit cost of the principal work items produced by the Office of State Revenue. Determinations include assessments (originals, duplicates and “no duty payable”), instruments assessed under Collection By Returns, and returns issued (insurance, stamp duty rental, cheques and miscellaneous) in relation to Western Australia only (and do not include any determinations in relation to the Indian Ocean Territories).

There were 625,077 stamp duty determinations in 2002-03 as compared with 549,670 in 2001-02.

This indicator is based on the gross cost of operations. The cost per determination decreased during 2002-03 due to the increase in stamp duty determinations.

### Output Six: Payments of grants and subsidies to eligible members of the community

EFFICIENCY INDICATORS	1999-00	2000-01	2001-02	2002-03
Cost per FHOG claim (\$) <sup>(a)</sup>	n.a.	103	82	69
Cost per payment claim processed (\$) <sup>(b)</sup>	267	103	82	n.a
Cost per local authority rebate claim (\$) <sup>(a)</sup>	206	103	82	114
Cost per FHOG investigation (\$) <sup>(c)</sup>	n.a.	671	786	1,375

<sup>(a)</sup> The total determinations for this output of 18,399 included 15,845 for the FHOG scheme and 1,572 local authority claims for the period ending 30 June 2003. Local authority claims include pensioners and seniors rebate and deferment claims (1,491), and swimming pool rebates (81). (In 1999-00 this indicator had also included determinations in relation to the inner city living rebate and refinancing of farm loans.) The First Home Owner Grant scheme commenced from 1 July 2000.

The costs for this output have been reallocated based on the respective workloads and resourcing applied to the grants and subsidies administered.

<sup>(b)</sup> In previous years, the cost per payment claim processed related to fuel suppliers claims for the Off-road Diesel Scheme and this scheme ceased during 2000-01, with off-road diesel subsidies not available for diesel fuel supplied on or after 1 July 2000. A new scheme, the On-road Diesel Scheme, commenced from 17 July 2000 for which there were 503 claims processed during 2002-03. The allocation of cost for this output has been reassessed. As a result the cost for diesel fuel payments processed has been evaluated against total workload of the area and the cost is considered insignificant.

<sup>(c)</sup> The cost per FHOG investigation is based on the actual cost to operate the FHOG investigation team, including full accrual costs, which had not been used in the previous year.

n.a. denotes not applicable.

## Performance Assessment (contd)

### Output Seven: Development and implementation of public sector procurement arrangements and systems

EFFICIENCY INDICATORS	2001-02	2002-03
Development cost as a percentage of the value of agency specific contracts (per cent) <sup>(a)</sup>	6.3	2.2
Management cost as a percentage of the value of common use contracts	0.66	0.63
Average cost per registered user of Gem (\$) <sup>(b)</sup>	372	224

<sup>(a)</sup> This indicator measures the relative cost of developing Agency-specific contracts compared to the total contract award value. The cost of developing Agency Specific contracts is the total cost of the directorates involved in the Agency Specific contract development process. The contract value is the value of the contract at the time of award. During 2002-03 Agency specific contracts to the value of \$124m were awarded.

The 2001-02 indicator was an anomaly due to several major contracts developed in 2001-02 not being awarded until 2002-03. The effect of this adjustment is offset by a similar situation in 2002-03 where a major IT contract valued at \$52m developed in 2002-03 was not awarded until the current financial year.

<sup>(b)</sup> The improvement in average cost per registered user of Gem is due to the significant increase in the number of Gem Tendering users during 2002-03.

### Output Measures (Not Audited)

The department has seven outputs:

- economic management and advisory services;
- financial management and advisory services;
- land and financial taxes assessment and collection;
- pay-roll tax assessment and collection;
- stamp duties assessment and collection;
- payment of grants and subsidies to eligible members of the community; and
- development and implementation of public sector procurement arrangements and systems.

The first two outputs are supported by the following measures:

- policy advice to ministers and agencies on economic and financial management matters; and
- support, advice and guidance to agencies to help implement the government's economic and financial management initiatives.

Our performance in respect to each of these outputs in terms of quantity produced, quality, timeliness and cost is outlined in this section.

The quality and timeliness measures were sourced from the same client/stakeholder survey used in obtaining some of the effectiveness performance measures. The quantity and cost of outputs were obtained from our internal output management and financial information systems.

## Policy Advice

We provide policy advice to government to enable it to acquire, allocate and manage resources for the sustainable provision of public services as well as for the development of a strong, competitive economy.

### Output One: Economic management and advisory services

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Projects	1	–	–
Units of ongoing policy advice	33	24	29
Units of administrative policy advice	776	725	668
<b>Quality</b>			
Proportion of clients/stakeholders who believe our advice is clear, concise, relevant, complete and identifies options and alternatives (per cent)	83	75	91
<b>Timeliness</b>			
Proportion of clients/stakeholders who believe that our advice has been timely (per cent)	83	70	91
<b>Cost</b>			
Cost per unit of project advice (\$)	441,835	–	–
Cost per unit of ongoing policy advice (\$)	9,614	29,167	14,903
Cost per unit of administrative policy advice (\$)	2,255	1,992	2,808

### Output Two: Financial management and advisory services

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Units of project policy advice	–	14	–
Units of ongoing policy advice	243	47	253
Units of administrative policy advice	1,429	671	1,742
<b>Quality</b>			
Proportion of clients/stakeholders who believe our advice is clear, concise, relevant, complete and identifies options and alternatives (per cent)	83	75	91
<b>Timeliness</b>			
Proportion of clients/stakeholders who believe that our advice has been timely (per cent)	83	70	91
<b>Cost</b>			
Cost per unit of project policy advice (\$)	–	21,500	–
Cost per unit of on going policy advice (\$)	9,928	29,000	2,168
Cost per unit of administrative policy advice (\$)	1,529	2,627	1,593

## Performance Assessment (contd)

### Implementation

Our second activity is the implementation of arrangements and strategies to help government to acquire, allocate and manage resources for the sustainable provision of public services as well as to promote a strong competitive economy.

We help to implement the government's policies through reports we prepare, and through processes of coordination and consultation with our clients/stakeholders.

### Output One: Economic management and advisory services

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Number of reports	108	93	96
Hours of coordination and consultation	14,764	14,474	16,756
<b>Quality</b>			
Proportion of clients/stakeholders who believe our timeframes for implementing economic management initiatives have been effective (per cent)	78	75	82
<b>Timeliness</b>			
Proportion of clients/stakeholders who consider we provided economic information within reasonable timelines to assist their decision making (per cent)	87	70	90
<b>Cost</b>			
Cost per report (\$)	12,835	15,385	11,495
Cost per hour of coordination and consultation (\$)	233	157.50	135

### Output Two: Financial management and advisory services

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Number of reports	91	91	78
Hours of coordination and consultation	51,097	50,500	63,823
<b>Quality</b>			
Proportion of clients/stakeholders who believe our timeframes for implementing financial management initiatives have been effective (per cent)	78	75	82
<b>Timeliness</b>			
Proportion of clients/stakeholders who believe our timeframes for implementing financial management initiatives have been reasonable (per cent)	71	70	92
<b>Cost</b>			
Cost per report (\$)	79,215	60,648	42,378
Cost per hour of coordination and consultation (\$)	263	125.87	117



## Revenue Assessment and Collection

This area covers output measures in relation to the assessment and collection of revenue payable in accordance with the:

- *Land Tax Assessment Act,*
- *Land Tax Act,*
- *Metropolitan Region Improvement Tax Act,*
- *Financial Institutions Duty Act,*
- *Debits Tax Assessment Act,*
- *Debits Tax Act,*
- *Pay-roll Tax Assessment Act,*
- *Pay-roll Tax Act;* and
- *Stamp Act.*

### Output Three: Land and Financial Taxes assessment and collection

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Number of determinations <sup>(a)</sup>	194,400	150,000	147,411
<b>Quality</b>			
Number of amendments	21,263	16,500	17,749
<b>Timeliness</b>			
Proportion of assessments issued by January of the year of assessment (per cent)	98	95	98
Revenue collected as a proportion of revenue raised (per cent) <sup>(b)</sup>	102	99	100
<b>Cost</b>			
Average cost of administration per determination (\$) <sup>(c)</sup>	63.80	75.96	79.5

<sup>(a)</sup> The target was based on all assessments issued and payable during 2002-03 for land tax (including reassessments) (147,238) and debits tax (173) for Western Australia only (and does not include any determinations in relation to the Indian Ocean Territories). Valid land tax assessments decreased from 173,097 in 2001-02 to 129,489 in 2002-03 due to the change in the tax-free threshold from \$10,000 to \$50,000.

<sup>(b)</sup> This indicator shows all revenue collected (including amounts outstanding from previous years) compared with taxes raised in 2002-03. This indicator includes land tax, metropolitan region improvement tax, debits tax and financial institutions duty (and includes all mirror taxes for these taxes).

<sup>(c)</sup> The actual average cost of administration (per determination) was greater than that targeted due a reduction in land tax assessments issued.

## Performance Assessment (contd)

### Output Four: Pay-roll Tax assessment and collection

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Number of determinations <sup>(a)</sup>	76,643	78,000	80,356
<b>Quality</b>			
Percentage of self-assessments found to be correct (per cent)	98	97	98
<b>Timeliness</b>			
Proportion of assessments paid by the due date (per cent)	95	97	95
Proportion of revenue collected in year of assessment (per cent)	99.6	99	100
<b>Cost</b>			
Average cost of administration per determination (\$) <sup>(b)</sup>	77.63	93.21	87.88

<sup>(a)</sup> The determinations figure includes pay-roll tax returns issued for Western Australia only (does not include determinations in relation to the Indian Ocean Territories). The increase in determinations is due to compliance activity (involuntary registration), stronger economy (voluntary registration) and the pay-roll tax amnesty and contractor awareness program.

<sup>(b)</sup> The average cost of administration (per determination) was less than the target due to the fall in output costs and the increase in pay-roll tax returns issued.

### Output Five: Stamp Duties assessment and collection

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Number of determinations <sup>(a)</sup>	549,670	533,500	625,077
<b>Quality</b>			
Objections allowed	205	215	190
<b>Timeliness</b>			
Proportion of assessments paid by the due date (per cent) <sup>(b)</sup>	98	94	97
<b>Cost</b>			
Average cost of administration per determination (\$) <sup>(c)</sup>	19.11	18.21	16.90

<sup>(a)</sup> The determinations figure includes assessments (originals, duplicates and 'no duty payable'), instruments assessed under the Collection By Returns, and returns issued (insurance, stamp duty rental, cheques and miscellaneous) in relation to Western Australia only (and do not include any determinations in relation to the Indian Ocean Territories). Actual determinations exceeded the target and can be attributed to the increased economic activity in both the commercial and residential real estate sectors.

<sup>(b)</sup> The proportion of assessments paid by the due date is based on assessments only, and does not include stamp duty returns based taxes. Assessments include immediate, postal and delayed assessments.

<sup>(c)</sup> The cost per determination decreased due to the increase in stamp duty determinations.

## Grants and Subsidies, Rebate and Deferment Scheme Administration

measure covers the payment of grants to eligible first home owners and rebates, subsidies and deferrals of rates and charges to pensioners through local authorities

### Output Six: Payments of grants and subsidies to eligible members of the community

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
First Home Owner Grant (FHOG) scheme claims processed	22,949	16,500	15,845
Number of local authority claims settled/processed <sup>(a)</sup>	1,327	1,300	1,572
Number of diesel and FHOG investigations <sup>(b)</sup>	406	450	479
Number of diesel fuel subsidy payments processed	n.a	500	503
<b>Quality</b>			
FHOG scheme claims paid correctly (per cent)	100	100	100
Local authority rebate claims paid correctly (per cent)	100	100	100
Accuracy of diesel fuel subsidy claims (per cent)	n.a	100	100
<b>Timeliness</b>			
Turnaround time for diesel fuel subsidy payments and the issue of certificates on application <sup>(c)</sup>	n.a	1-2 days	2 days
FHOG scheme claims processed by the due date (per cent)	100	100	100
<b>Cost</b>			
Average cost per FHOG claim (\$) <sup>(d)</sup>	82.32	94.23	69.49
Average cost per local authority rebate claim (\$) <sup>(d)</sup>	82.32	94.23	114.02
Average cost per diesel and FHOG scheme investigations (\$) <sup>(d)</sup>	786	675	1,374.90
Average cost per diesel fuel payment processed <sup>(d)</sup>	n.a	94.23	n.a

<sup>(a)</sup> Local authority claims include pensioners and seniors rebate and deferment claims (1,491), and swimming pool rebates (81) for the period ending 30 June 2003.

<sup>(b)</sup> The target would have included both diesel and FHOG investigations. However, as the Off-road Diesel Scheme ceased during 2000-01 no investigations were undertaken in relation to this scheme since 2001-02. FHOG investigations commenced in 2000-01 with the commencement of the FHOG scheme from 1 July 2000, with 479 investigations undertaken during 2002-03.

<sup>(c)</sup> There are no certificates issued for the On-road diesel scheme (there were certificates issued for the Off-Road diesel scheme, which ceased from 1 July 2000).

<sup>(d)</sup> The allocation of cost for this output has been reassessed. As a result the cost for diesel fuel payments processed has been evaluated against total workload of the area and the cost is considered insignificant. In addition, this reallocation resulted in the cost per FHOG claim being reduced, and for the cost of a local authority claim being increased against the targets previously set. The cost per FHOG investigation is based on the actual cost to operate the FHOG investigation team, including full accrual costs, which had not been used in the previous year.

## Performance Assessment (contd)

### Output Seven: Development and implementation of public sector procurement arrangements and systems.

EFFICIENCY MEASURE	2001-02	2002-03	
		Target	Actual
<b>Quantity</b>			
Value of agency specific contracts developed <sup>(a)</sup>	\$78m	\$180m	\$124m
Agency specific contracts developed <sup>(b)</sup>	223	250	215
Value of common use contracts managed	\$842m	\$850m	\$859m
Common use contracts managed <sup>(c)</sup>	315	713	711
Registered users of the Government Electronic Market (Gem) <sup>(d)</sup>	16,610	22,450	33,346
Strategic procurement projects <sup>(e)</sup>	4	4	n/a
Number of external web links in Online WA	n.a	10,852	10,624
Volume of ServiceNet internet traffic (gigabytes)	n.a	24,000	24,710
Number of ConferWest conference hours	n.a	10,000	10,462
<b>Quality</b>			
Client satisfaction with agency specific contract development <sup>(f)</sup>	84%	80%	64%
Client satisfaction with common use contracts	89%	85%	89%
Registered users' satisfaction with Gem <sup>(g)</sup>	47%	85%	56%
Client satisfaction with strategic procurement projects <sup>(h)</sup>	69%	75%	n.a
Client satisfaction with telecommunication projects <sup>(i)</sup>	n.a	75%	51%
Client satisfaction with online services <sup>(i)</sup>	n.a	75%	76%
<b>Timeliness</b>			
Client satisfaction with the timeliness of delivery of the agency specific contracting service <sup>(k)</sup>	71%	75%	49%
Client satisfaction with the timeliness of delivery of strategic procurement projects <sup>(l)</sup>	89%	75%	n.a
<b>Cost</b>			
Development cost as a percentage of the value of agency specific contracts <sup>(m)</sup>	6.30%	3.01%	2.18%
Overall cost of development of agency specific Contracts <sup>(n)</sup>	\$4.597m	\$5.418m	\$2.696m
Management cost as a percentage of the value of use common use contracts <sup>(o)</sup>	0.66%	0.74%	0.63%
Overall cost of management of common use contracts <sup>(p)</sup>	\$6.010m	\$5.441m	\$5.424m
Average cost of procurement project (q)	\$108,914	\$630,815	n.a
Average cost of external web links in Online WA	n.a	\$44	\$43
Average costs per gigabyte of ServiceNet traffic (r)	n.a	\$97	\$78
Average cost per Conferwest conference hour (s)	n.a	\$97	\$61

<sup>(a)</sup> Due to timing issues, several high value contracts developed during 2002-03 were not awarded during the year. This included an Information Technology infrastructure contract for the Western Australian Police Service valued at \$52 million. This contract was awarded in July 2003.

