



STATE REVENUE
DEPARTMENT

ANNUAL REPORT

2000 – 2001

WESTERN AUSTRALIA

Plaza Level, Mt Newman House, 200 St George's Terrace, Perth

STATE REVENUE DEPARTMENT

WESTERN AUSTRALIA

HON ERIC RIPPER MLA
TREASURER

ANNUAL REPORT

In accordance with Section 65A of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament a report of the State Revenue Department for the year ended 30 June 2001.

This report will be the final report of the State Revenue Department, as the Department was abolished from 1 July 2001 as part of the Machinery of Government changes. The functions performed by the former State Revenue Department have been absorbed by the new Department of Treasury and Finance, effective from 1 July 2001. The report has been prepared by a Reporting Officer appointed under Section 65A of the Financial Administration and Audit Act 1985.

In accordance with Section 31(1) of the Public Sector Management Act, I advise:

1. In the administration of the State Revenue Department the Department complied with Public Sector Standards in Human Resource Management and the Code of Ethics.
2. Appropriate procedures have been designed to ensure such compliance and appropriate internal checks have been conducted to satisfy myself that the statement made in 1. is correct.
3. There were seven applications for review of the Standards during the period 1 July 2000 to 30 June 2001.

The results for the year have been outstanding and the officers of the Department responded enthusiastically to the challenges that confronted them. Their high standards of performance during the year are to be commended and their efforts have continued to raise the profile of the organisation.



RIC DAVIES
ACTING COMMISSIONER OF STATE REVENUE

31 August 2001

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EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer prior to July 2000 was seconded to other duties and this position has since been occupied on a rotation basis by four of the Assistant Commissioners.

ASSISTANT COMMISSIONERS

RIC DAVIES

Administers legislation in respect of the collection of the full range of all taxes and duties collected by the Department.

NIGEL MILLS

Responsible for grants, subsidies and finance.

BILL SULLIVAN

Responsible for the development of policy and legislation across the full range of taxes and duties administered by the Department.

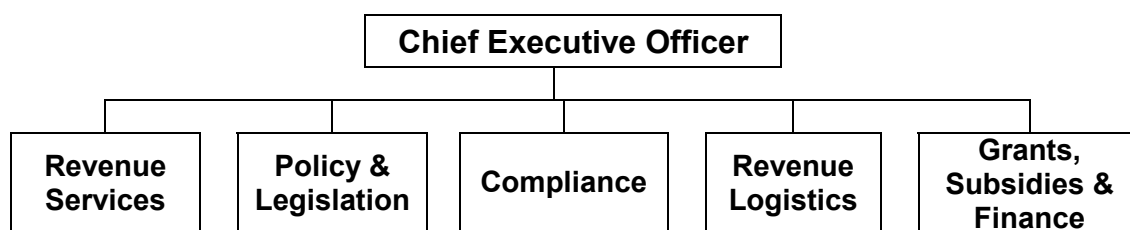
ROD RICHARDSON

Responsible for the conduct of audit and investigation programs to detect defaulting taxpayers

MINO INTINI

Responsible for human resource management, information technology, accommodation, information management and electronic commerce.

ORGANISATIONAL STRUCTURE



EXECUTIVE COMMITTEE

The Executive Committee is charged with the responsibility for setting the strategic direction of the Department. It comprises the Commissioner, Assistant Commissioners, Organisational Architect, a member of the Department's staff consulting committee and three senior female members of staff.

In order to address a gender imbalance both in the Executive and within the senior ranks of the Department, the three senior female officers are invited to work on the Executive Committee for a six month period.

REPORTING OFFICER'S OVERVIEW

The 2000/01 Annual Report for the State Revenue Department has been prepared in accordance with Section 65A of the Financial Administration and Audit Act, as this report is the final report in respect of the operations of the Department.

This final report has arisen due to the State Revenue Department being abolished from 1 July 2001 as part of the Machinery of Government changes in the State Public Sector.

During 2000/01, the Department collected \$2.359 billion in revenue compared with \$2.221 billion in the previous year.

Furthermore, the Department administered the payment of grants and subsidies of \$175.616 million to eligible persons, compared with \$196.816 million in the previous year.

With respect to the payment of grants and subsidies, it is highlighted that the 2000/01 year included the administration of the Commonwealth Government's First Home Owner Grant Scheme which commenced from 1 July 2000. In this regard, nearly 16,000 grants were paid to eligible first homebuyers, during the reporting period.

The administration of the First Home Owner Grant Scheme proceeded smoothly following its introduction from 1 July 2000, and applications for the grant were received and processed through a common (shared) computer system, developed and implemented collaboratively by all States and Territories in Australia.

It should also be noted that from 9 March 2001, the Commonwealth Government introduced an additional \$7,000 grant to certain eligible homebuyers which also needed to be administered by this Department in conjunction with the initial \$7,000 grant scheme.

With respect to the national computing system that underpins the operation of the First Home Owner Grant Scheme, the benefits of its development and its uniqueness in bringing all States and Territories together to build a common system, were recognised through the award of a Government Technology Productivity Gold Award 2001 by the Technology in Government Committee in Canberra, to all States and Territories.