- (b) Due to timing issues, several contracts developed during 2002-03 were not awarded during the year. Another contributing factor was the impact of the fee for service arrangements that were in place during 2002-03. The fee for service charging approach has been discontinued.
- (c) Includes the contractors to the SPIRIT framework.
- (d) Includes registered users of the Gem Purchasing and Tendering systems. The number of Gem Tendering users almost doubled during 2002-03.
- (e) The strategic projects in 2002-03 have matured and now form part of the core business services delivered to clients. Performance measures for these projects are incorporated into the measures for the Common Use Contract frameworks. This measure is not included in the Government Procurement budget for 2003-04.
- (f) Overall client satisfaction with the Agency contract service for 2003-03 decreased in comparison to 2001-02. The most significant cause of dissatisfaction reported by clients relates to the timeliness of service delivery. Changes to the approval timeframes for contracts and State Supply Commission delegations had an impact on service delivery times. This is also reflected in the Timeliness measure for Agency specific contracts (see below at item i).
- (g) Includes the client survey results for the Gem Purchasing and Tendering systems. Client satisfaction with the Gem Tendering system was 76 per cent. Users of Gem Purchasing expressed dissatisfaction with system related issues that were recently addressed as part of the upgrade project.
- (h) See item e above.
- (i) The result should be treated with some caution due to issues encountered in performing the survey. The survey results have an error sample percentage above the accepted 5 per cent margin. This survey result has been adjusted to remove the "Don't Know" responses to provide an informed opinion of the service.
- (j) This survey result has been adjusted to remove the "Don't Know" responses to provide an informed opinion of the service.
- (k) The most significant cause of dissatisfaction reported by clients relates to the timeliness of service delivery. Changes to the approval timeframes for contracts and State Supply Commission delegations had an impact on service delivery times. This is also reflected in the overall satisfaction measure for Agency specific contracts (see above at item f).
- (l) See item (e) above.
- (m) Total branch expenditure was less than the adjusted budget and these savings are reflected in the improved indicator result.
- (n) The actual budget for the Contracting and Tendering branch responsible for the Agency Specific contract service was \$2.736 million.
- (o) An increase in the total annual turnover for the Common Use Contract frameworks are reflected in the improved indicator result.
- (p) Total branch expenditure represents a saving in comparison to the budget.
- (q) See item (e) above.
- (r) This result reflects an increase in the volume of ServiceNet Internet traffic.
- (s) This result reflects the increased use of the video conferencing service available from ConferWest.



# Financial Statements 2002-03

# Opinion of the Auditor General



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF TREASURY AND FINANCE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Department of Treasury and Finance provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Department at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Under Treasurer's Role*

The Under Treasurer is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

Handwritten signature of D D R Pearson in black ink.

D D R PEARSON  
AUDITOR GENERAL  
October 15, 2003

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664



# Certification of Financial Statements

The accompanying financial statements of the Department of Treasury and Finance have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2003 and the financial position as at 30 June 2003.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



J L Langoulant  
ACCOUNTABLE OFFICER



G Jayasinghe  
PRINCIPAL ACCOUNTING OFFICER

15 August 2003

# Financial Statements

## Statement of Financial Performance

for the year ended 30 June 2003

	Note	2002–03 (\$'000)	2001–02 (\$'000)
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	4	32,943	29,850
Depreciation and amortisation	5	4,174	3,972
Supplies and services	6	23,751	12,742
Administration expenses	7	3,456	2,840
Accommodation expenses	8	4,306	3,862
Capital user charge	9	2,503	5,863
Property expenses	10	–	4,954
<b>Total cost of services</b>		<b>71,133</b>	<b>64,083</b>
<b>Revenues from ordinary activities</b>			
<i>Revenue from operating activities</i>			
User charges and fees	12	6,861	7,812
<i>Revenue from non-operating activities</i>			
Proceeds from disposal of non-current assets	11	10	107
<b>Total revenues from ordinary activities</b>		<b>6,871</b>	<b>7,919</b>
<b>NET COST OF SERVICES</b>		<b>64,262</b>	<b>56,164</b>
<b>Revenues from State Government</b>			
	13		
Output Appropriations		52,454	48,101
Liabilities assumed by the Treasurer		825	764
Resources received free of charge		8,585	8,062
<b>Total revenues from State Government</b>		<b>61,864</b>	<b>56,927</b>
<b>Change in net assets before restructuring</b>		<b>(2,398)</b>	<b>763</b>
Net expense from re-structuring	14	–	(93,764)
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>		<b>(2,398)</b>	<b>(93,001)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>		<b>(2,398)</b>	<b>(93,001)</b>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

## Statement of Financial Position

for the year ended 30 June 2003

	Note	2002-03 (\$'000)	2001-02 (\$'000)
<b>CURRENT ASSETS</b>			
Cash assets	24(a)	14,062	6,412
Prepayments		399	452
Receivables	16	4,232	1,246
Amounts receivable for outputs	17	1,431	822
<b>Total Current Assets</b>		<b>20,124</b>	<b>8,932</b>
<b>NON-CURRENT ASSETS</b>			
Restricted cash assets	15	934	672
Furniture, fittings, equipment and software	18	20,310	13,583
Intangible assets	19	298	–
Amounts receivable for outputs	17	7,538	2,170
<b>Total Non-current Assets</b>		<b>29,080</b>	<b>15,753</b>
<b>TOTAL ASSETS</b>		<b>49,204</b>	<b>25,357</b>
<b>CURRENT LIABILITIES</b>			
Payables	20	5,798	232
Accrued salaries	21	818	661
Provisions	22	6,354	6,757
<b>Total Current Liabilities</b>		<b>12,970</b>	<b>7,650</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	22	3,889	2,018
<b>TOTAL LIABILITIES</b>		<b>16,859</b>	<b>9,668</b>
<b>EQUITY</b>			
Contributed equity	23	20,515	1,461
Accumulated surplus		11,830	14,228
<b>TOTAL EQUITY</b>		<b>32,345</b>	<b>15,689</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>49,204</b>	<b>25,357</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2003

	Note	2002–03 (\$'000)	2001–02 (\$'000)
		Inflows/(Outflows)	Inflows/(Outflows)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Output appropriations		48,308	43,444
Capital contributions		–	1,901
Holding account drawdowns		822	–
<b>Net cash provided by State Government</b>		<b>49,130</b>	<b>45,345</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee costs		(29,729)	(24,957)
Superannuation		(2,574)	(2,229)
Supplies and services		(14,871)	(6,712)
Capital user charge		(1,623)	(5,863)
Administration expenses		(1,731)	(1,052)
Accommodation expenses		(4,307)	(3,869)
Property expenses		–	(4,954)
GST payments on purchases		(1,955)	(1,345)
GST payments to taxation authority		(757)	–
Receipts			
User charges and fees		6,625	6,854
GST receipts on sales		630	148
GST receipts from taxation authority		2,555	584
Other receipts		2,080	221
<b>Net cash provided by/(used in) operating activities</b>	24	<b>(45,657)</b>	<b>(43,174)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		10	–
Payments for purchase of non-current physical assets		(1,417)	(1,416)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,407)</b>	<b>(1,416)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>			
		<b>2,066</b>	<b>755</b>
Cash assets at the beginning of the financial year		7,084	9,405
Cash assets transferred (to)/from other sources		5,846	(3,076)
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	24	<b>14,996</b>	<b>7,084</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Output Schedule of Expenses and Revenues for the year ended 30 June 2003

	Economic		Financial		Land Tax		Pay-roll Tax		Stamp Duties		Grants & Subsidies		Government Procurement		Land Valuation Tribunal		Total	
	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>																		
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>																		
Employee expenses	4,340	4,175	11,425	11,166	2,656	3,349	4,693	4,025	5,797	5,682	1,278	1,463	2,754	—	—	100	32,943	29,850
Depreciation and amortisation	144	230	1,026	2,021	354	429	602	356	760	654	174	267	1,115	—	—	15	4,174	3,972
Supplies and services	1,100	643	2,385	1,944	7,404	7,088	398	466	1,673	2,281	130	314	10,661	—	—	6	23,751	12,742
Administration expenses	8	211	10	585	583	718	209	355	880	755	30	167	1,735	—	—	49	3,456	2,840
Accommodation expenses	8	679	16	1,379	407	550	644	408	827	804	175	15	2,229	—	—	27	4,306	3,862
Capital User Charge	73	1,220	267	3,661	309	227	510	273	652	360	149	115	543	—	—	7	2,503	5,863
Property expenses	—	—	—	4,954	—	—	—	—	—	—	—	—	—	—	—	—	—	4,954
<b>Total cost of services</b>	<b>5,674</b>	<b>7,158</b>	<b>15,129</b>	<b>25,710</b>	<b>11,713</b>	<b>12,361</b>	<b>7,055</b>	<b>5,883</b>	<b>10,589</b>	<b>10,436</b>	<b>1,937</b>	<b>2,331</b>	<b>19,036</b>	<b>—</b>	<b>—</b>	<b>204</b>	<b>71,133</b>	<b>64,083</b>
<b>REVENUES FROM ORDINARY ACTIVITIES</b>																		
User charges and fees	15	101	427	4,523	2,915	3,094	86	36	88	47	22	11	3,308	—	—	—	6,861	7,812
Proceeds from disposal of non-current assets	—	6	10	6	—	28	—	19	—	36	—	14	—	—	—	(2)	10	107
<b>Total revenues from ordinary activities</b>	<b>15</b>	<b>107</b>	<b>437</b>	<b>4,529</b>	<b>2,915</b>	<b>3,122</b>	<b>86</b>	<b>55</b>	<b>88</b>	<b>83</b>	<b>22</b>	<b>25</b>	<b>3,308</b>	<b>—</b>	<b>(2)</b>	<b>(2)</b>	<b>6,871</b>	<b>7,919</b>
<b>NET COST OF SERVICES</b>	<b>5,659</b>	<b>7,051</b>	<b>14,692</b>	<b>21,181</b>	<b>8,798</b>	<b>9,239</b>	<b>6,969</b>	<b>5,828</b>	<b>10,501</b>	<b>10,353</b>	<b>1,915</b>	<b>2,306</b>	<b>15,728</b>	<b>—</b>	<b>—</b>	<b>206</b>	<b>64,262</b>	<b>56,164</b>
<b>Revenues from State Government</b>																		
Appropriations	5,765	7,707	14,194	18,251	2,371	5,024	7,097	6,186	9,116	8,073	1,950	2,654	11,961	—	—	206	52,454	48,101
Liabilities assumed by the Treasurer	87	129	238	347	182	66	110	81	165	112	30	29	13	—	—	—	825	764
Resources received free of charge	—	204	736	572	6,324	5,869	—	—	1,525	1,417	—	—	—	—	—	—	8,585	8,062
<b>Total revenues from State Government</b>	<b>5,852</b>	<b>8,040</b>	<b>15,168</b>	<b>19,170</b>	<b>8,877</b>	<b>10,959</b>	<b>7,207</b>	<b>6,267</b>	<b>10,806</b>	<b>9,602</b>	<b>1,980</b>	<b>2,683</b>	<b>11,974</b>	<b>—</b>	<b>—</b>	<b>206</b>	<b>61,864</b>	<b>56,927</b>
<b>CHANGE IN NET ASSETS BEFORE RESTRUCTURING</b>	<b>193</b>	<b>989</b>	<b>476</b>	<b>(2,011)</b>	<b>79</b>	<b>1,720</b>	<b>238</b>	<b>439</b>	<b>305</b>	<b>(751)</b>	<b>65</b>	<b>377</b>	<b>(3,754)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,398)</b>	<b>763</b>
Net expense from restructuring	—	—	—	(105,753)	—	2,746	—	3,381	—	4,412	—	1,450	—	—	—	—	(93,764)	—
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>	<b>193</b>	<b>989</b>	<b>476</b>	<b>(107,764)</b>	<b>79</b>	<b>4,466</b>	<b>238</b>	<b>3,820</b>	<b>305</b>	<b>3,661</b>	<b>65</b>	<b>1,827</b>	<b>(3,754)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,398)</b>	<b>(93,001)</b>

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes.

## Statement of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2003

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000	
<b>PURCHASE OF OUTPUTS</b>							
Item 12	Net amount appropriated to purchase outputs	40,035	39,694	(341)	39,694	47,392	(7,698)
	Section 25 Transfer – DOIT	11,961	11,961	–	11,961	–	11,961
	Amount authorised by other statutes						
	<i>Salaries and Allowances Act 1975</i>	799	799	–	799	799	–
	Total appropriations provided to purchase outputs	52,795	52,454	(341)	52,454	48,191	4,263
<b>CAPITAL</b>							
	Capital Contribution	–	–	–	–	1,461	(1,461)
<b>ADMINISTERED</b>							
<b>RECURRENT ADMINISTERED</b>							
<b>Community Service Obligations</b>							
Item 13	Dampier Port Authority	520	–	(520)	–	–	–
Item 14	Electricity Corporation	31,244	34,170	2,926	34,170	31,595	2,575
Item 15	Forest Products Commission	1,570	1,570	–	1,570	500	1,070
Item 16	Water Corporation of Western Australia	257,890	258,403	513	258,403	240,197	18,206
Item 17	Western Australian Government Railways Commission	46,499	46,386	(113)	46,386	49,843	(3,457)
Item 18	Western Australian Land Authority	27,245	30,417	3,172	30,417	23,000	7,417
<b>Grants, subsidies and transfer payments</b>							
Item 19	Albany Port Authority	173	171	(2)	171	170	1
Item 20	First Home Owners' Assistance	112,300	118,350	6,050	118,350	204,000	(85,650)
Item 21	GST Administration Costs	55,200	55,216	16	55,216	50,526	4,690
Item 22	HIH Insurance Rescue Package	1,000	237	(763)	237	171	66
Item 23	Midland Redevelopment Authority	250	250	–	250	300	(50)
Item 24	On Road Diesel Subsidies	4,090	4,836	746	4,836	3,250	1,586
Item 25	Pensioner Concession Assistance	34,354	38,418	4,064	38,418	33,505	4,913
Item 26	Provision for Unfunded Liabilities in the Govt Insurance Fund	6,660	9,806	3,146	9,806	4,976	4,830
Item 27	Rail Access Regulator	776	545	(231)	545	1,200	(655)
Item 28	Refunds of Past Years Revenue Collections – Public Corporations	600	5,978	5,378	5,978	–	5,978
Item 29	Refunds of Past Years Revenue Collections – All Other	5,111	9,746	4,635	9,746	9,011	735
Item 30	State Housing Commission – Aboriginal Communities Strategic Investment Program	2,788	2,788	–	2,788	4,832	(2,044)
Item 31	State Housing Commission – Essential Services Maintenance Program	3,763	3,763	–	3,763	4,233	(470)