During the year, a significant restructure of the Revenue Services area of the Department was finalised to support the operation of the Department's major tax collection schemes namely; land tax, stamp duties, pay-roll tax and financial taxes.

The benefits of the new structure are still to be fully realised. However, the changes have been geared to ensure the Department can cope with increasing workloads and, more particularly, will assist the Department in making further changes to its operations and service delivery. Most notably, it will enable departmental services to be provided electronically, and for more self-assessment practices to be established.

During the 2000/01 land tax assessment year, taxpayers were provided with more flexible means of paying their accounts through a telephone and internet facility established through Australia Post. This system, enabled taxpayers to pay their land tax accounts for amounts up to \$10,000 through utilising credit card facilities. The new facility proved a popular means for land tax payments to be made.

The Department's website continued to be enhanced during 2000/01, with additional content. The primary aim of the improved content being to provide taxpayers with relevant information and to establish the website as the platform for future electronic commerce initiatives.

In May 2001 the Department commenced a pilot program for its system titled “Revenue Online” which enables the electronic lodgement of pay-roll tax returns, and the payment of those returns through a direct debit facility against the customer’s nominated bank account.

While this system is currently being bedded-in, it will not only deliver improved lodgement and payment facilities for taxpayers, but a more streamlined receipt of information by the Department.

During 2001/02, the Revenue Online system will be extended progressively to other taxpayers registered for the lodgement and payment of pay-roll tax returns.

In last year’s annual report, it was stated “While the extent and rate of change is likely to continue to increase in the future, the Department is soundly placed to respond to the challenges ahead”.

With the Machinery of Government changes, this Department has embraced a significant challenge which saw its operations fall under the new Department of Treasury and Finance, from 1 July 2001.

Although the Machinery of Government changes were implemented on 1 July 2001, significant work was undertaken prior to that date to implement common financial services and human resource management arrangements to enable both the State Revenue Department and the Treasury Department to have one common system in place.

I am pleased to say that those arrangements were established by 1 July 2001 for the new Department to seamlessly commence operations.

During 2000/01, every officer of the State Revenue Department has continued to work towards improving the Department in line with its vision “to excel in our service to the Community as the recognised leader in the administration of Revenue Laws”. Furthermore, through their responsiveness to change and their support, State Revenue officers are well placed to take advantage of the benefits to be achieved from the new departmental structure.

Finally, I would like to record my appreciation of the efforts of the Department’s Executive Committee which has again worked well to achieve the outstanding results detailed above, and have guided the Department throughout the entire reporting period while our former CEO was firstly acting in another position, and later appointed to that position.



NIGEL MILLS
REPORTING OFFICER

THE LEGISLATION ADMINISTERED

During 2000/01 the Department was responsible for the collection of taxes, duties and fees and the payment of subsidies and rebates, in accordance with the following legislation:

- Agriculture and Related Resources Protection Act 1976-1980;
- Debits Tax Assessment Act 1990 and Debits Tax Act 1990;
- Financial Institutions Duty Act 1983;
- Indian Ocean Territories (Administration of Laws) Act 1992;
- Land Tax Assessment Act 1976 and Land Tax Act 1976;
- Land Tax Relief Act 1991;
- Land Tax Relief Act 1992;
- Metropolitan Region Improvement Tax Act 1959;
- Metropolitan Region Town Planning Scheme Act 1959;
- Pay-roll Tax Act 1971 and Pay-roll Tax Assessment Act 1971;
- Stamp Act 1921;
- Taxation (Reciprocal Powers) Act 1989;
- Totalisator Agency Board Betting Act 1960 and Totalisator Agency Board Betting Tax Act 1960;
- Fuel Suppliers Licensing Act 1997;
- Rates and Charges (Rebates and Deferments) Act 1992;
- The Department collects the levy imposed by the Perth Parking Management Act 1999 and Perth Parking Management (Taxing) Act 1999 on behalf of the Department of Transport; and
- First Home Owner Grant Act 2000.

STRATEGIC DIRECTION

The Department originated as the State Taxation Department which was created in 1969 under the provisions of the Public Service Act, and commenced operations on 1 July 1970. On 19 February 1996 the name of the Department was changed to State Revenue Department pursuant to section 35(d) of the Public Sector Management Act 1994.

Mission

The Department's Mission is:

“to administer revenue laws in a fair and equitable manner for the community”

As part of this Mission, the Department administers the various statutes, for which it is responsible, to collect taxes and provide rebates and concessions.

Vision

The Department's Vision is:

“to excel in our service to the community as the recognised leader in the administration of revenue laws”

The Department is committed to the achievement of this Vision in both the short and longer terms through a planned approach as outlined in its Strategic Plan.

Values

Fundamental to the fulfilment of the Mission is adherence to the Department's core values:

- **Respect & Empathy**
- **Equity & Fairness**
- **Quality Service**
- **Knowledge**
- **Initiative & Innovation, and**
- **Integrity**

Guiding Principles

The Department will focus its organisation strategy according to the following guiding principals:

Building Relationships with Customers

Establishing relationships with our customers is important to the delivery of quality services since sound relationships help identify and deliver on customer needs. Developing a customer service ethos and staff professionalism are two of several strategies aimed at enhancing the Department's reputation for quality services.

Making the Revenue Laws Simple to Understand

The aim of this guiding principle is for the revenue laws to be simple to understand so that staff and taxpayers get it right the first time and need not seek advice from experts. This will assist the Department in its objective of revenue collected as and when it should be collected.

Enabling People to Make Decisions

Staff and customers need to be empowered and trained to make the correct decisions about revenue obligations and responsibilities. This guiding principle is aimed at devolving decision making to staff at the lowest appropriate level through delegating authority and providing training and development.

Enhancing Knowledge, Technology and Personal and Professional Development

Staff who have access to the appropriate tools for their work and who are provided with opportunities for developing a career for themselves will be better able to provide quality service to customers.

Creating Challenging, Enjoyable and Rewarding Work

The Department aims to provide its staff with challenging, enjoyable and rewarding work. Staff who enjoy and are challenged by their work will be motivated to provide high quality service to customers.

Outcomes and Outputs

The efforts of the Department contribute to the achievement of the following Government desired outcomes:

1. Revenue raised to fund the operations of Government.

The Department raises and collects revenue from imposts approved by the Parliament which is applied to the Consolidated Fund or designated trust funds.

The outputs produced to deliver this outcome are the assessments made under the relevant revenue laws.

2. Rebates and concessions paid or provided to the community.

The Department administers revenue laws which provide rebates, concessions and exemptions to eligible members of the Community as determined by the Parliament.

The outputs produced to deliver this outcome are the claims that are received and processed by the Department.

3. Land Valuation Tribunal provided with administrative support.

The Land Valuation Tribunal determines appeals referred to it under the Valuation of Land Act or any other Act and is supported by the staff of the Department who provide administrative services.

The outputs delivered are the provision of three staff members.

Broad Objectives

In order to attain the Vision, Government desired outcomes and an organisational culture consistent with the Values, the Department has set the following objectives:

Mission Level

- Revenue collected as and when it should be collected
- Grants/subsidies paid as and when they should be paid
- Support provided to the Land Valuation Tribunal
- Business Development, to exploit our competitive advantage

Vision Level

- Culture and behaviour consistent with the Values
- Revenue laws which are understood
- Professional relationships with customers
- Appropriate levels of knowledge, technology and professionally skilled people to support the business
- People enabled to make decisions
- Motivated and committed workforce
- Excellent revenue administration services
- Recognised leadership

Customers

The Community

The Department provides those in the community with an understanding of their rights and obligations under the various schemes administered by the Department and provides a system for the payment of taxes at the least cost and inconvenience.

For those eligible for rebates, concessions and exemptions, the Department provides the necessary application processes and eligibility criteria to enable the claims to be made and processed as quickly as possible.

The Government

To meet the Government desired outcomes, the Department conducts compliance activities to detect revenue evasion and avoidance and provides policy advice on the effectiveness of the revenue laws. The Department also administers the revenue laws with a focus on customer service and meeting the needs of the community, particularly lowering the cost of compliance and making the revenue laws simple to understand.

Issues and Trends

The following factors remain as strategic drivers for the 2001/02 year and beyond:

- Level of tax evasion and avoidance in the taxpaying community
- Recovery of overdue debt in a timely manner
- Effectiveness and efficiency of the revenue laws
- Quality of data used to issue assessments
- Timeliness of communications with taxpayers
- The impact of technology - enhancement of electronic commerce opportunities
- Exposure of Government services to competition
- Interjurisdictional harmonisation of legislation
- Motivation, commitment, flexibility and adaptability of the workforce

THE YEAR IN REVIEW

The Revenue

During the 2000/01 financial year the Department collected \$2.359 billion in comparison to the \$2.221 billion collected in 1999/00.

Organisational Reform

The Department has continued its emphasis on organisational development and in particular, ensuring that it has the structure, skills and resources to meet the challenges presented by advancements in technology, increased customer expectations and tax reform.

The year saw a restructure in the core business area of the Department with the formation of Revenue Services and Grants and Subsidies areas. These two areas will administer revenue collections and grant and rebate administration, respectively. The new structure also positions the Department to take on new business in revenue law administration as it further develops the capability and competency to either collect revenue, through taxes, or pay and provide revenue through grants and rebates.

Reducing levels of sick leave, professional development of staff and creating job security and stability were the key human resources objectives addressed during the year. Sick leave has steadily declined. This can be attributed to the revision of the leave policy and the introduction of a number of health initiatives such as health testing, flu vaccinations and health exercises conducted during lunch times.

A significant number of staff have now completed a Post Graduate in Taxation studies, a course jointly developed by the Department and University of Western Australia. Apart from the obvious advantage of more qualified and knowledgeable staff, the initiative is encouraging persons, some who have not studied for many years, to develop themselves personally and professionally. Having more staff take an interest in professional development is encouraging other staff to undertake further studies, should they be interested in career advancement.