## Statement of Consolidated Fund Appropriations and Revenue Estimates *for the year ended 30 June 2003*

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
Item 32 State Housing Commission – Matching Funding and Pensioner Rentals	5,000	5,000	–	5,000	3,300	1,700
Item 33 State Housing Commission – Subsidies for Housing	3,480	3,480	–	3,480	3,480	–
Item 34 Water Corporation of Western Australia	1,000	193	(807)	193	83	110
Item 35 Western Australian Building Management Authority Interest	10,142	10,142	–	10,142	–	10,142
Item 36 All Other Grants, Subsidies and Transfer Payments	3,332	3,215	(117)	3,215	4,080	(865)
Administered grants subsidies and other transfer payments	–	11	11	11	–	11
Aerial Shark Surveillance Program	–	196	196	196	–	196
Ord Irrigation Subsidy	–	2,801	2,801	2,801	–	2,801
Treasurer's Indemnity to the Insurance Commission	–	341	341	341	–	341
Water Corporation – State Water Strategy Rebate Scheme	–	2,426	2,426	2,426	–	2,426
State Housing Commission – General Housing Funding	–	2,500	2,500	2,500	–	2,500
Extended Payroll Tax Amnesty	–	3,959	3,959	3,959	–	3,959
Forest Products Commission	–	–	–	–	1,270	(1,270)
National Rail Network Funding Grant	–	–	–	–	18,000	(18,000)
Payments to the Govt Employees Superannuation	–	–	–	–	17,676	(17,676)
Refund of Past Years Revenue Collections – Broome Port Authority	–	–	–	–	–	–
Tax Equivalent Regime Refund	–	–	–	–	344	(344)

## Statement of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2003 (contd)

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
<b>Amounts Authorised by Other Statutes</b>						
Financial Agreement Act 1995 – Interest	428	428	–	428	1,411	(983)
Gold Corporation Act 1987	64	46	(18)	46	46	–
Judges' Salaries and Pensions Act 1950	3,157	4,183	1,026	4,183	3,293	890
Loan (Financial Agreement) Act 1991						
– Interest	20,396	20,736	340	20,736	22,125	(1,389)
– Loan Guarantee Fees	658	657	(1)	657	680	(23)
Parliamentary Superannuation Act 1970	6,467	5,190	(1,277)	5,190	7,859	(2,669)
State Superannuation Act 2000	417,793	401,346	(16,447)	401,346	384,428	16,918
Unclaimed Money Act 1990	450	101	(349)	101	112	(11)
Western Australian Treasury Corporation Act 1986						
– Interest	67,485	35,945	(31,540)	35,945	49,232	(13,287)
– Loan Guarantee Fees	960	879	(81)	879	1,039	(160)
<b>Total Recurrent Administered</b>	<b>1,132,845</b>	<b>1,124,825</b>	<b>(8,020)</b>	<b>1,124,825</b>	<b>1,179,767</b>	<b>(54,942)</b>
<b>Administered Capital</b>						
Government Equity Contributions						
Item 124 Forest Products Commission	1,287	1,270	(17)	1,270	–	1,270
Item 125 Fremantle Port Authority	221	221	–	221	4,040	(3,819)
Item 126 State Housing Commission	15,000	15,000	–	15,000	20,680	(5,680)
Item 127 Western Australian Building Management Authority	7,066	7,066	–	7,066	–	7,066
Item 128 Western Australian Govt Railways Commission	125,837	101,215	(24,622)	101,215	70,034	31,181
Item 129 Western Australian Land Authority	5,000	5,000	–	5,000	14,745	(9,745)
<b>Authorised by Other Statutes</b>						
Financial Agreement Act 1995 – Sinking Fund	70	69	(1)	69	16,205	(16,136)
Loan (Financial Agreement) Act 1991 – Capital Repayments	11,678	11,678	–	11,678	11,421	257
WATC Act 1986 – Capital Repayments	–	38,765	38,765	38,765	91,590	(52,825)
<b>Total Administered Capital</b>	<b>166,159</b>	<b>180,284</b>	<b>14,125</b>	<b>180,284</b>	<b>228,715</b>	<b>(48,431)</b>
<b>Total administered appropriations</b>	<b>1,299,004</b>	<b>1,305,109</b>	<b>6,105</b>	<b>1,305,109</b>	<b>1,408,482</b>	<b>(103,373)</b>
<b>GRAND TOTAL OF APPROPRIATION</b>	<b>1,351,799</b>	<b>1,357,563</b>	<b>5,764</b>	<b>1,357,563</b>	<b>1,458,134</b>	<b>(100,571)</b>



## Statement of Consolidated Fund Appropriations and Revenue Estimates *for the year ended 30 June 2003 (contd)*

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
<b>Details of expenditure by outputs:</b>						
Economic Management and Advisory Services	5,854	5,674	(180)	5,674	7,158	(1,484)
Financial Management and Advisory Services	15,303	15,129	(174)	15,129	25,710	(10,581)
Land and Financial Taxes assessment and collection	11,394	11,713	319	11,713	12,361	(648)
Payroll Tax assessment and collection	7,270	7,055	(215)	7,055	5,883	1,172
Stamp Duties assessment and collection	9,714	10,589	875	10,589	10,436	153
Payment of grants and subsidies to eligible members of the community	2,028	1,937	(91)	1,937	2,331	(394)
Development and implementation of public sector procurement arrangements and systems	11,961	19,036	7,075	19,036	–	19,036
Support services to the Land Valuation Tribunal	–	–	–	–	204	(204)
<b>Total cost of outputs</b>	<b>63,524</b>	<b>71,133</b>	<b>7,609</b>	<b>71,133</b>	<b>64,083</b>	<b>7,050</b>
Less: retained revenue	(10,240)	(6,871)	3,369	(6,871)	(7,919)	1,048
<b>Net Cost of Outputs</b>	<b>53,284</b>	<b>64,262</b>	<b>10,978</b>	<b>64,262</b>	<b>56,164</b>	<b>8,098</b>
Adjustment for movement in cash balances and other accrual items	(489)	(11,808)	(11,319)	(11,808)	(7,973)	(3,835)
<b>Total appropriations provided to purchase outputs</b>	<b>52,795</b>	<b>52,454</b>	<b>(341)</b>	<b>52,454</b>	<b>48,191</b>	<b>4,263</b>
<b>ADMINISTERED REVENUE</b>						
<b>TAXATION</b>						
Stamp duty – insurance	230,500	220,245	(10,255)	220,245	176,175	44,070
Stamp duty – mortgages	89,500	95,571	6,071	95,571	85,237	10,334
Stamp duty – motor vehicles	214,400	231,685	17,285	231,685	180,729	50,956
Stamp duty – conveyancing and transfers	650,443	831,483	181,040	831,483	647,504	183,979
Stamp duty – share and marketable securities	7,500	6,626	(874)	6,626	12,857	(6,231)
Stamp duty – other financial and capital transactions	6,000	4,896	(1,104)	4,896	5,196	(300)
Stamp duty – rental business	25,532	24,296	(1,236)	24,296	23,549	747
Stamp duty – other financial and capital transactions	16,484	12,880	(3,604)	12,880	12,733	147
Payroll tax	1,006,572	1,018,339	11,767	1,018,339	926,353	91,986
Financial Institutions duty	–	1,671	1,671	1,671	15,809	(14,138)
Debits tax	97,110	94,863	(2,247)	94,863	96,381	(1,518)
Betting tax	45,500	47,307	1,807	47,307	40,770	6,537
Land tax	265,701	258,951	(6,750)	258,951	225,731	33,220
Metropolitan Region Improvement tax	40,460	38,902	(1,558)	38,902	37,768	1,134
Commonwealth – mirror taxes	39,101	–	(39,101)	–	–	–
<b>Total taxation</b>	<b>2,734,803</b>	<b>2,887,715</b>	<b>152,912</b>	<b>2,887,715</b>	<b>2,486,792</b>	<b>400,923</b>

## Statement of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2003 (contd)

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
<b>Commonwealth grants</b>						
Goods and services	2,938,300	2,954,336	16,036	2,954,336	2,869,571	84,765
Compensation (companies regulation)	15,210	15,282	72	15,282	14,865	417
Competition Reform Payment	72,600	72,011	(589)	72,011	71,052	959
Debt Redemption Assistance	3,100	3,134	34	3,134	3,335	(201)
First Home Owners Grant Scheme	–	5,506	5,506	5,506	52,047	(46,541)
Local Government (Financial Assistance Grants)	96,140	98,488	2,348	98,488	93,329	5,159
Local Government (Road Funding)	67,851	69,508	1,657	69,508	65,866	3,642
Mirror taxes	39,101	15,676	(23,425)	15,676	–	15,676
National Rail Network Funding Grant	–	–	–	–	18,000	(18,000)
Non-government Schools	368,185	394,412	26,227	394,412	376,851	17,561
Pensioner Concession Assistance	15,500	15,583	83	15,583	14,936	647
RFA Forest Industry Structural Adjustment Program	10,000	–	(10,000)	–	–	–
Other	441	23,267	22,826	23,267	34,541	(11,274)
<b>Total Commonwealth</b>	<b>3,626,428</b>	<b>3,667,203</b>	<b>40,775</b>	<b>3,667,203</b>	<b>3,614,393</b>	<b>52,810</b>
<b>Dividends and Taxes</b>						
Government Enterprises – Dividends	379,324	381,589	2,265	381,589	404,651	(23,062)
Income Tax – Tax Equivalent Regime	219,824	235,108	15,284	235,108	233,291	1,817
Wholesale Sales Tax – Tax Equivalent Regime	–	–	–	–	146	(146)
Local Government Rates – Tax Equivalent Regime	7,888	5,281	(2,607)	5,281	4,969	312
<b>Total Dividends and Taxes</b>	<b>607,036</b>	<b>621,978</b>	<b>14,942</b>	<b>621,978</b>	<b>643,057</b>	<b>(21,079)</b>
<b>Other Revenue</b>						
Consolidated Fund Revenue Received						
from agencies	2,355,605	2,503,138	147,533	2,503,138	2,333,075	170,063
Capital User Charge	675,722	637,981	(37,741)	637,981	653,164	(15,183)
Interest	69,979	60,946	(9,033)	60,946	73,230	(12,284)
Loan Guarantee Fees	15,148	14,350	(798)	14,350	14,129	221
Pension Recoups	46,619	38,753	(7,866)	38,753	40,428	(1,675)
Consolidated Fund (superannuation reimbursement)	156,818	122,407	(34,411)	122,407	124,821	(2,414)
Office Lease rentals	–	–	–	–	41,182	(41,182)
Retrospective Commonwealth Mirror Tax Revenue	–	–	–	–	–	–
Other	14,775	18,833	4,058	18,833	15,301	3,532
<b>Total Other Revenue</b>	<b>3,334,666</b>	<b>3,396,408</b>	<b>61,742</b>	<b>3,396,408</b>	<b>3,295,330</b>	<b>101,078</b>
<b>Net assets transferred in</b>						
Other	700	–	(700)	–	–	(700)
<b>Total net assets transferred in</b>	<b>700</b>	<b>–</b>	<b>(700)</b>	<b>–</b>	<b>–</b>	<b>(700)</b>
<b>TOTAL ADMINISTERED REVENUE</b>	<b>10,303,633</b>	<b>10,573,304</b>	<b>269,671</b>	<b>10,573,304</b>	<b>10,039,572</b>	<b>533,032</b>

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes. This Summary provides the basis for the Explanatory Statement information requirements of TI 945. See note 27.

## Notes to the Financial Statements

### 1. Departmental mission and funding

The Department's mission is to provide quality economic and financial advice and financial management, and to administer revenue laws fairly and equitably.

The Department is predominantly funded by Parliamentary appropriation. Revenues controlled by the Department are net appropriated under the Financial Administration and Audit (Net Appropriations) Determination 2003. The financial statements encompass all funds through which the Department controls resources to carry out its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

### 2. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### (a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

#### (b) Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29 "Financial Reporting by Government Departments".

The statements have been prepared on the accrual basis of accounting using the historical cost convention except for certain assets and liabilities which, as noted, are measured at fair value.

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in separate schedules as a note to the financial statements, forming part of the general purpose financial report of the Department. The administered items are disclosed on the same basis as described above for the financial statements of the Department.

The administered assets, liabilities, expenses and revenues are those that the Government requires the Department to administer on its behalf. The assets do not render any service potential or future economic benefits to the Department, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Department and the expenses and revenues are not attributable to the Department.

The Insurance Commission of Western Australia has been appointed to administer the Riskcover Managed Fund on behalf of government under the supervision of Treasury and Finance. Details of the transactions of the Riskcover Managed Fund are discussed in the financial statements of the Commission.

## Notes to the Financial Statements *(contd)*

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of Australian Accounting Standard AAS 33 “Presentation and Disclosure of Financial Instruments”, are not applied to administered transactions.

### (c) Output Appropriations

Output Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department’s bank account or credited to the holding account held at the Department of Treasury and Finance.

### (d) Contributed Equity

Under UIG 38 “Contributions by Owners Made to Wholly-Owned Public Sector Entities” transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

### (e) Net Appropriation Determination

Pursuant to section 23A of the *Financial Administration and Audit Act*, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Department:

- Proceeds from fees and charges; and
- Other Departmental revenues.

In accordance with the determination, the Department retained \$6.871m in 2002-03(\$7.919m in 2001-02).

Retained revenues may only be applied to the outputs specified in the 2001-02 Budget Statements.

### (f) Depreciation of non-current assets

All non-current assets having limited useful lives are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight-line basis, using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Buildings	40 years
Furniture and equipment	5 to 10 years
Computer equipment	3 to 5 years
Computing software	4 to 10 years
Office fitout	10 years

### (g) Intangible assets

OnlineWA is the Internet single doorway to Western Australian information and services. The cost of developing the features and content of OnlineWA has been capitalised as an intangible asset. This asset will be amortised on a straight line basis over its estimated useful life (initially five years).

## Notes to the Financial Statements *(contd)*

### (h) Employee Benefits

#### *Annual leave*

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

#### *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

#### *Superannuation*

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense is comprised of the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Department in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Department is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employers contribution in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

## Notes to the Financial Statements *(contd)*

### **(i) Employee benefit on-costs**

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses (See notes 4 and 22).

### **(j) Accrued Salaries**

The accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

### **(k) Receivables**

Receivables (controlled and administered) are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

### **(l) Payables**

Payables, including accruals not yet billed, are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

### **(m) Leases**

The Department has entered into operating lease arrangements for motor vehicles and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

### **(n) Rental collection operations**

#### *Government Owned Buildings*

Treasury and Finance controlled a number of government owned buildings until 31 January 2002, which were occupied almost exclusively by other government agencies. A commercial manager had been appointed to manage the buildings, collect gross rentals and pay outgoings

In accordance with the net appropriation determination, the amount of rentals received that is equivalent to the amount paid out by the property manager in outgoings is recognised as revenue in the Statement of Financial Performance. The balance of net rentals is therefore paid into the Government of Western Australia Bank Account for credit to the Consolidated Fund and not into Treasury and Finance's departmental operating account.

The amount of revenue retained and expenses incurred in outgoings by the property manager have been included in the Department's revenue and expenses respectively.

## Notes to the Financial Statements *(contd)*

There were no formal leases for tenants that are government agencies. There were memoranda of understanding which set out obligations of each party to the tenancy. These memoranda do not constitute leases, as they are not legally binding documents.

Treasury and Finance transferred responsibility for rental collection operations to the Department of Housing and Works on 1 February 2002.

Net assets transferred have been shown as transferred out in the Statement of Financial Performance (Refer note 14).

### *State's motor vehicle fleet*

Treasury and Finance transferred responsibility for the State's motor vehicle fleet to the State Supply Commission on 1 July 2001.

Net liabilities transferred have been shown as transferred out in the Statement of Financial Performance (Refer note 14).

### **(o) Computer software**

Significant costs associated with the acquisition or development of computer software are capitalised and depreciated on a straight line basis over the periods of the expected benefit which varies from four to ten years.

### **(p) Revenue recognition**

Revenues resulting from taxation, territorial revenue, regulatory fees and fines, sale of goods and services, rent and interest, are, where possible, recognised when the transaction or event giving rise to the revenue occurs. In some instances, however, the revenue is not measurable until the cash is received.

The policies adopted for the recognition of the major types of revenue are as follows:

Type		Recognition policy
Taxation	Land Tax	On issue of assessment
	Financial Institutions Duty, Payroll Tax and Betting Taxes	On receipt of cash (self-assessment method), plus on the issue of an assessment to amend a self assessed liability.
	Stamp Duty	On issue of assessment or on receipt of cash (self-assessment method).
Other	Commonwealth Grants	On receipt of cash
	Dividends	When they are declared by the paying entity
	Tax Equivalent Regime	As they accrue
	Capital User Charge	On receipt of cash (self assessment method) plus on the issue of an assessment

Revenue from the disposal of assets and the rendering of services is recognised when the Department has passed control of the assets or delivery of the service to the customer.

## Notes to the Financial Statements *(contd)*

### **(q) Resources received free of charge or for nominal value**

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

### **(r) Acquisitions of assets**

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition

### **(s) Rounding**

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### **(r) Comparative Figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

## **3. Outputs of the Department**

Information about the Department's outputs and the expenses and revenues that are reliably attributable to those outputs is set out in the Output Schedule of Expenses and Revenues. Information about expenses, revenues, assets and liabilities administered by the Department are given in the schedule of Administered Expenses and Revenues and the schedule of Administered Assets and Liabilities. (Note 33)

The key outputs of the Department for 2002-03 are:

#### ■ **Economic Management and Advisory Services**

Provision of management and advisory services to government to enable it to promote a strong competitive economy.

#### ■ **Financial Management and Advisory Services**

Provision of management and advisory services to government to enable it to acquire and allocate resources to public services.

#### ■ **Land and Financial Taxes assessment and collection**

The assessment and collection of revenues payable to the State in accordance with the *Land Tax Assessment Act*, *Land Tax Act*, *Metropolitan Region Improvement Tax Act*, *Metropolitan Region Town Planning Scheme Act*, *Debts Tax Assessment Act* and the *Debts Tax Act*.

#### ■ **Pay-roll Tax assessment and collection**

The assessment and collection of revenues payable in accordance with the *Pay-roll Tax Assessment Act* and *Pay-roll Tax Act*.

#### ■ **Stamp Duties assessment and collection**

The assessment and collection of revenues payable in accordance with the *Stamp Act*.



## Notes to the Financial Statements *(contd)*

### ■ Payment of grants and subsidies to eligible members of the community

Payment of grants to eligible First Home Owners and the payments to local authorities under various rebate and subsidy schemes.

### ■ Development and implementation of public sector procurement arrangements and systems

Research and create procurement systems and frameworks.

The responsibility for the public sector procurement function was transferred to the Department from the Department for Industry and Technology on 3 February 2003.

Responsibility for support services for the Land Valuation Tribunal was transferred to the Department for Planning and Infrastructure on 31 January 2002.

	2002-03 (\$'000)	2001-02 (\$'000)
<b>4. Employee expenses</b>		
Salaries	25,502	22,874
Superannuation	3,485	2,994
Annual Leave	1,850	1,347
Long Service Leave	1,002	161
Other related expenses	1,104	840
Severance payments	–	1,634
	32,943	29,850
<b>5. Depreciation and amortisation</b>		
Depreciation:		
Buildings	–	971
Furniture and equipment	100	144
Computer equipment	1,343	912
	1,443	2,027
Amortisation:		
Computing software	2,424	1,705
Office fit-out	240	240
Intangibles – computer systems development	67	–
	2,731	1,945
Total depreciation and amortisation expense	4,174	3,972

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>6. Supplies and services</b>		
Consultants and contractors	14,198	9,798
Consumables	601	650
Repairs and maintenance	202	181
Travel	461	347
Other	8,289	1,766
	23,751	12,742
<b>7. Administration expenses</b>		
Communication	1,238	781
Other	2,194	2,025
Carrying amount of non-current assets disposed of	24	34
	3,456	2,840
<b>8. Accommodation expenses</b>		
Lease rentals	4,085	3,669
Repairs and Maintenance - Buildings	142	140
Cleaning	79	53
	4,306	3,862
<b>9. Capital User Charge</b>		
A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.	2,503	5,863
<b>10. Property expenses</b>		
Outgoings and maintenance	–	4,660
Management fee	–	294
	–	4,954

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>11. Net Gain/(Loss) on disposal of non-current assets</b>		
Loss on disposal of non-current assets		
Cost of computer equipment	24	14
Less insurance recoveries/proceeds on disposal	10	88
	<u>(14)</u>	<u>74</u>
Cost of plant and equipment	–	4
Less insurance recoveries/proceeds on disposal	–	3
	<u>–</u>	<u>(1)</u>
Net gain/(loss)	<u>(14)</u>	<u>73</u>
<b>12. User charges and fees</b>		
Rentals from Government owned multi-tenanted buildings	–	4,253
Land Tax Enquiry Fees	2,829	2,910
Management Fees – State Fleet	412	246
Management Fees – Other	214	–
Government Procurement Services	3,309	–
Other	97	403
	<u>6,861</u>	<u>7,812</u>
<b>13. Revenues from Government</b>		
Appropriation revenue received during the year:		
Output appropriations (I)	52,454	48,101
	<u>52,454</u>	<u>48,101</u>
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation (II)	825	764
	<u>825</u>	<u>764</u>

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
Resources received free of charge have been determined on the basis of the following estimates provided by agencies (III):		
Office of the Auditor General		
– audit services	398	394
Department of Land Administration		
– valuation services	7,357	6,827
Department of Justice		
– crown law charges	567	520
Department of The Premier and Cabinet		
– corporate services	263	321
	8,585	8,062
Total	61,864	56,927

- (I) Output appropriations are accrual amounts as from 1 July 2001, reflecting the full price paid for outputs purchased by the Government. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (II) Where a liability has been assumed by the Treasurer or other entity, the Department recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability.
- (III) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

### 14. Net revenues/(expenses) from restructuring

As a result of the Machinery of Government changes:

The Treasury Department and State Revenue Department amalgamated on 1 July 2001 to form the Department of Treasury and Finance.

The Commercial Property Branch was transferred from the Department of Treasury and Finance to the Department of Housing and Works on 1 February 2002.

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
Other Restructuring:		
State Fleet transferred from the Department of Treasury and Finance to the State Supply Commission on 1 July 2001.		
Assets transferred to the Department of Housing and Works		
Cash	–	(883)
Accrued Salaries Suspense	–	(8)
Amounts Receivable for Outputs	–	(1,665)
Land	–	(38,970)
Buildings	–	(65,601)
Computer Equipment	–	(9)
Furniture and Equipment	–	(9)
Net assets transferred out -expense	–	(107,145)
Assets/liabilities transferred to the State Supply Commission		
Cash	–	(4,611)
Receivables	–	(1,844)
Inventory	–	(209)
Payables	–	1,920
Treasurer's Advance	–	6,000
Receipts in Suspense	–	136
Net liabilities transferred out - revenue	–	1,392
Assets/liabilities transferred from the State Revenue Department		
Cash	–	2,858
Receivables	–	185
Prepayments	–	121
Plant and Equipment	–	185
Computer Hardware	–	1,073
Furniture and Fittings	–	37
Computer Software	–	10,496
Payables	–	(145)
Provisions	–	(2,517)
Accrued Expenses	–	(304)
Net assets transferred in - revenue	–	11,989
Net expense from restructuring	–	(93,764)

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>15. Restricted cash assets</b>		
Non-Current		
Amount held in the accrued salary suspense account is only to be used for the purpose of meeting the 27 <sup>th</sup> pay in a financial year that occurs every 11 years	934	672
<b>16. Receivables</b>		
Accounts receivable for services supplied	3,210	0
Provision for Doubtful Debts	(81)	0
Goods and Services Tax receivable – ATO	372	359
Goods and Services Tax receivable – Housing and Works	–	326
Land Tax Enquiry Fee Receivable	491	420
Other Receivables	240	141
	4,232	1,246
<b>17. Amounts receivable for outputs</b>		
Current	1,431	822
Non current	7,538	2170
	8,969	2,992
<p>This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability</p>		
<b>18. Furniture, fittings, equipment and software</b>		
Furniture and equipment		
At cost	1,082	890
Accumulated depreciation	(690)	(657)
	392	233
Computer equipment		
At cost	6,890	5,726
Accumulated depreciation	(4,239)	(3,627)
	2,651	2,099

## Notes to the Financial Statements *(contd)*

	<b>2002-03</b> <b>(\$'000)</b>	<b>2001-02</b> <b>(\$'000)</b>
Computer software		
<i>At cost</i>	14,847	14,808
Accumulated depreciation	(6,506)	(4,801)
	<u>8,341</u>	<u>10,007</u>
<i>At fair value</i>	8,355	–
Accumulated depreciation	(718)	–
	<u>7,637</u>	<u>–</u>
Office fitout		
<i>At cost</i>	2,413	2,413
Accumulated depreciation	(1,434)	(1,194)
	<u>979</u>	<u>1,219</u>
Work in Progress	<u>310</u>	<u>25</u>
Total		
<i>At cost</i>	31,897	23,862
Accumulated depreciation	(13,587)	(10,279)
	<u>20,310</u>	<u>13,583</u>
Reconciliation of property, furniture, fittings, equipment and software		
Reconciliation of the carrying amounts of each class of asset at the start and the end of the current year are set out below.		
Land		
<i>At fair value</i>		
Carrying amount at start of the year	–	38,970
Disposals	–	(38,970)
Carrying amount at the end of the year	<u>–</u>	<u>–</u>
Buildings		
<i>At fair value</i>		
Carrying amount at start of the year	–	66,580
Additions	–	–
Disposals	–	(65,609)
Depreciation expense	–	(971)
Carrying amount at the end of the year	<u>0</u>	<u>0</u>

## Notes to the Financial Statements *(contd)*

	<b>2002-03</b>	<b>2001-02</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
Furniture and equipment		
<i>At cost</i>		
Carrying amount at start of the year	233	326
Additions	260	65
Disposals	(1)	(14)
Depreciation expense	(100)	(144)
Carrying amount at the end of the year	392	233
Computer equipment		
<i>At cost</i>		
Carrying amount at start of the year	2,099	1,794
Additions	1,919	1,240
Disposals	(24)	(20)
Depreciation expense	(1,343)	(915)
Carrying amount at the end of the year	2,651	2,099
Computer software		
<i>At cost</i>		
Carrying amount at start of the year	10,007	11,600
Additions	40	112
Disposals	–	–
Depreciation expense	(1,706)	(1,705)
Carrying amount at the end of the year	8,341	10,007
<i>At fair value</i>		
Carrying amount at start of the year	–	–
Additions	8,355	–
Disposals	–	–
Depreciation expense	(718)	–
Carrying amount at the end of the year	7,637	–
Office fit-out		
<i>At cost</i>		
Carrying amount at start of the year	1,219	1,459
Additions	–	–
Depreciation expense	(240)	(240)
Carrying amount at the end of the year	979	1,219



## Notes to the Financial Statements *(contd)*

	<b>2002-03</b> <b>(\$'000)</b>	<b>2001-02</b> <b>(\$'000)</b>
Work in Progress		
<i>At cost</i>		
Carrying amount at start of the year	25	–
Additions	285	25
Carrying amount at the end of the year	<u>310</u>	<u>25</u>
Total carrying amount at start of the year	13,583	120,729
Additions	10,859	1,442
Disposals	(25)	(104,613)
Depreciation expense	(4,107)	(3,975)
Total carrying amount at the end of the year	<u>20,310</u>	<u>13,583</u>
<b>19. Intangibles</b>		
Computer systems development		
At fair value	365	–
Accumulated amortisation	(67)	–
	<u>298</u>	<u>–</u>
<b>20. Payables</b>		
Amounts owed for goods and services	5,798	232
<b>21. Accrued salaries</b>		
Amounts owing for the working days between the end of the last pay period for the financial year and 30 June. (7 working days 2002-03, 6 working days 2001-02)	818	661
<b>22. Provisions</b>		
Current		
Employee Benefits		
Annual leave	3,299	2,224
Long service leave	3,055	2,899
Severance Payments	–	1,634
	<u>6,354</u>	<u>6,757</u>
Non-current		
Employee Benefits		
Long service leave	3,889	2,018
	<u>10,243</u>	<u>8,775</u>

## Notes to the Financial Statements (contd)

	2002-03 (\$'000)	2001-02 (\$'000)
<u>Employee Benefits</u>		
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Current	6,354	6,757
Non-Current	3,889	2,018
	10,243	8,775

### 23. Equity

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community.

#### Contributed Equity

Opening balance	1,461	–
Capital contributions (i)	–	1,461
Contributions by owners (ii)	19,054	–
Closing balance	20,515	1,461

#### Accumulated Surplus

Opening balance	14,228	65,131
Change in net assets after restructuring	(2,398)	(93,001)
Transfer from asset revaluation reserve	–	42,097
Closing balance	11,830	14,228

(i) From 1 July 2001, capital appropriations, termed capital contributions, have been designated as contributions by owners and are credited direct to equity in the Statement of Financial Position

(ii) Assets/liabilities transferred from the Department of Industry and Technology

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
Cash	5,641	–
Restricted Cash	205	–
Receivables	2,864	–
Accrued Revenue	163	–
Prepayments	48	–
Amounts Receivable for Outputs	2,653	–
Computer Hardware	906	–
Computer Software	8315	–
Plant & Equipment	220	–
Intangible Assets	365	–
Payables	(362)	–
Accrued Salaries	(26)	–
Employee Provisions	(1,938)	–
	19,054	–

### 24. Notes to the Statement of Cash Flows

#### (a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash Assets	14,062	6,412
Restricted Cash Assets (Refer note 15)	934	672
	14,996	7,084

#### b) Reconciliation of cash flows used in operating activities to net cost of services

Net cost of services	(64,262)	(56,164)
Non-cash items:		
Depreciation and amortisation	4,174	3,972
Resources received free of charge	8,585	8,062
Liabilities assumed by the Treasurer	825	764
Profit on disposal of non current assets	14	(73)
(Increase)/decrease in assets:		
Receivables	(644)	1,283
Prepayments	101	(173)
Inventory	–	209

## Notes to the Financial Statements *(contd)*

	<b>2002-03</b>	<b>2001-02</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
Increase/(decrease) in liabilities:		
Accrued salaries	131	133
Provisions	(470)	1,883
Payables	5,204	(2,341)
Other liabilities	–	(50)
Change in GST in Receivables/Payables	13	(208)
Net GST receipts/(payments)	672	(471)
Net cash (used in)/from operating activities	<u>(45,657)</u>	<u>(43,174)</u>

### 25. Expenditure Commitments

The Department has signed memoranda of understanding with the Department of Housing and Works in respect of the office accommodation at 197 St George's Terrace and 200 St George's Terrace.

These memoranda give rise to commitments as follows:

#### **197 St George's Tce**

Payable no later than one year	1,884	1,755
Payable later than one, not later than five years	5,653	7,021
Payable later than five years	–	–

#### **200 St George's Tce**

Payable no later than one year	1,650	1,538
Payable later than one, not later than five years	5,775	6,152
Payable later than five years	–	769

#### **Dumas House, 2 Havelock St**

Payable no later than one year	803	–
Payable later than one, not later than five years	3,213	–
Payable later than five years	2,611	–

Commitments in relation to leases contracted for at reporting date but not recognised as liabilities are:

Payable no later than one year	3,323	107
Payable later than one year, not later than five years	49	60
	<u>3,372</u>	<u>167</u>

There were no capital commitments

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>26. Remuneration of Senior Officers</b>		
Remuneration		
The number of Senior Officers whose total of fees, salaries, superannuation and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:		
110,001 – 120,000	–	1
120,001 – 130,000	1	1
130,001 – 140,000	–	1
150,001 – 160,000	1	1
170,001 – 180,000	3	1
290,001 – 300,000	–	1
310,001 – 320,000	1	–
The Total Remuneration of Senior Officers is:	1,116	1,007
No senior officers are members of the Pension Scheme		

## 27. Explanatory Statement

The The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund and operating account, all on an accrual basis. The following are explanations of significant variations. A significant variation is one that is in excess of 10% of the principal figure. In respect of any item for which there is not a significant variation, no explanation is given.