Much has also been done in the areas of job security and stability with the advertising and filling of a number of positions, which had been held vacant while the new structure was being finalised. The employment future of many contract persons has now been made certain. The new structure also required the redefining of job descriptions leading to improvement in job roles and responsibilities.

With increased emphasis on taxpayer self-assessment, the future in customer service is heavily dependant on the technical knowledge and skills of staff and this year has seen the development of comprehensive training modules to be delivered throughout the next financial year. The training programs will be tied to the creation of a flexible workforce that will see staff move between revenue administration areas to gain and apply new skills and knowledge.

The Department's Revenue Online initiative was launched as a pilot program for pay-roll tax with program participants now able to lodge and pay pay-roll tax through the internet. This presents a huge step forward in the processing of revenue collections and will lead to better services and increased efficiency. This is the first of many programs aimed at facilitating revenue administration using electronic means.

The year also saw the Department build on its planning and change management practices with a major review of its effectiveness, efficiency, activity and people performance measures. The review was aimed at bring performance measurement into line with corporate philosophy, namely the values, mission, vision and guiding principles of the Department. The Department is now in a position to commence strategic and business planning using useful and meaningful performance information.

Legislative Reform

During 2000/01 the Department was involved in implementing changes to the Stamp Act to ensure the land-rich provisions operated in the manner desired by the Government.

The Department also continued to develop the proposed Taxation Administration Bill and associated legislation. This project will standardise and improve the operation of the administrative provisions of the major taxing Acts. The project also involves rewriting the Pay-roll Tax Assessment Act and Land Tax Assessment Act.

Land Management Audit

This audit was conducted as a project for which special funding was allocated to the Department during the 2000/01 year. The project ran for six months and by matching external data within our database it identified an additional \$3.132 million in land tax revenue. This was twice as much as originally estimated. The project has now been extended to 31 December 2001.

First Home Owner Grant Scheme

The Department was publicly acclaimed for its part in developing the First Home Owner Grant Scheme, the service it provides and in particular, the expertise within the organisation that contributed to its success. In recognition it has received the following awards:

- Joint winner of the Australian Government Technology Productivity Gold Award 2001. The award was shared with all other States and Territories which also participated in the scheme.
- BankWest "New Wave" achievement award. This is the first time the award has been presented to an external organisation.

LEGISLATION 2000/01

Summary of legislative changes assented to in the 2000/01 year.

First Home Owner Grant Act 2000

Amendments were made to:

- extend access to the first home owner grant to New Zealand citizens who reside permanently in Australia; and
- make minor amendments to clarify that an applicant must meet the eligibility criteria specific to the applicant, at the commencement date of the eligible transaction.

Stamp Act 1921

Amendments were made to:

- ensure that duty is paid on chattels that are transferred in conjunction with the grant of a long term lease;
- provide an exemption from stamp duty in circumstances where property that vested in a bankruptcy trustee on the bankruptcy of a person is conveyed from the bankruptcy trustee back to that person;
- allow the Commissioner to reassess a stamp duty liability once an assessment has been issued;
- prevent use of the corporate reconstruction exemption provisions for avoidance purposes;
- correct an anomaly whereby modifications to a truck trailer may attract additional stamp duty;
- address a number of avoidance practices aimed at defeating the land rich provisions and to increase the Commissioner of State Revenue's ability to detect transactions which may fall within the ambit of the land rich provisions;
- make minor technical changes to the land-rich provisions;
- clarify the duty treatment of pooled superannuation trusts; and
- reduce the stamp duty rate on workers' compensation insurance for small businesses from 5% to 3%.

Stamp Act Regulations 1921

Amendments were made to:

- update the assessment powers delegated by the Commissioner to subordinate officers;
- prescribe various stock exchanges for the purposes of the definition of a "recognised stock exchange" inserted by the Financial Relations Agreement (Consequential Provisions) Act 1999 with effect from 1 July 2001; and
- repeal a number of regulations which are obsolete as a result of amendments to the Stamp Act under the Financial Relations Agreement (Consequential Provisions) Act 1999 which came into effect from 1 July 2001.

Pay-roll Tax Act 1971

Amendments were made to:

- correct anomalies in the calculation of the tax rate to include wages paid throughout Australia for all members of a group and to ensure that the pay-roll tax rate thresholds are apportioned over the financial year where an employer has changed status during the year by commencing or ceasing to pay wages or becoming a member of a group.

Pay-roll Tax Assessment Act 1971

Amendments were made:

- as a consequence of amendments to the Pay-roll Tax Act to the way the rate of pay-roll tax is calculated; and
- provide administrative support for the reduction of the stamp duty rate applicable to workers' compensation insurance for small business.

Pay-roll Tax Assessment Regulations 1971

Amendments were made to:

- facilitate the delivery of electronic services by removing restrictions that exist in relation to the manner in which taxpayers provide information to the Commissioner and make payments in respect of their tax obligations.

Land Tax Assessment Act 1976

Amendments were made to:

- ensure that land owned by a statutory authority that is liable for land tax includes vested land; and
- provide a land tax exemption where a home is held by a mortgagee for the purposes of a mortgagee sale, subject to certain conditions.