### 2002-03 Estimate vs 2002-03 Actual

#### *Retained Revenue*

The variance is mainly due to retained revenue earned from the implementation of public sector procurement arrangements and systems from the Department of Industry and Technology, and corresponding receipts in relation to GST activities.

Land Tax enquiry fees – \$309,000 – this is mainly due to increased revenue earned as a result of improvement of the property market.

#### *Development and implementation of public sector procurement arrangements and systems*

The actual amount represents expenses incurred in respect of the implementation of public sector procurement arrangements and systems from the Department of Industry and Technology. This item was not included in the budget estimates.

## Notes to the Financial Statements *(contd)*

### **2002-03 Actual vs 2001-02 Actual**

#### *Net amount of appropriation provided to purchase outputs for the year*

The variance is due to the transfer of the commercial property operation to the Department of Housing and Works effective 31 January 2002.

#### *Section 25 Transfer – DOIT*

The variance is due to the transfer of the development and implementation of public sector procurement arrangements and systems from the Department for Industry and Technology effective 3 February 2003.

#### *Retained Revenue*

The variance is mainly due to additional retained revenue earned during 2002-03 from the implementation of public sector procurement arrangements and systems from the Department of Industry and Technology effective 3 February 2003.

#### *Economic Management and Advisory Services*

The main reason for the reduction is the shift in resources between outputs.

#### *Financial Management and Advisory Services*

The main reason for the reduction in expenditure is the transfer of the commercial property operation and the shift in resources between outputs.

#### *Pay-roll Tax assessment and collection*

The main reason for the reduction is the shift in resources between revenue administration outputs.

#### *Support services to the Land Valuation Tribunal*

The administrative support of the Land Valuation Tribunal was transferred to the Department of Planning and Infrastructure effective 31 January 2002.

#### *Development and implementation of public sector procurement arrangements and systems*

The implementation of the public sector procurement arrangements and systems from the Department of Industry and Technology was effective 3 February 2003.

## Notes to the Financial Statements *(contd)*

### 28. Trust Accounts – as at 30 June 2003

Details of trust accounts for which the Department is responsible are as follows:

#### 2002-03 Transactions

Name of Trust Account	Opening Balance	Receipts	Payments	Closing
	\$	\$	\$	\$
Aboriginal Advance Capital Account	619,136	–	–	619,136
Aboriginal Advance Recurrent Account	–	–	–	–
Accrued Salaries	74,766,931	14,340,678	80,846	89,026,763
BankWest Pension Trust	16,447,684	2,126,677	3,192,361	15,382,000
Dairy Adjustment Program Account	162,177	–	–	162,177
Departmental Receipts in Suspense	–	111,705,495	61,965,380	49,740,115
Independent Schools – General Building Grants	–	10,038,404	10,038,404	–
Independent Schools – Recurrent Grants Schools Assistance Acts	–	369,978,420	369,978,420	–
Jervoise Bay Infrastructure Development Trust Account	27,421,138	23,209,509	37,604,533	13,026,114
Local Authorities Tax Sharing Entitlements Account	38	167,995,621	167,995,621	38
Local Authorities – Shire Councils Loans Sinking Fund	359,728	21,902	–	381,630
Mortgage Moneys Under Transfer of Land Act	14,991	–	–	14,991
Non-Government Schools – Other Recurrent Grants	–	14,395,687	14,395,687	–
Petroleum Subsidy Scheme Account	50,000	33,042	40,111	42,932
Public Bank Account Interest Earned Account	2,697,109	49,523,003	49,299,222	2,920,890
Remittances Clearing Account – Commissioner of Taxation	–	1,719,570	1,830,766	(111,196)
State Development Fund	–	–	–	–
Statutory Authorities Investment Account	95,465,249	21,624,940	15,935,398	101,154,791
Sundry Creditors	1,263,910	–	172,624	1,091,286
Transfers to Suspense	–	–	–	–
Departmental Receipts in Suspense – Office of State Revenue	123,921	300,153	308,581	115,493
Indian Ocean Territories	111,900	2,388,992	1,595,146	905,746
Unclaimed Moneys – Prepaid	894,189	715,353	1,261,595	347,946

## Notes to the Financial Statements *(contd)*

### Trust Accounts – as at 30 June 2002

Details of trust accounts for which the Department is responsible are as follows:

#### 2001–02 Transactions

Name of Trust Account	Opening Balance \$	Receipts \$	Payments \$	Closing \$
Aboriginal Advance Capital Account	619,136	–	–	619,136
Aboriginal Advance Recurrent Account	–	–	–	–
Accrued Salaries	62,510,457	12,280,424	23,950	74,766,931
BankWest Pension Trust	17,733,175	1,422,655	2,708,146	16,447,684
Betting Control Board Bookmakers' Surety Trust Account	105,715	3,826	109,451	–
Cyclones Elaine and Vance Trust Account	–	–	–	–
Dairy Adjustment Program Account	162,177	–	–	162,177
Departmental Receipts in Suspense	–	74,747,454	74,747,454	–
Independent Schools – General Building Grants	–	10,534,831	10,534,831	–
Independent Schools – Recurrent Grants Schools Assistance Acts	–	352,108,701	352,108,701	–
Jervoise Bay Infrastructure Development Trust Account	11,347,365	34,378,325	18,304,552	27,421,138
Local Authorities Tax Sharing Entitlements Account	38	159,194,894	159,194,894	38
Local Authorities – Shire Councils Loans Sinking Fund	572,181	31,179	243,632	359,728
Mortgage Moneys Under Transfer of Land Act	14,991	1,000	1,000	14,991
Motor Vehicles Loans – Fees	–	–	–	–
Non-Government Schools – Other Recurrent Grants	–	14,207,354	14,207,354	–
Petroleum Subsidy Scheme Account	37,825	90,782	78,607	50,000
Public Bank Account Interest Earned Account	3,300,061	66,605,449	67,208,401	2,697,109
Redemption of Financial Agreement Debt Account	–	–	–	–
Remittances Clearing Account – Commissioner of Taxation	14,293	949,900	964,193	–
Royal Commission into Aboriginal Deaths in Custody (RCIADC) Recommendations Program	–	–	–	–
State Development Fund	27,100,000	–	27,100,000	–



## Notes to the Financial Statements (contd)

### 2001–02 Transactions (contd)

Name of Trust Account	Opening Balance	Receipts	Payments	Closing
	\$	\$	\$	\$
Statutory Authorities Investment Account	89,260,353	22,004,896	15,800,000	95,465,249
Sundry Creditors	1,656,583	588	393,261	1,263,910
Transfers to Suspense	–	–	–	–
Departmental Receipts in Suspense – Office of State Revenue	96,894	845,244	818,217	123,921
Indian Ocean Territories	100,561	1,084,301	1,072,962	111,900
Unclaimed Moneys – Prepaid	762,694	406,812	275,317	894,189

### Statements of Purpose

The statements of purpose for the above trust accounts are:

#### Aboriginal Advance Capital Account

To hold funds received from the Commonwealth for assistance to Aboriginals for health, education, social support, community management and training projects, pending transfer to departments and authorities participating in the program.

#### Aboriginal Advance Recurrent Account

To hold funds received from the Commonwealth for assistance to Aboriginals for health, education, social support, community management and training projects, pending transfer to departments and authorities participating in the program.

#### Accrued Salaries

To hold funds in accordance with section 27(2) of the *Financial Administration and Audit Act*.

#### BankWest Pension Trust

To hold funds received from BankWest in satisfaction of its liabilities under the *Superannuation and Family Benefits Act* and other receipts.

#### Betting Control Board Bookmakers' Surety Trust Account

To hold surety moneys received by the Betting Control Board of Western Australia (the "Board") as security for the due observance by a bookmaker and employees of a bookmaker of the provisions of the *Betting Control Act 1954* (the "Act") and the terms and conditions of any licence issued under the Act to that bookmaker or such employees, and paid to the Treasurer in accordance with section 11(3a)(a)(i) of the Act.

#### Cyclones Elaine and Vance Trust Account

To hold funds received by the State for special relief for those affected by cyclones Elaine and Vance.

#### Dairy Adjustment Program Account

To hold funds received by the State, pursuant to the Commonwealth-State Dairy Adjustment Program Agreement of 1 September 1976.

## Notes to the Financial Statements *(contd)*

### **Departmental Receipts in Suspense – Treasury**

To hold funds pending identification of the purpose for which these moneys were received pursuant to Section 9(2)(c)(iv) of the *Financial Administration and Audit Act*.

### **Independent Schools – General Building Grants**

To hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for capital grants to independent schools in accordance with provisions of the *State Grants (Schools Assistance) Act* pending payment to independent schools.

### **Independent Schools – Recurrent Grants Schools Assistance Acts**

To hold funds from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent grants to independent schools in accordance with the provisions of the *State Grants (Schools Assistance) Act* pending payment to independent schools.

### **Jervoise Bay Infrastructure Development Trust Account**

To hold funds received from the Commonwealth being a grant for the development of facilities at Jervoise Bay.

### **Local Authorities – Tax Sharing Entitlements Account**

To hold funds received from the Commonwealth pursuant to the *Local Government (Financial Assistance) Grants Act* pending payment to Local Authorities.

### **Local Authorities – Shire Councils Loans Sinking Fund**

To hold sinking fund contributions by shire councils, required to be paid to the Treasurer in accordance with section 615 of the *Local Government Act*, for the purpose of redeeming loans borrowed by shire councils for which a sinking fund is required to be established.

### **Mortgage Moneys Under Transfer of Land Act**

To hold funds paid to the Treasurer in accordance with section 126 of the *Transfer of Land Act*.

### **Motor Vehicle Loans – Fees**

To hold moneys received from persons completing motor vehicle loan applications to meet necessary fees on completion of loan arrangements.

### **Non-Government Schools – Other Recurrent Grants**

To hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent grants to non-government schools in accordance with the *State Grants (Schools Assistance) Act* pending payment to non-government schools.

### **Petroleum Subsidy Scheme Account**

To hold funds received from the Commonwealth pursuant to the *Petroleum Products Subsidy Act*, for subsidising shipping costs of approved fuel distributors, pending payment to approved grantees.

### **Public Bank Account Interest Earned Account**

To hold funds in accordance with section 9(2)(d) of the *Financial Administration and Audit Act*.

## Notes to the Financial Statements *(contd)*

### **Redemption of Financial Agreement Debt Account**

To hold funds received for the purpose of redeeming loans raised by the Commonwealth on behalf of the State under the Financial Agreement with the authority of *Loan Acts*.

### **Remittances Clearing Account – Commissioner of Taxation**

To hold funds received from departments and statutory authorities for the payment of moneys to the Australian Taxation Office in accordance with the *Income Tax Assessment Act 1986* and the *Fringe Benefits Tax Assessment Act 1986*.

### **Royal Commission into Aboriginal Deaths in Custody (RCIADIC) Recommendations Program**

To hold funds received from the Commonwealth to upgrade or expand infrastructure and services in order to overcome the problems experienced by Aboriginal and Torres Strait Islander people whilst in custody.

### **State Development Fund**

To hold funds for the purpose of assisting the development of industry within the State and the provision of infrastructure associated with specific developments in accordance with special agreements and/or government approval.

### **Statutory Authorities Investment Account**

To hold funds received from statutory authorities for investment purposes as provided by section 40(4) of the *Financial Administration and Audit Act*.

### **Sundry Creditors**

*To hold, on behalf of departments and statutory authorities, returned, uncollected and stale cheques and cash orders, unclaimed salaries and wages and other unclaimed money.*

### **Transfers To Suspense**

To hold funds, pursuant to section 27(1) of the *Financial Administration and Audit Act*, to meet any relevant end of year commitment in respect of land, plant and equipment approved under Treasurer's Instruction 323 and for other contractual commitments approved under section 27.

### **Unclaimed Moneys – Prepaid**

To hold moneys paid into Treasury by holders of unclaimed money prior to the date prescribed in the *Unclaimed Money Act 1990* or the Unclaimed Money Regulations.

### **Departmental Receipts in Suspense – Office of State Revenue**

To hold funds, pursuant to section 9(2)(c)(iv) of the *Financial Administration and Audit Act*, pending identification of the purpose for which those moneys were received or identification of where those moneys are to be credited or paid.

### **Indian Ocean Territories**

To hold taxation collections pending transfer to the Commonwealth of Australia.

## Notes to the Financial Statements *(contd)*

	2002-03	2001-02
	(\$000)	(\$000)
<b>29. Contingent liabilities</b>		
There were no contingent liabilities.		
<b>30. Supplementary Financial Information</b>		
Write-offs		
Public and other property, revenue and debts due to the State were written-off in accordance with Section 45 of the <i>Financial Administration and Audit Act 1985</i> .		
Accountable Officer	118	159
Minister	13	244
Executive Council	–	597
	131	1,000
Losses through theft and default		
Computer Equipment	24	–
Less insurance recoveries	10	–
Net loss	14	–

### 31. Affiliated Bodies

The Department has no affiliated bodies.

### 32. Additional Financial Instruments Disclosures

#### Interest rate risk exposure

The Department's exposure to interest rate risk is nil as the relevant financial instruments, consisting of cash and amounts in suspense, receivables, payables, accrued salaries, and employee benefits are all non interest bearing.

#### Credit risk exposure

Receivables are the only financial instruments in which there is credit risk exposure. The credit risk is represented by the carrying amount.

#### Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

### 33. Administered Items

These are disclosed in schedules that follow and form part of the Notes to the financial Statements.

The explanatory statement for administered items contains details of the items referred to in the Summary of Consolidated Fund Appropriations and Revenue Estimates

## Notes to the Financial Statements *(contd)*

	2002–03	2001–02
	(\$'000)	(\$'000)
<b>Administered Expenses and Revenues</b>		
<b>Expenses</b>		
Superannuation	500,767	440,019
Interest	90,421	101,820
Appropriations	8,973,218	8,574,723
Capital contributions	515,130	722,151
Grants, subsidies and transfers	872,714	887,910
Other expenses	1,843	53,509
Collections transferred to other agencies	19,755	14,361
<b>Total administered expenses</b>	<b>10,973,848</b>	<b>10,794,493</b>
<b>Revenues</b>		
Taxation	2,887,715	2,486,792
Commonwealth grants	3,667,203	3,614,393
Government enterprises		
– Dividends	388,379	404,651
– Tax Equivalent Receipts	244,407	238,406
Capital user charge	640,698	653,164
Interest	60,946	73,230
Pension recoups	38,753	40,428
Loan guarantee fees	14,350	14,129
Consolidated Fund (Superannuation Reimbursement)	122,407	124,821
Office lease rentals	–	41,182
Other revenue	18,833	15,301
Collections raised on behalf of other agencies	19,342	9,792
Community funding	93,813	92,461
<b>Total administered revenue</b>	<b>8,196,846</b>	<b>7,808,750</b>

### Note

The item "Consolidated Fund Revenue received from Agencies" (2002–03 \$2,356m, 2001–02 \$2,391m) identified in the Budget Papers as Treasury Administered has not been included in this schedule as the collection of those revenues is administered by other agencies and disclosed as administered revenues in the financial statements of the relevant agencies.

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>Administered Assets and Liabilities</b>		
<b>Administered Assets</b>		
<b>Current assets</b>		
Cash resources	1,220,168	1,016,018
Investments	36,658	49,732
Treasurer's advances	12,227	11,756
Taxation receivable	92,443	34,741
Government enterprises		
– Dividends receivable	91,059	94,430
– Tax equivalents receivable	69,704	96,398
Recoverable advances	18,521	19,581
Other receivables	32,080	42,746
<b>Total administered current assets</b>	<b>1,572,860</b>	<b>1,365,402</b>
<b>Non-current assets</b>		
Investments	175,751	155,354
Recoverable advances	149,241	171,445
<b>Total administered non-current assets</b>	<b>324,992</b>	<b>326,799</b>
<b>Total Administered Assets</b>	<b>1,897,852</b>	<b>1,692,201</b>
<b>Administered Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	20,091	96,798
Superannuation	386,886	427,417
Commonwealth grant overpayment	49,740	–
Interest payable	13,177	14,027
Appropriations payable	174,248	143,719
Trust account liabilities	1,270,768	1,242,534
Other payables	17,734	16,443
<b>Total administered current liabilities</b>	<b>1,932,644</b>	<b>1,940,938</b>

## Notes to the Financial Statements *(contd)*

	2002-03 (\$'000)	2001-02 (\$'000)
<b>Non-current liabilities</b>		
Borrowings	770,457	679,192
Superannuation	4,737,662	4,607,083
Appropriations payable	611,971	279,560
Other payables	32,272	34,256
<b>Total administered non-current liabilities</b>	<u>6,152,362</u>	<u>5,600,091</u>
<b>Total Administered Liabilities</b>	<u>8,085,006</u>	<u>7,541,029</u>

### Explanatory Statement for Administered Items

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure, the actual expenditures made and the revenue estimates and revenues earned. The following table compares budget estimates and actual results for 2002-03 of items having significant variations, and explanations for the variations are given below. A significant variation is one that is in excess of 10% of the principal figure or \$5 million whichever is the greater.

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
<b>Administered Expenditure</b>						
<b>Community Service Obligations</b>						
Item 18	Western Australian Land Authority	27,245	30,417	3,172	30,417	23,000 7,417
<b>Other Administered Appropriations</b>						
Item 20	First Home Owners' Assistance	112,300	118,350	6,050	118,350	204,000 (85,650)
Item 28	Refunds of Past Years Revenue Collections – Public Corporations	600	5,978	5,378	5,978	– 5,978
Item 35	Western Australian Building Management Authority Interest	10,142	10,142	–	10,142	– 10,142
	National Rail Network Funding Grant	–	–	–	–	18,000 (18,000)
	Payments to the Govt Employees Superannuation	–	–	–	–	17,676 (17,676)
	Western Australian Treasury Corporation Act 1986 – Interest	67,485	35,945	(31,540)	35,945	49,232 (13,287)

## Notes to the Financial Statements (contd)

	2002-03 Estimate \$'000	2002-03 Actual \$'000	Variation \$'000	2002-03 Actual \$'000	2001-02 Actual \$'000	Variation \$'000
<b>Administered Capital</b>						
Item 126 State Housing Commission	15,000	15,000	–	15,000	20,680	(5,680)
Item 127 Western Australian Building Management Authority	7,066	7,066	–	7,066	–	7,066
Item 128 Western Australian Govt Railways Commission	125,837	101,215	(24,622)	101,215	70,034	31,181
Item 129 Western Australian Land Authority	5,000	5,000	–	5,000	14,745	(9,745)
Financial Agreement Act 1995 – Sinking Fund	70	69	(1)	69	16,205	(16,136)
WATC Act 1986 – Capital Repayments	–	38,765	38,765	38,765	91,590	(52,825)
<b>Administered Revenue</b>						
<b>Taxation</b>						
Stamp duty – insurance	230,500	220,245	(10,255)	220,245	176,175	44,070
Stamp duty – mortgages	89,500	95,571	6,071	95,571	85,237	10,334
Stamp duty – motor vehicles	214,400	231,685	17,285	231,685	180,729	50,956
Stamp duty – share and marketable securities	7,500	6,626	(874)	6,626	12,857	(6,231)
Stamp duty – conveyancing and transfers	650,443	831,483	181,040	831,483	647,504	183,979
Financial Institutions duty	–	1,671	1,671	1,671	15,809	(14,138)
Betting tax	45,500	47,307	(1,807)	47,307	40,770	6,537
Land tax	265,701	258,951	(6,750)	258,951	225,731	33,220
Commonwealth – mirror taxes	39,101	–	(39,101)	–	–	–
<b>Commonwealth grants</b>						
First Home Owners Grant Scheme	–	5,506	5,506	5,506	52,047	(46,541)
Mirror taxes	39,101	15,676	(23,425)	15,676	–	15,676
RFA Forest Industry Structural Adjustment Program	10,000	–	(10,000)	–	–	–
Other – Commonwealth grants	441	23,267	22,826	23,267	34,541	(11,274)
<b>Other Revenue</b>						
Interest revenue	69,979	60,946	(9,033)	60,946	73,230	(12,284)
Pension Recoups	46,619	38,753	(7,866)	–	–	–
Consolidated Fund (superannuation reimbursement)	156,818	122,407	(34,411)	–	–	–



## Notes to the Financial Statements *(contd)*

### ADMINISTERED EXPENDITURE

#### Community Service Obligation (CSO) Payments

##### Item 18 Western Australian Land Authority

Compared to the 2001-02 CSO payment, the 2002-03 amount increased by \$7.4 million, mainly reflecting work on the Exmouth Marina Village (up \$4.5 million).

#### Other Administered Appropriations

##### Item 20 First Home Owners' Assistance

Expenditure under the First Home Owner Grant scheme in 2002-03 fell \$85.7 million (or 42.0%) from 2001-02. This scheme was introduced as part of the national tax reforms in 2000-01 and initially provided eligible persons \$7,000 in purchasing or building a first home. During the period 1 July 2001 to 31 December 2001, the grant was boosted by an additional \$7,000, which was reduced to \$3,000 for the period 1 January 2002 to 30 June 2002, for the construction of a new home. From 1 July 2002, the grant was reduced back to the initial \$7,000, thus reducing 2002-03 expenditure.

##### Item 28 Refunds of Past Years' Revenue Collections – Public Corporations

In 2002-03, refunds to agencies for overpayments to the National Tax Equivalent Regime were up \$5.4 million on the budget estimate, mainly due to an unexpected refund of \$4.2 million to the Western Australian Land Authority. For the same reason, 2002-03 refunds exceeded those in 2001-02.

##### Item 35 Western Australian Building Management Authority – Interest

In 2002-03, the functions of the Western Australian Building Management Authority (WABMA) were transferred to the Department of Housing and Works (DHW). For legal reasons, however, loans held by WABMA could not be transferred to DHW. The Department of Treasury and Finance therefore makes interest payments on these loans on behalf of DHW.

#### National Rail Network Funding

In 2001-02, a grant of \$18 million was provided to WestNet Rail, the operator of the State's rail freight network, for the upgrade of the interstate railway line in Western Australia. No grant was provided, nor requested, in 2002-03.

#### Payments to the Government Employees Superannuation Board for the WestState Super Scheme

The funding for Consolidated Fund supported agencies was arranged through the Department of Treasury and Finance until 30 June 2001, and after that, by individual agencies via their output appropriations. The appropriation in 2001-02 represents the cash payment for the last month of 2000-01.

#### Western Australian Treasury Corporation Act 1986 – Interest

The estimate made allowance for interest payable on Consolidated Fund borrowings in 2002-03, which were deferred until 30 June 2003. Unscheduled debt repayments in 2002-03 also contributed to interest being \$31.5 million lower than estimated. A \$13.3 million reduction over 2001-02 resulted from unscheduled capital repayments in that year of \$91.6 million as well as the ongoing rollover of maturing debt at significantly lower interest rates.

## Notes to the Financial Statements *(contd)*

### Administered Capital

#### Item 126 State Housing Commission

In 2001-02, additional funding of \$5.5 million was provided to assist people with special needs as a result of recommendations from the Homelessness Task Force. In 2002-03, no additional funding was required.

#### Item 127 Western Australian Building Management Authority – Capital

As outlined above at Item 35, the Department of Treasury and Finance administers this expenditure on behalf of DHW.

#### Item 128 Western Australian Government Railways (WAGR) Commission

This Item reflects the return to WAGR of proceeds from the sale of surplus Crown Land and equity contributions for the New MetroRail project (formerly PURD) sourced from the proceeds of the sale of AlintaGas. The Crown Land sale proceeds were \$8.9 million less than estimated.

With respect to equity contributions the budget estimate included \$15.2 million for New MetroRail assets to be transferred from the Department for Planning and Infrastructure (DPI). This asset transfer occurred directly between the DPI and the WAGR and therefore did not impact upon this Item.

The actual increase of \$31.2 million from 2001-02 to 2002-03 is mainly attributed to the additional funding for the New MetroRail Project .

#### Item 129 Western Australian Land Authority

Compared to 2001-02, the 2002-03 actuals were lower by \$9.7 million as a result of the completion in 2001-02 of the land acquisition programs for Kwinana and Oakajee.

##### **Financial Agreement Act 1995 – Sinking Fund**

This item is for contributions to the State's account maintained in the Commonwealth Debt Retirement Reserve Trust Account, for the repayment of borrowings previously raised by the Commonwealth on behalf of the State under the *Financial Agreement Act 1995*. The debt is redeemed by the State as it matures and as no debt matured in 2002-03, this item was \$16.1 million less than in 2001-02.

##### **Western Australian Treasury Corporation Act 1986 – Capital Repayments**

As in 2001-02, AlintaGas sale proceeds were used to make unscheduled capital repayments to retire existing debt in amounts matching borrowings raised by various general government agencies, such as the Commissioner of Main Roads, the Department for Planning and Infrastructure and the Department of Education Services. This produced a net benefit, as the new borrowings raised attracted a much lower interest rate than the older debt that was retired. Repayments for 2002-03 were \$38.8 million higher than estimated due to these arrangements. Lower borrowings by general government agencies in 2002-03 accounted for the reduction of \$52.8 million in 2002-03 compared to 2001-02.

### ADMINISTERED REVENUE

#### Taxation

##### Stamp duty – insurance

Stamp duty on insurance policies was \$44.1 million higher in 2002-03 than in 2001-02. This reflects stronger than expected insurance premium growth for all general insurance policies and the introduction of tax measures in the 2002-03 Budget.

## Notes to the Financial Statements *(contd)*

### **Stamp duty – mortgages**

The 2002-03 actual result was \$10.3 million higher than 2001-02, reflecting increased property market activity throughout the year.

### **Stamp Duty – motor vehicles**

Increased motor vehicle licence transfers along with the introduction of tax measures in the 2002-03 Budget were responsible for the \$51.0 million increase from 2001-02 to 2002-03.

### **Stamp Duty – share and marketable securities**

The \$6.2 million lower result in 2002-03 compared to 2001-02 reflects lower sharemarket activity throughout the year.

### **Stamp duty – conveyancing and transfers**

The actual result for 2002-03 was \$181.0 million higher than estimated due to stronger than expected activity in the residential property market, and a number of large, one-off commercial property transactions. For similar reasons, combined with the introduction of tax measures in the 2002-03 Budget, the 2002-03 result was \$184.0 million higher than the 2001-02 actual.

### **Financial Institutions Duty (FID)**

FID was abolished from 1 July 2001 as part of the national tax reform package. The 2002-03 outcome was \$14.1 million lower than 2001-02, due to decreasing revenue from the final compliance audits of the Office of State Revenue.

### **Betting tax**

Growth in TAB betting tax revenue resulted in an increase of \$6.5 million for 2002-03 on the 2001-02 outcome. Contributing factors to the higher outcome include the introduction of new products (eg. Quadrella), less abandoned races due to unusually dry weather in the Eastern States, and the promotion of expanded content in the TAB form publication for punters.

### **Land tax**

The actual outcome for 2002-03 was \$6.8 million lower than budgeted, reflecting declines in unimproved values for some Central Business District properties. Due to tax measures introduced in the 2001-02 Budget which took effect in 2002-03, the 2002-03 actual was \$33.2 million higher than the 2001-02 outcome.

### **Commonwealth – mirror taxes**

Mirror taxes apply where there is a Commonwealth “connection” for the application of a State tax, such as where pay-roll tax on wages is applied to a business that operates at a Commonwealth property. In these circumstances there is a doubt about the State’s constitutional right to impose a tax. Consequently, under an arrangement with the Commonwealth to safeguard the State’s revenue, the State collects equivalent taxes on behalf of the Commonwealth, and the Commonwealth returns these collections in the form of grants.

In the 2002-03 Budget, mirror taxes were separately identified, included as taxation revenue, Commonwealth grants revenue and other expenses to the Commonwealth. However, in consultation with the Office of the Auditor General, it was agreed that for accounting purposes mirror taxes are not State tax revenue and should be recorded solely as Commonwealth grants revenue. As such, in 2002-03, no State tax revenue was recorded for mirror taxes.

## Notes to the Financial Statements (contd)

### Commonwealth grants

#### First Home Owner Grant Scheme

Commonwealth funding under the First Home Owners Grant scheme extension (which increased the assistance to new home buyers eligible for the scheme in 2001-02) explains the \$46.5 million variation compared to 2002-03. In 2002-03, revenue totalled \$5.5 million (no initial amount was budgeted). Although the extended scheme was only offered for contracts signed during 2001-02, eligible homebuyers are able to apply (under the conditions of the scheme) for the grant until 30 June 2004, as construction is completed.

#### Mirror Tax Grants

The Mirror Tax arrangement is discussed above and commenced in 2002-03. The actual result for 2002-03 was \$23.4million lower than estimated largely due to an overestimate in payroll tax related mirror tax revenue in the absence of better available data.

#### RFA Forest Industry Structural Adjustment Program (FISAP)

Estimated revenue in 2002-03 of \$10.0 million has been deferred. This amount is subject to ongoing negotiation between the State and the Commonwealth and will be dependent on the timber yield to be determined according to the State's Forest Management Plan.

Other – Commonwealth grants

This item was \$22.8 million higher than estimated, mainly due to the deferral of Commonwealth funding of \$17.3 million for the Jervoise Bay Infrastructure Development from 2001-02.

### Other Revenue

#### Interest

The actual interest rate achieved on investments was marginally lower than expected and together with a rundown in AlintaGas sale proceeds available for investment and an increase in funds held by agencies in Trust Fund accounts entitled to retain interest earnings, accounts for interest revenue being \$9.0 million below estimate. For similar reasons, the interest earned in 2002-03 was \$12.3 million lower than in 2001-02.

#### Pension Recoups

The Consolidated Fund meets the cost of pensions paid under the *State Superannuation Act 2000*. Subsequently, certain agencies (generally statutory authorities) are required to recoup the Consolidated Fund for payments made on their behalf. This item includes revenue from members' contributions made under the *Parliamentary Superannuation Act 1970*, the BankWest Pension Trust and Curtin and Edith Cowan universities. Recoups for this item were \$7.9 million lower than estimated.

#### Consolidated Fund – Superannuation Reimbursement

Concurrent funding of GoldState superannuation is paid to agencies as part of output appropriations and on to the Government Employees Superannuation Board (GESB), correctly reflecting the cost of purchasing outputs. However, as was the case prior to accrual appropriations, the State does not concurrently fund the GoldState superannuation scheme for Consolidated Fund supported agencies, and GESB returns these monies to the Consolidated Fund, thus guaranteeing no overall change in concurrent superannuation funding policy under the new appropriation arrangements. The reimbursement of these amounts was \$34.4 million lower than estimated, with an equally lower requirement for appropriation expenditure for this purpose.

## Notes to the Financial Statements *(contd)*

### Supplementary Funding

Supplementary funding approved and expended during 2002-03 was as follows.