Rates and Charges (Rebates and Deferments) Act 1992

Amendments were made to:

- extend concessions to the holders of a State Seniors Card;
- allow pro-rata rebates and deferments where a person becomes an eligible pensioner or senior during the year; and
- provide a rebate or deferment where an otherwise eligible pensioner has rates arrears.

Rates and Charges (Rebates and Deferments) Regulations 1992

Amendments were made to:

- provide the limit on the amount of rebate that an eligible senior is allowed on a prescribed charge for the provision of water supply, sewerage or drainage for a rating year commencing after 30 June 2001.

Corporations Law Consequential Amendments

Amendments were made to a number of Acts as a result of the referral of powers to the Commonwealth Government to allow it to enact and administer new legislation governing corporations.

PUBLICATIONS / PROMOTIONS

The general public were informed on tax matters by the following methods:

- Advertisements were placed in The West Australian to advise taxpayers of the concession for land tax available to subdividers of land who still owned the subdivided lots at the 30 June 2000.
- All land developers and landowners who subdivided land during the 2000/01 land tax year were sent a standard letter advising of their possible entitlement to a concession for 2001/02.
- The 2000/01 land tax information pamphlet was improved to provide information in an easy to read colour format. The improved layout encouraged taxpayers to read details concerning land tax and helped taxpayers get a better understanding of land tax scheme.
- An additional insert was sent with every land tax assessment giving details of how to make payment over the internet or using the telephone. This insert was printed as a joint arrangement with Australia Post.
- Advertisements were placed in The West Australian concerning the abolishment of FID and stamp duty on some marketable securities.
- Circulars were issued explaining amendments made to the Stamp Act during the year.
- Stamp Duty Revenue Rulings were issued explaining changes in relation to assessments of “off-the-plan” sales and the treatment of GST.

ELECTORAL ACT REQUIREMENTS

In accordance with Section 175ZE of the Electoral Act, the State Revenue Department incurred the following expenditure in advertising:

- (a) Total expenditure for 2000/01 was \$23,236.
- (b) The advertising agency engaged was Marketforce.

DISABILITY SERVICES

One of the strategies of the Department’s Disability Services Plan is the need to ensure new staff appointees are made aware of the needs of the disabled.

During the year 38 persons viewed the training video.

Achievements during the year included:

- Better Hearing cards were displayed on the public enquiry counter of our tenancy.
- Access in the altered fitout areas throughout our tenancy conformed to required standards.
- Continuing a good working relationship with the Managing Agents of our building was maintained so as to facilitate the resolution of minor access issues as they occurred.
- Access standards were addressed in the development of the Department’s intranet web page.
- Persons attending the Land Valuation Tribunal are supplied with clear and concise access maps.

The Department remains committed to ensuring that where possible there are no access barriers to those who may be disabled irrespective of the nature of the disability.

FREEDOM OF INFORMATION

During the reporting period 11 applications for information were processed and all applications were denied full access to the requested information. Any queries regarding applications for information can be made to the FOI Contact Officer on 08 9262 1404.

WASTE PAPER RECYCLING

During the year an estimated 1,950 kgs of waste paper was recycled.

CUSTOMER FOCUS OUTCOMES

Taxpayer Awareness

Taxpayer Education and Public Speaking Engagements

The Department recognises the need to educate taxpayers about their rights and obligations under the tax laws. To achieve this, the Department provides a varied education program to reach existing business operators and those contemplating or who have recently commenced a new business. To raise awareness of legislative requirements and amendments, a number of seminars and presentations were made to representative organisations and taxation professionals. Included in the organisations were, Taxation Institute of Australia, Institute of Public Administration and lectures to Law Faculties of UWA and Murdoch.

Customer Committees

The Department co-ordinates the State Revenue Liaison Committee, which met several times during the year, to provide a forum for the exchange of information between the Department and professional taxation, law and accounting associations in respect of draft legislation as well as customer service initiatives. The Department is also a member of the Small Business Liaison Group, which provides the opportunity to liaise with industry groups and the Australian Taxation Office.

BizStart Seminars

The Australian Taxation Office offers seminars known as "BizStart", which are conducted for people starting-up a business and explains their rights and obligations under the tax system. The Department participates in the presentation of these seminars, as members of the audience are potential State taxpayers. Included in the taxes covered in the presentations were stamp duty, land tax and pay-roll tax.

Information Pamphlet Distribution

State Revenue information pamphlets are distributed to the Business Information Centre of the Small Business Development Corporation and the various Business Enterprise Centres within the State.

Internet/Web Page

The enhancement of the Department's website continued to progress throughout the year with the primary aim being to provide taxpayers with relevant information and establish the website as the platform for future electronic commerce initiatives. The website address is: www.srd.wa.gov.au.

Payment by Telephone and Internet

A facility was offered via Australia Post enabling taxpayers to make payment of land tax assessments using credit cards via the telephone or internet.

Revenue Online

Revenue Online is a secure internet based application developed by the State Revenue Department. The initial phase of Revenue Online was implemented during 2000/01 and enables taxpayers to electronically lodge and pay their monthly pay-roll tax returns.