Item Number	Description	Amount	Amount
		Approved	Expended
		\$'000	\$'000
14	Electricity Corporation	2,926	2,926
16	Water Corporation of WA	645	513
17	WA Government Railways Commission	57	–
18	Western Australian Land Authority	3,172	3,172
20	First Home Owner Grant Scheme	10,000	6,050
21	GST Administration Costs	16	16
24	On Road Diesel Subsidies	770	746
25	Pensioner Concession Assistance	4,950	4,064
26	Provision of Unfunded Liabilities – Government Insurance Fund	3,488	3,146
28	Refund of Past Years' Revenue Collections – Public Corporations	5,405	5,378
29	Refund of Past Years' Revenue Collections	6,189	4,635
36	All Other Grants, Subsidies and Transfer Payments	252	–
N/A	Administered Grants, Subsidies and Transfer Payments	11	11
N/A	Aerial Shark Surveillance Program	216	196
N/A	Ord Irrigation Subsidy	2,801	2,801
N/A	Treasurer's Indemnities – Community Insurance Fund	376	341
N/A	Water Corporation – State Water Strategy Rebate	3,600	2,426
N/A	State Housing Commission – General Housing Funding	2,500	2,500
N/A	Extended Payroll Tax Amnesty	5,000	3,959

The reasons for supplementary funding were:

#### Electricity Corporation

Pensioner and senior concession payments to Western Power Corporation exceeded the budget estimate. Additional funding was approved mainly for the concession component of the Corporation's community service obligations.

#### Water Corporation of Western Australia

Additional funds were required to fully compensate the cost of meeting community service obligations.

#### WA Government Railways Commission

Supplementary funding was sought to cover an anticipated increase in infrastructure debt servicing costs.

## Notes to the Financial Statements *(contd)*

### **Western Australian Land Authority (WALA)**

Extra funding was required for the completion of the townsite development program for 2002-03, which was transferred to WALA from the Department of Land Administration as part of the Machinery of Government reforms.

### **First Home Owner Grant Scheme**

Supplementary funding was required to meet payments made under the First Home Owner Grant scheme. This was largely due to the Commonwealth's extension of the program in the first half of 2001-02, doubling the grant to \$14,000 for eligible applicants. Although the extended scheme was only offered for contracts signed during 2001-02, eligible homebuyers are able to apply (under the conditions of the scheme) for the grant until 30 June 2004, as construction is completed.

### **GST Administration Costs**

The State agreed to compensate the Commonwealth for an overspend on GST administration costs in 2001-02. The shortfall was paid to the ATO in June 2003.

### **On Road Diesel Subsidies**

Further funding was required as the number of litres claimed by some major oil companies increased.

### **Pensioner Concession Assistance**

Additional funding was required for the Pensioner Rebate Scheme, reflecting an increase in the number of claims being paid, an increase in the rates per property and the full effect of the introduction of pro-rata claims from July 2001.

### **Provision of Unfunded Liabilities – Government Insurance Fund**

Larger than expected claims during 2002-03 resulted in further funding being sought.

### **Refund of Past Years' Revenue Collections – Public Corporations**

In promoting neutrality via the National Tax Equivalent Regime (NTER) through a uniform application of income tax laws between NTER agencies and their privately held counterparts, some agencies found they had made excess NTER instalments and were therefore eligible for a refund. Such refunds amounted to an extra \$5.4 million, mainly due to lower than expected profits.

### **Refund of Past Years' Revenue Collections**

Additional funding was provided after the assessment of several large refunds, mainly for stamp duty on conveyances and land tax.

### **All Other Grants, Subsidies and Transfer Payments**

Funding was sought to cover anticipated increases in agencies' interest-bearing trust accounts.

### **Administered Grants, Subsidies and Transfer Payments**

Supplementary funding was required for minor increases in Acts of grace payments and incidentals.

### **Aerial Shark Surveillance Program**

Funding was approved to Edith Cowan University for the provision of aerial shark patrols in accordance with the Government's 'Shark Management Strategy'.

## Notes to the Financial Statements *(contd)*

### **Ord Irrigation Subsidy**

The Ord Stage 1 distribution system business was transferred from the Water Corporation to the Ord Irrigation Cooperative with a corresponding subsidy expense approved by Cabinet. From 2003-04, this subsidy will be administered by the Office of Water Regulation.

### **Treasurer's Indemnities – Community Insurance Fund**

A new administered item was created to make payments of premiums to the Insurance Commission of Western Australia (RiskCover) for the Federation of Western Australian Police and Citizens' Youth Clubs Incorporated, Hotham Valley Tourist Railway WA Incorporated and the Blue Light Association of WA Incorporated.

### **Water Corporation – State Water Strategy Rebate**

Additional funding was approved for a water efficiency incentive package to be administered by the Water Corporation.

### **State Housing Commission – General Housing Funding**

Funding was provided by the State for purposes including the Supported Housing Assistance Program and the Roebourne Enhancement Scheme.

### **Extended Payroll Tax Amnesty**

Cabinet approved the establishment of a scheme to settle unpaid payroll tax contractor liabilities on behalf of employers.





# Appendices

## Appendix A: Legislation Administered

The following is a list of the Acts of Parliament administered by Treasury and Finance during 2002-03, which are the responsibility of the Treasurer.

### ***Anzac Day Act 1960***

Recognises Anzac Day as a public holiday and establishes the Anzac Day Trust Fund.

### ***Appropriation (Consolidated Fund) Acts (Nos. 1, 2, 3 and 4)***

Annual Acts authorising the government to disburse funds from the Consolidated Fund and appropriate payments made under the authority of the *Treasurer's Advance Authorisation Act*.

### ***Bank of South Australia (Merger with Advance Bank) Act 1996***

To facilitate the merger of the Bank of South Australia and Advance Bank. Following a merger there is only one banking licence. The Act provides the mechanism for bringing all accounts into the one licensed entity.

### ***Competition Policy Reform (Taxing) Act 1996***

To provide for the application of financial penalties for breaches of Part IV of the Trade Practices Act.

### ***Competition Policy Reform (Western Australia) Act 1996***

To apply the competitive conduct provisions of Part IV of the Trade Practices Act as laws of Western Australia.

### ***Debits Tax Act 1990***

To impose a tax for certain debits made to accounts kept with financial institutions.

### ***Debits Tax Assessment Act 1990***

To provide for the collection and administration of debits tax imposed on financial institutions.

### ***Financial Administration and Audit Act 1985***

To provide for the administration and audit of the public finances of the State and certain State agencies; provide for annual reporting by departments and statutory authorities; authorise and regulate the investment of certain public moneys; and provide for the office and functions of the Auditor General.

### ***Financial Agreement Act 1928***

To approve an Agreement between the Commonwealth and the States relating to financial relations between the parties.

### ***Financial Agreement Act 1995***

To approve an Agreement between the Commonwealth and the States relating to financial relations between the parties.

***Financial Institutions Duty Act 1983***

To provide for the collection and administration of duty payable by financial institutions for certain dutiable transactions made prior to 1 July 2001.

***Financial Relations Agreement (Consequential Provisions) Act 1999***

Includes a substantial part of the Western Australian legislation required to give effect to the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (incorporating the Goods and Services Tax related national tax reforms).

***First Home Owner Grant Act 2000***

To encourage and assist home ownership by providing grants to first home owners.

***Fuel Suppliers Licensing Act 1997***

To provide for the licensing of suppliers of certain fuel and for the payment of subsidies for certain diesel supplied prior to 30 June 2000.

***Government Financial Responsibility Act 2000***

To establish a framework for government financial planning and reporting designed to enhance transparency and accountability in State financial policy, performance and reporting.

***Judges' Salaries and Pensions Act 1950***

To authorise the payment of specified salaries and pensions to judges of the Supreme Court and to make payment to their families.

***Land Tax Act 1976***

To impose a land tax in respect of certain land.

***Land Tax Assessment Act 1976***

To provide for the collection and administration of land tax.

***Land Tax Relief Act 1991***

To make special provision for the valuations to be used for the assessment of land tax and metropolitan region improvement tax for the 1991-92 land tax assessment year.

***Land Tax Relief Act 1992***

To make special provision for the valuations to be used for the assessment of land tax and metropolitan region improvement tax for the 1992-93 land tax assessment year.

***Limitation Act 1935***

Provides a limited time period for commencing actions and suits.

## Appendix A: Legislation Administered

### ***Loan Act***

An Act passed periodically, as required, to authorise the borrowing of a specified sum for public purposes.

### ***Pay-roll Tax Act 1971***

To impose a tax in respect of certain wages paid by employers.

### ***Pay-roll Tax Assessment Act 1971***

To provide for the collection and administration of pay-roll tax.

### ***Railways (Access) Act 1998***

To promote competition in the operation of rail services through the establishment of a rail access regime, promoting the efficient use of, and investment in, railway facilities.

### ***Rates and Charges (Rebates and Deferments) Act 1992***

To provide relief to pensioners and seniors for local government and water charges by enabling authorities to allow rebates and deferment of payment for such charges.

### ***Stamp Act 1921***

To impose stamp duties in respect of certain instruments and transactions and to provide for the collection and administration of stamp duties.

### ***State Enterprises (Commonwealth Tax Equivalent) Act 1996***

To require State enterprises to pay to the Consolidated Fund amounts equivalent to Income and Sales Tax from which they are exempt under Commonwealth law.

### ***State Entities (Payments) Act 1999***

Ensures that State entities can operate as if they were subject to the Commonwealth's Goods and Services Tax legislation, as required by the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*.

### ***State Trading Concerns Act 1916***

To regulate the establishment, carrying on and management of trading concerns by the State Government, and to authorise departments to engage in certain revenue generating activities.

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

To provide for reciprocal arrangements to enforce taxation laws within the Australian jurisdictions.

### ***Treasurer's Advance Authorization Act***

An annual Act to authorise the Treasurer to make certain payments and advances, and to specify a limit for the payments and advances that may be authorised from the account.

***Unclaimed Money Act 1990***

To provide for the advertisement of unclaimed money and for the payment of that money into and out of the Consolidated Fund.

***Unclaimed Money (Superannuation and RSA Providers) Act 2003***

An Act to enable unclaimed money held by certain superannuation and retirement savings account providers to be paid to the Treasurer, to provide for a register of such unclaimed money, and for related purposes.

***Westpac Banking Corporation (Merger with Challenge Bank) Act 1996***

To facilitate the merger of the Westpac and Challenge banks. Following a merger there is only one banking licence. The Act provides the mechanism for bringing all accounts into the one licensed entity.

## Appendix B: Amendments to Legislation Administered

The following is a summary of legislative changes assented to in 2002-03 in respect of the legislation we administer within the Treasurer's portfolio.

### ***Financial Administration and Audit Act***

Amendments were made to delete references to the now redundant Companies (Western Australia) Code, inserting instead reference to the *Corporations Act 2001*. This amendment effects the definition of what constitutes a company under the *Financial Administration and Audit Act*.

Schedule 1 of the Act was revised to indicate which statutory authorities were still bound by the Act.

### ***Stamp Act 1921***

Amendments were made to implement stamp duty revenue measures announced as part of the 2003-04 State Budget. These amendments increased the stamp duty rates payable on general insurance policies and the conveyance or transfer of property.

The *Corporations (Consequential Amendments Act (No.3))* made consequential amendments to the *Stamp Act* as a result of the commencement of amendments proposed to be made to the *Corporations Act 2001* (Commonwealth) by the *Financial Services Reform Act 2001* (Commonwealth).

The *Family Court Amendment Act 2002* made consequential amendments to Part IVD of the Stamp Act to allow defacto couples who have been living together for at least two years to transfer property for nominal duty pursuant to a maintenance agreement or Family Court Order in certain circumstances upon breakdown of the relationship.

### **Business Tax Review Package**

Amendments were made to the pay-roll tax and land tax legislation to implement the first tranche of Business Tax Review recommendations.

The *Pay-Roll Tax Assessment Act 2002* and the *Pay-Roll Tax Act 2002* were amended to replace the current variable marginal pay-roll tax rate scale with a single marginal rate of six per cent above an exemption threshold of \$750,000, and to broaden the pay-roll tax base to include eligible termination payments.

The *Land Tax Assessment Act 2002* and the *Land Tax Act 2002* were amended to restructure and simplify the land tax scale by reducing the number of threshold brackets from ten to six, and to broaden the land tax base by removing the existing concession for land tax developers.

### **Taxation Administration Package**

The *Taxation Administration Act 2003*, which provides for the administration and enforcement of legislation dealing with State taxation, was assented to on 20 March 2003. It amalgamates and standardises the administrative provisions of four major taxes, namely pay-roll tax, stamp duty, land tax and debits tax, into a single Act. As a result, the pay-roll tax, land tax and debits tax legislation were rewritten to take account of the removal of administrative provisions and to allow for modern, simple to understand language. The *Stamp Act 1921* was not rewritten, but was amended by the *Stamp Amendment Act 2003* to take account of the removal of its administrative provisions.

All of the Acts that are part of the Taxation Administration Package commence on 1 July 2003, upon proclamation of the *Taxation Administration Act 2003*.

### ***First Home Owner Grant Act 2000***

Amendments were made to provide for the additional \$3,000 grant for the construction or purchase of eligible new homes where construction started between 1 January 2002 and 30 June 2002. A penalty provision was also inserted for failure to notify the Commissioner and repay the grant where the residence requirement is not met.

### ***Rates and Charges (Rebates and Deferments) Act 1992***

The Act was amended by the *Fire and Emergency Services Legislation (Emergency Services Levy) Amendment Act 2002* to allow for a rebate of the levy to eligible pensioners and seniors, in line with rebates already available for water and local government rates.

### ***State Enterprises (Commonwealth Tax Equivalent) Act 1996***

Amendments were made to the Regulations to the Act to both add and remove agencies subject to the National Tax Equivalent Regime. In 2002-03, Gold Corporation and two subsidiaries of Western Power, namely Western Carbon and Bright Telecommunications, were included in the regime and AgraCorp Pty Ltd and the East Perth and Subiaco Redevelopment Authorities were removed.

The *Acts Amendment (Equality of Status) Act* also made consequential amendments to the *First Home Owner Grant Act*, *Land Tax Assessment Act*, *Rates and Charges (Rebates and Deferments) Act* and the *Stamp Act* to ensure that all persons have equal legal status and to remove discrimination against partners in certain relationships.

## Appendix C: Other Legislation

The Department of Treasury and Finance collected taxes, duties and fees and paid subsidies and rebates on behalf of other departments during 2002-03, in accordance with the legislation listed below.

### ***Agriculture and Related Resources Protection Act 1976***

To provide for the management, control and prevention of certain plants, animals and diseases, and to protect primary and related industries.

### ***Indian Ocean Territories (Administration of Laws) Act 1992***

To enable State authorities, including the courts, to provide services, operate in respect of and exercise jurisdiction in relation to Christmas Island and the Cocos (Keeling) Islands.

### ***Metropolitan Region Improvement Tax Act 1959***

To impose a tax in respect of certain land located within the metropolitan region.

### ***Metropolitan Region Town Planning Scheme Act 1959***

To provide for the planning and development of land within the metropolitan region, and the collection and administration of a metropolitan region improvement tax.

### ***Perth Parking Management Act 1999***

To provide for the management of parking in certain parts of the Perth metropolitan area and the collection and administration of licence fees levied on such parking.

### ***Perth Parking Management (Taxing) Act 1999***

To impose licence fees in respect of certain parking bays within the Perth metropolitan area.

### ***Totalisator Agency Board Betting Act 1960***

To provide for the operation of betting services on totalisators through the Totalisator Agency Board.

### ***Totalisator Agency Board Betting Tax Act 1960***

To impose a tax on money paid in respect of bets made through or with the Totalisator Agency Board.

The Department was also responsible for the collection of taxes, duties and fees and the payment of subsidies and rebates in accordance with the following legislation:

- *Commonwealth Places (Mirror Taxes Administration) Act 1999*
- Commonwealth Places (Mirror Taxes Administration) Regulations 2002
- *Commonwealth Places (Mirror Taxes) Act 1998*
- Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notices 2002



## Appendix D: Publications

The Department of Treasury and Finance produced a number of publications in 2002-03, a list of which is provided below.

Register of Unclaimed Moneys

*Financial Administration and Audit Act*

Financial Administration Regulations

Treasurer's Instructions

Treasurer's Annual and Quarterly Statements

Government of Western Australia Consolidated Financial Statements Year Ended 30 June 2002

Monthly Report of General Government Finances

2003-04 Budget Speech – Budget Paper No. 1

2003-04 Budget Statements – Vols 1, 2 & 3 – Budget Paper No. 2

2003-04 Economic and Fiscal Outlook – Budget Paper No. 3

2003-04 Budget Overview

2003-04 Budget electronic version

Reader's Guide to the 2003-04 Budget Statements

Government Financial Results Report

Quarterly Financial Results Report

Partnerships for Growth – Policies and Guidelines for Public Private Partnerships in Western Australia

Government Mid-Year Financial Projections Statement

Guide to Tendering with the Department of Industry and Technology

It's Your Call

SPIRIT Case Studies on Kaz, Spherion, Queensbury Information Technology, ASG, AeM Group and Stott & Hoare

SPIRIT Project News

Western Australia's Rejoinder Submission to the Commonwealth Grants Commission 2004 Review

A Strategic Framework for Specific Purpose Payments Incorporating Best Practice Principles and Guidelines

Economic Regulation Authority: Public Consultation Paper

Progress Report: Implementing National Competition Policy in Western Australia – Report to the National Competition Council

## Appendix D: Publications

Review of Retail Trading Hours: Public Consultation Paper  
Submission to the Review of the *Trade Practices Act 1974*  
Globalisation and the Western Australian Economy  
Quarterly Economic Summary (and regular summaries of major economic statistics)  
Quarterly Economic Brief  
China: Economic Reform and Implications for Western Australia  
Overview of State Taxes  
*Taxation Administration Act 2003*: General Information for Taxpayers  
Superannuation Brochure  
Pay-roll Tax Calculation Brochures  
Revenue on Line Brochure  
Land Tax General Information Brochure  
Stamp Duty General Information Brochure  
Stamp Duty Rates Information Brochure  
Stamp Duty Exemptions Brochure  
Treasury and Finance 2001-02 Annual Report  
Customer Service Charter  
Treasury and Finance News

# Appendix E: Freedom of Information

## General Information

Agencies are required to publish annual information statements either as stand-alone documents or in agencies' annual reports. We have chosen to incorporate our Freedom of Information data in our Annual Report.

## Formal Application

Where possible, information we hold will be made available on an informal basis and at no charge. Appendix D provides information on publications we released during 2002-03.

Individuals may make a formal application under the *Freedom of Information Act* for access to documents of ours that are not publicly available. Most of our corporate information is managed in paper format and is held in departmental files. However, we are in the process of moving to an electronic document management system.

A formal application for information must be:

- in writing;
- give enough information to enable the requested documents to be identified;
- give an Australian address to which notices can be sent;
- accompanied by a \$30 application fee, unless the information relates to a personal matter which is free of charge. An additional charge may apply for the processing of non-personal information. The fee is reduced by 25 per cent for pensioners and financially disadvantaged persons; and
- addressed to one of our two Freedom of Information Coordinators.

For Treasury matters, applications should be directed to:

Geoff Boyland  
FOI Coordinator  
Treasury and Finance  
13<sup>th</sup> Floor  
197 St George's Terrace  
PERTH WA 6000

## Appendix E: Freedom of Information

Matters relating to the business of the Office of State Revenue (eg administration of a State tax/duty, the First Home Owner Grant) should be directed to:

Anne Hall  
FOI Coordinator  
Office of State Revenue  
1<sup>st</sup> floor  
200 St George's Terrace  
PERTH WA 6000

Before lodging a formal application we suggest you discuss the matter with one of our Freedom of Information officers. Geoff Boyland can be contacted on (08) 9222 9249 and Anne Hall on (08) 9262 1319.

Under the *Freedom of Information Act 1992*, we are required to respond to applications for information within 45 days of receipt, unless an extension of time is granted. The average elapsed time to process applications during 2002-03 was 39.8 days.

### Access to Information

Where an applicant is granted permission to inspect documents, we will contact the applicant to arrange mutually convenient viewing or distribution arrangements.

Where we refuse access to documents, in part or in full, we will notify the applicant of the reasons for our decision. Applicants have the right of appeal and may ask us to reconsider a decision to refuse access. Further appeal rights to the Information Commissioner are also available.

For more information and access to our Freedom of Information Application Form refer to our Internet website at [www.dtf.wa.gov.au](http://www.dtf.wa.gov.au)

### 2002-03 Applications

We received ten *Freedom of Information Act* applications during 2002-03. Edited access was allowed for seven of these applications and three applications were refused. Two applications were subject to internal review, with one decision being confirmed and the other reversed.

The applications covered a range of topics including pay-roll tax, tobacco sellers licensing stamp duty, the first home owner grant, multanovas and red light cameras and the Buy Local policy.

# Appendix F: Human Resource Policies and Standards

## Equal Opportunity/Diversity

Treasury and Finance is an equal opportunity employer and actively encourages and supports diversity in the workplace.

We have policies and procedures in place in relation to equal opportunity and diversity, consistent with the general public sector standards. Specific strategies focusing on areas we would like to improve are covered in our Equity and Diversity Plan and related policies. These policies apply to all staff and can be accessed by staff through our internal Intranet facility.

Through our Employee Assistance Program we make available to staff and their immediate families the services of qualified external consultants to provide professional and confidential counselling services.

## Disability Services

We are committed to ensuring that people with disabilities, their families and carers are able to fully access the range of services and facilities we provide.

Our Disability Services Plan seeks to ensure that:

- our functions and services meet the needs of people with disabilities;
- access to buildings and facilities are improved;
- information on facilities and services is provided in formats that enhance the communication needs of people with disabilities;
- advice and services are delivered by staff who are aware of and understand the needs of people with disabilities; and
- opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes that are available to other members of the public.

During 2002-03, there were no approaches made from the public for services to be modified to meet the needs of persons with disabilities.

Our Disability Services Plan is accessible to staff through our intranet facility and to the public through our Internet site [www.dtf.wa.gov.au](http://www.dtf.wa.gov.au)

## Appendix F: Human Resource Policies and Standards

### Public Sector Standards

We have developed a set of Human Resource Procedures and Standards that are used by staff when dealing with human resource related issues. The Procedures and Standards are consistent with the Public Sector Standards and associated guidelines issued by the Office of the Public Sector Standards Commissioner.

The Standards cover:

- recruitment, selection and appointment;
- discipline;
- secondment;
- transfer;
- redeployment;
- termination;
- performance management;
- temporary deployment; and
- grievance resolution.

The Standards and Procedures are available for viewing by staff on our Intranet facility.

There was one breach of standard claim lodged during 2002-03. The claim, which related to the Recruitment, Selection and Appointment Standard, was resolved at departmental level.

The Department has procedures in place to ensure compliance with the Public Sector Standards in Human Resource Management, Code of Ethics and the Department's Code of Conduct. Human Resource staff regularly assess human resource related activities against each of the Standards and Codes.

### Code of Conduct

Treasury and Finance has a Code of Conduct that draws from the principles of natural justice, respect for persons and responsible care, as embodied in the Western Australian Public Sector Code of Ethics.

Our Code of Conduct provides a guide for our officers in understanding their rights and obligations, including the ethical behaviours and values expected of them in undertaking their day to day duties.

It also serves as a public demonstration by the Department and its officers of a commitment to professional integrity and accountability when conducting Treasury and Finance business.

Our Code of Conduct covers the following key areas:

- ethical behaviours;
- personal behaviour;
- business protocols;
- customer relations;
- communications protocols;
- use of departmental property;
- occupational health matters; and
- human resource matters.

The Code of Conduct applies to all our officers, including those contracted or seconded to the Department.

There is an ongoing awareness campaign in respect to our Code of Conduct amongst staff. The Code forms part of our induction process and is available to staff through our Intranet facility.

## Compliance Statement

In the administration of Treasury and Finance, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.



J L Langoulant

UNDER TREASURER

# Appendix G: Disclosures

## *Electoral Act Disclosures*

Under the *Electoral Act* we are required to disclose any expenditures we make to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

For the year ended 30 June 2003 we incurred the following amounts:

- \$121,595 to advertise staff vacancies and \$159,431 to advertise the 2003-04 State Budget;
- \$3,636 to advertise unclaimed monies;
- \$11,400 to advertise taxation administration matters; and
- \$20,840 on customer satisfaction surveys.

## *Other Disclosures*

Treasurer's Instruction 903 requires senior officers to disclose interests in any existing or proposed contracts made with the Department (excluding normal employment contracts) or an affiliated body of the Department. Our senior officers have no such interests to disclose with respect to 2003-03.



## Appendix H: Government Purchasing Charter

Under the *State Supply Commission Act* we are required to report our progress in complying with the Government Purchasing Charter.

Treasury and Finance has in place a purchasing policy which provides a formal framework and reference point to assist our officers to undertake purchasing in an appropriate and compliant manner.

All aspects of the procurement function are covered by the Policy, including detailed procedural and processing information, supported by a series of standard forms and pro-forma documents, through to the monitoring and reporting of our procurement activities.

The Policy closely follows the recommended procurement and contracting requirements promoted by the State Supply Commission in its *Buy Wisely Policy and Guidelines*. It has been adapted to meet our procurement activities and to take advantage of the administrative efficiencies of those goods and services offered through Common Use Contracts.

The main purpose of the Policy is to provide a comprehensive guide to Treasury and Finance officers when entering into purchasing arrangements. It outlines the need to test the market and to be in an informed position to make a value for money decision when committing departmental funds in the purchasing of goods and services. Built into the Policy is a level of practical flexibility while at the same time it addresses the issues of risk management.

The Policy represents a management system through which we can fulfil our commitment to the Government's Purchasing Charter.

## Appendix I: Waste Paper Recycling

The Department has continued to participate in the government sponsored Paper Recycling Program. This program covers the removal of office waste paper for recycling. Participation in the program contributes towards the State's waste management and recycling objectives.

During 2002-03 there was 38.05 tonnes of waste paper collected from our Department for recycling. This waste paper was collected and recycled at no cost to the Department.

## Appendix J: Energy Saving Initiatives

In accordance with the Government's Energy Smart Policy we have collected energy consumption statistics and undertaken an audit of our energy consumption practices. This information will assist the Department in developing a set of strategies to meet the Government's energy target savings of 12 per cent by 2006-07.

We conducted an energy audit in 2002-03. The energy saving strategies recommended in the audit are to be implemented in 2003-04. Resource levels and additional floor area to accommodate the procurement functions of the Department continue to have an impact on our energy consumption.

Energy Smart Government Program	Baseline 2001-02	2002-03	Variation per cent
Energy Consumption (GJ)	4,045	4,286	+5.96
Energy Cost (\$)	182,952	181,646	-0.71
Greenhouse Gas Emissions (tonnes of CO <sub>2</sub> )	1034	1095	+5.90
<b>Performance indicators</b>			
MJ/sqm	316	336	+6.33
MJ/FTE	22.45	21.97	-2.14

# Office Directory

## Corporate Executive

John Langoulant, Under Treasurer	Tel 9222 9202	Fax 9222 9206
Bill Sullivan, Commissioner of State Revenue, Office of State Revenue	Tel 9262 1402	Fax 9262 1499
David Smith, Acting Executive Director (Economic)	Tel 9222 9203	Fax 9222 9206
Colin Murphy, Executive Director (Finance)	Tel 9222 9223	Fax 9222 9206
Timothy Marney, Executive Director (Agency Resources)	Tel 9222 9205	Fax 9222 9206
Alan Jackson, Director, Corporate Services	Tel 9222 9133	Fax 9222 9142

### Internal Audit

Chris Rodgers, Manager	Tel: 9222 9911	Fax: 9222 8919
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## Treasury

### Economic and Revenue Policy

David Christmas, Acting Director	Tel 9222 9227	Fax 9222 9914
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### Intergovernmental Relations

Mark Altus, Director	Tel 9222 9156	Fax 9222 9820
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### Structural Policy

David Morrison, Director	Tel 9222 9825	Fax 9222 9914
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### Asset Financing

Robert Mianich, Director	Tel 9222 9364	Fax 9222 9142
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### Government Procurement

John Tondut, Acting Managing Director	Tel 9222 5670	Fax 9222 5444
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### Financial Operations

Doug Tyler, Director	Tel 9222 9220	Fax 9222 9194
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### Financial Policy

Graeme Doyle, Director	Tel 9222 9136	Fax 9222 9342
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### Fiscal Strategy

Michael Barnes, Director	Tel 9222 9134	Fax 9222 9338
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### Agency Resources Group 1

Anthony Kannis, Director	Tel 9222 9238	Fax 9222 8748
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### Agency Resources Group 2

Sean Cameron, Director	Tel 9222 9221	Fax 9222 9331
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### Agency Resources Group 3

Rob McDonald, Director	Tel 9222 9326	Fax 9222 9119
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## Office of State Revenue

### **Legislation, Training and Review**

Nicki Suchenia, Assistant Commissioner

Tel: 9262 1410

Fax: 9262 1498

### **Grants, Subsidies and Business Development**

Nigel Mills, Assistant Commissioner

Tel 9262 1201

Fax: 9262 1288

### **Revenue Services**

Ric Davies, Assistant Commissioner

Tel 9262 1101

Fax: 9262 1178

### **Compliance**

Rod Richardson, Assistant Commissioner

Tel: 9262 1351

Fax: 9262 1399

# Customer Contact Details

**Office Hours:** Monday to Friday 8:00 am to 5:00 pm

**Internet:** [www.dtf.wa.gov.au](http://www.dtf.wa.gov.au)

## Treasury

**Location:** 197 St George's Terrace, PERTH WA 6000

**Switchboard:** (08) 9222 9222

**Customer Contact Line:** (08) 9222 8866

**Facsimile:** (08) 9222 9117

**E-mail:** [customer.service@dtf.wa.gov.au](mailto:customer.service@dtf.wa.gov.au)

## Government Procurement

**Location:** Dumas House, 2 Havelock Street, WEST PERTH WA 6005

**Switchboard:** (08) 9222 5555

**Facsimile:** (08) 9222 5444

**Gem Service Centre:** (08) 9222 5468

## Office of State Revenue

**Location:** 200 St George's Terrace, PERTH WA 6000

### General correspondence and Stamp Duty payments:

GPO Box T1600 PERTH WA 6845

**Telephone:** (08) 9262 1400

**Country Callers only:** 1300 368 364

**E-mail:** [osr@dtf.wa.gov.au](mailto:osr@dtf.wa.gov.au)

**Lodgement and enquiries:** 8:00 am to 5:00 pm

**Payment and Document Stamping:** 8:00 am to 4:30 pm

### Stamp Duties

**Telephone:** (08) 9262 1100

**Facsimile:** (08) 9226 0834

**E-mail:** [stampduty@dtf.wa.gov.au](mailto:stampduty@dtf.wa.gov.au)

### Pay-roll Tax

**Telephone:** (08) 9262 1300

**Facsimile:** (08) 9262 1348

**E-mail:** [payroll@dtf.wa.gov.au](mailto:payroll@dtf.wa.gov.au)

### Land and Financial Taxes

**Telephone:** (08) 9262 1200

**Facsimile:** (08) 9226 0837

**E-mail:** [landtax@dtf.wa.gov.au](mailto:landtax@dtf.wa.gov.au)

## **Compliance**

**Telephone:** (08) 9262 1350

**Facsimile:** (08) 9262 1399

**Anonymous information: (08) 9262 1380**

## **First Home Owner Grant**

**Telephone:** (08) 9262 1299      Country callers only: 1300 363 211

**Facsimile:** (08) 9262 1597

**E-mail:** [firsthomegrant@df.wa.gov.au](mailto:firsthomegrant@df.wa.gov.au)

## **Other Grants**

**Telephone:** (08) 9262 1371