All payments are made via a customer initiated direct debit facility that was developed as a whole of Government project. Throughout the design and development of the Revenue Online application, the Department sought direct feedback and input from a small group of taxpayers via a series of prototyping demonstrations. The primary aim of these sessions was to ensure that the application suited their business model.

Access to the Revenue Online application is currently restricted to this group of taxpayers to further enable the Department to gather feedback and if required implement enhancements before it is release to the public.

It is anticipated that over time the Revenue Online application will become the electronic window into the additional transactions and services offered by the Department.

Customer Assistance Program

Newly registered persons for return based taxes continue to be provided with the opportunity to have an officer visit their premises to explain their rights and obligations and to answer any questions that the taxpayer may have.

Improvement in Work Practices

Restructure

The Revenue Services area was reviewed and now comprises of four branches incorporating Assessments, Self-assessments, Review and Technical Advice and Executive Support. The Assessments Branch deals with invoice type taxes such as land tax and stamp duty, the Self-assessments Branch focuses on returns based taxes such as pay-roll, routine stamp duty and rental duty, the Review and Technical Advice Branch provides an educational role for staff and taxpayers, and the Executive Support Branch is responsible for internal control, budgeting, reconciliation and balancing, performance measurement and forecasting.

Staff Rotation

This program allows for new staff to be rotated through different areas. The exposure ranges from working on the front counter, publicly assessing documents, handling taxpayer enquiries over the phone and gaining knowledge and experience of a broad range of revenue collection services.

Electronic Advice of Sale (EAS) System

The Electronic Advice of Sale, which commenced in July 1997, allows settlement agents and solicitors to electronically enquire on outstanding land tax and water rates on land that is being sold. Departmental officers continued to provide training and support to settlement agents who have elected to use this system.

Call Centre Trial

The Call Centre that had been trailed in 1999/00 was implemented during 2000/01 with some improvements having been made. These improvements included staff rotation and an expanded service to cover all tax lines. In addition, further enhancements were made to the telephone software providing greater compatibility to other systems for reporting and a better delivery of service.

Graduate Diploma in Taxation Studies

The Department in a joint venture with the University of Western Australia has developed the State Taxation modules in the Graduate Diploma in Taxation Studies. To improve the level of expertise and skill of staff and provide a better service to clients, some officers of the Department are currently undertaking the course. In April this year fifteen officers completed and were awarded the Graduate Diploma.

SERVICES TO REGIONAL CUSTOMERS

The priority 1300 telephone number (1300 368 364) for country callers was publicised on assessments and information pamphlets.

HUMAN RESOURCE MANAGEMENT**Staff Numbers**

The full-time equivalent (FTE) level for the Department for the past two years was as follows:

FULL-TIME EQUIVALENT	1999/00	2000/01
Actual full-time equivalent employment (year ending)	242	243
Average full-time equivalent staffing level	238	249

Public Sector Standards, Code of Ethics and Code of Conduct

The Department continues to adhere to its policies, guidelines and processes supporting the current Public Sector Standards in Human Resource Management, Codes of Ethics and Code of Conduct by ensuring all transactions are compliant. The Department's processes and procedures are documented in the Departmental policy manuals, brochures and the Department's guidelines to the Public Sector Standards. These documents are easily accessible to all staff in hard copy format and on the Department's computer network drive.

Officers of the Human Resource Branch monitor processes and documentation relating to recruitment, selection and appointment, transfer, secondment, performance management, redeployment, termination, discipline, temporary deployment and grievance resolution.

The Department is currently preparing for the amended changes to the Public Sector Standards which become operational as from 1 July 2001.

Equal Employment Opportunity and Managing Diversity

Throughout the year, the Department continued to operate under its current EEO Management Plan. The Plan was reviewed and updated in April 2001 with a number of new initiatives and a focus on the inclusion of diversity principles. A copy of the revised EEO and Diversity Management Plan which will be in operation for the next three years was forwarded to the Office of Equal Employment Opportunity and all officers of the State Revenue Department were advised of their responsibilities under the new Plan.

The Department is continuing to ensure appropriate gender balance on the Department's Executive Committee through the appointment of three senior women appointed to this Committee on a rotational basis. This strategy also provides development opportunities to the officers participating on the program through the designation of management tasks.

Occupational Health and Safety

The Department is continuing to meet its obligations in relation to the Occupational Health and Safety of its employees. Two new Occupational Health and Safety representatives were appointed and attended training to assist them in their OHS roles.

During the year, a number of worksite assessments were conducted where staff were instructed on the correct layout required for their workstations and ergonomic equipment provided to staff as required to minimise the risk of workplace injuries.

An Employee Assistance Program using the expertise of qualified external consultants has continued to operate in the Department which provides staff with a confidential counselling service to them and their immediate families.

Workplace Reform

During the year, three new Industrial Agreements were registered and employees had the option of electing the Enterprise Bargaining Agreement, Workplace Agreement No. 7 or Workplace Agreement No. 8.

The Enterprise Bargaining Agreement was registered in October 2000, and the Workplace Agreements were registered in August 2000 with all of the Agreements allowing for a 3% salary increase on registration and productivity milestone payments 12 months after registration.

The inclusion of 6 weeks paid parental leave on the birth or adoption of a child was a new entitlement incorporated into all three Agreements and was in line with the Department's commitment to family friendly policies and more flexible work practices.

Training and Development

The Department is maintaining its strong commitment in promoting learning opportunities to all staff and each staff member has access to funds to use for their individual training and development.

Throughout the year, all staff have participated in a range of formal training activities conducted through both external providers and structured in-house training sessions. Our total expenditure on training including associated costs, amounted to \$272,339 and covered training in the areas of Information Technology, Executive and Management Development, and Specialist Skills.

Throughout the year, the Department conducted a number of in-house training workshops specifically relating to its core business in the assessment and collection of revenue. A restructure of the Revenue Services area saw the creation of a specialist training unit to focus on the training needs and requirements of staff within the Revenue Services area to improve their knowledge and expertise in areas relating to the processing of tax types, recovery procedures, inspections, rental businesses, or technical aspects of the Acts.

The Department continues to run the Graduate Diploma of Taxation Studies program in partnership with the University of Western Australia and is highly attended by State Revenue Department staff.

Workers' Compensation

The following table is an indication of the Department's rate of workers' compensation injuries occurring during the past year.

FULL-TIME EQUIVALENT	1999/00	2000/01
Frequency Rate	5.02%	12.48%
Cost of claims per \$100 wage roll	0.5925 cents	0.7895
Premium Rate	0.87%	0.76%
Rehabilitation Success Rate	100% 1 rehabilitated employee had their workers compensation claim settled. This employee had more than 4 weeks off work in previous financial years.	N/A 1 case required rehabilitation, however the case is ongoing and the rehabilitation process has not yet been successfully concluded.

Wellness Program

The Department continues to operate its Wellness Program with the aim of improving the well-being and health of all employees. A Calendar of Events for the 2001 calendar year was designed and distributed to all staff which included a variety of lunchtime workshops for interested parties on a number of different health issues such as drugs and alcohol, stress, relationships, women's and men's health.

The Department has also provided a series of 4 weekly exercise sessions where employees attend on a user pay basis.

Two significant components of the Wellness program were the conduct of Healthy Heart Checks which were offered to all employees, of which 87 staff were tested and the flu vaccinations which were taken up by 71 employees.

The Department also promotes attendance at Corporate Cup and other events that involve exercise, health and well-being such as participation in the Quit Smoking Campaign and National Heart Week through the dissemination of information, posters and brochures.

Public Sector Standards, Code of Ethics and Code of Conduct

The Department received a total of seven applications for reviews of suspected Breach of Standards.

Six of these applications related to the Recruitment, Selection and Appointment Standard, whilst one application referred to the Transfer Standard.

All applications were independently reviewed by a Reviewer appointed by the Office of the Public Sector Standards Commissioner and the following outcomes were reached:

STANDARD	OUTCOME
Transfer	1 Material Breach Found
Recruitment, Selection and Appointment (All 6 applications received were related to the same RSA process)	6 Non Material Breaches Found in respect of Compliance Requirement 1.9

In addition, the Office of the Public Sector Standards Commissioner appointed a reviewer in February 2001 to investigate the level of compliance of the State Revenue Department with the Public Sector Standards and Codes of Ethics.

The Reviewer found that the Department's compliance strategy is appropriate and that existing checks and controls are sufficient to provide a reasonable assurance of compliance with the Standards and Code of Ethics.

The recommendations suggested a review of the Secondment, Temporary Deployment (Acting) and Grievance Resolution policies to eliminate identifiable non-compliance risk factors and a revision of the Code of Conduct to include the development of strategies to monitor and report on compliance. The review of these policies and the Code of Conduct has commenced.

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the State Revenue Department 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 2001 and the financial position as at 30 June 2001.

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



Nigel Mills
Reporting Officer

15 August 2001

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001

	Note	2001 \$	2000 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	13,311,367	12,033,377
Supplies and services	5	2,933,636	3,037,004
Depreciation expense	6	2,027,342	2,058,663
Administration expenses	7	7,808,205	7,412,292
Accommodation expenses	8	1,716,565	2,074,883
Net loss on disposal of non-current assets	11	17,524	22,110
Other expenses from ordinary activities	9	483,205	422,436
Total cost of services		28,297,844	27,060,765
Revenues from ordinary activities			
User charges and fees	10	1,404,264	2,207,627
Other revenues from ordinary activities	10	598,384	1,391,413
Total revenues from ordinary activities		2,002,648	3,599,040
NET COST OF SERVICES		26,295,196	23,461,725
REVENUES FROM GOVERNMENT			
Appropriations	12	17,040,711	15,473,000
Liabilities assumed by the Treasurer	13	1,469,425	997,943
Resources received free of charge	14	6,539,078	6,003,342
Total revenues from Government		25,049,214	22,474,285
TOTAL CHANGES IN EQUITY		(1,245,982)	(987,440)

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

ADMINISTERED EXPENSES AND REVENUES			
EXPENSES			
Refunds of Past Year's Taxation Revenues		6,433,425	8,867,755
First Home Owner's Grants		114,502,001	
Fuel Suppliers' Licensing Act. 1997		21,397,568	161,397,940
On-road Diesel Subsidies		3,200,286	
Pensioners' Rates Concession		27,454,216	23,753,430
Seniors' Rebates Scheme		20,063	17,253
Swimming Pools - Subsidies for Operating Costs		345,908	289,287
Inner City Living Rebate Scheme		20,500	1,899
Stamp Duty Rebate on Farming Properties		107,796	114,460
Ex Gratia Payments		33,674	323,194
Rebates to Community Banks		33,932	
Doubtful Debts Expense		22,441,803	10,204,777
Collections Transferred to Other Agencies		42,640,196	38,111,518
TOTAL ADMINISTRATIVE EXPENSES		238,631,368	243,081,513
REVENUES			
Taxation Revenue	32	2,388,508,640	2,223,578,743
Refunds of Past Year's Taxation Revenue		6,111,000	9,000,000
First Home Owner's Grants		119,500,000	
Fuel Suppliers' Licensing Act. 1997		21,700,000	161,400,000
Pensioners' Rates Concession		27,855,000	25,855,000
Seniors' Rebates Scheme		30,000	60,000
Swimming Pools - Subsidies for Operating Costs		300,000	360,000
Inner City Living Rebate Scheme		20,000	40,000
Revenue Raised on Behalf of Other Agencies	33	45,695,769	42,577,225
Stamp Duty Rebate on Farming Properties		100,000	101,000
TOTAL ADMINISTERED REVENUE		2,609,820,409	2,462,971,968

STATEMENT OF FINANCIAL POSITION

as at 30 June 2001

	Note	2001 \$	2000 \$
Current Assets			
Cash assets	15	2,588,373	2,567,980
Restricted Cash Assets	16	270,000	225,000
Receivables	17	185,296	5,395
Other Assets	18	121,431	-
Total Current Assets		<u>3,165,100</u>	<u>2,798,375</u>
Non-Current Assets			
Plant, Equipment and Software	19	11,789,403	13,388,104
Total Non-Current Assets		<u>11,789,403</u>	<u>13,388,104</u>
TOTAL ASSETS		<u>14,954,503</u>	<u>16,186,479</u>
Current Liabilities			
Payables	20	144,778	122,309
Provisions	22	1,499,923	1,628,182
Other Current Liabilities	21	304,242	333,798
Total Current Liabilities		<u>1,948,943</u>	<u>2,084,289</u>
Non-Current Liabilities			
Provisions	22	1,016,933	867,581
Total Non-Current Liabilities		<u>1,016,933</u>	<u>867,581</u>
Total Liabilities		<u>2,965,876</u>	<u>2,951,870</u>
Equity			
Accumulated Surplus	23	11,988,627	13,234,609
Total Equity		<u>11,988,627</u>	<u>13,234,609</u>
TOTAL LIABILITIES AND EQUITY		<u>14,954,503</u>	<u>16,186,479</u>

ADMINISTERED ASSETS AND LIABILITIES**ADMINISTERED CURRENT ASSETS**

Unexpended Appropriation held in Operating Account	5,296,476	2,983,457
Accounts Receivable - Taxation Revenue	99,099,270	67,358,917
Less Provision for Uncollected Taxes	38,759,202	16,768,799
Total Administered Assets	<u>65,636,544</u>	<u>53,573,575</u>

STATEMENT OF CASH FLOWS

for the year ended 30 June 2001

	Note	Consolidated	
		2001	2000
		\$	\$
CASH FLOWS FROM GOVERNMENT			
Recurrent Appropriations		16,585,711	15,044,000
Capital Appropriations		455,000	429,000
vided by Government		<u>17,040,711</u>	<u>15,473,000</u>
llows:			
S FROM OPERATING ACTIVITIES			
Payments			
Employee Costs		(11,777,291)	(10,819,326)
Supplies and Services		(2,998,349)	(2,983,831)
Administration Expenses		(1,317,808)	(1,492,811)
Accommodation Expenses		(1,832,494)	(1,963,900)
Other Expenses		(409,631)	(351,704)
GST Payments on Purchases		(655,578)	(5,095)
Receipts in Suspense		(15,899)	34,423
Receipts			
User Charges and Fees		1,404,564	2,207,417
Other Receipts		598,384	1,391,438
GST Receipts on Sales		14,963	-
GST Receipts from Commonwealth		459,988	-
vided by/(used in) operating activities	24 (b)	<u>(16,529,151)</u>	<u>(13,983,389)</u>
S FROM INVESTING ACTIVITIES			
Purchase of Non-current Assets		(446,167)	(644,542)
		<u>(446,167)</u>	<u>(644,542)</u>
vided by/(used in) investing activities		<u>(446,167)</u>	<u>(644,542)</u>
/(decrease) in cash held		65,393	845,069
Cash Assets at the Beginning of the Financial Year		2,792,980	1,947,911
IS AT THE END OF THE FINANCIAL YEAR	24 (a)	<u><u>2,858,373</u></u>	<u><u>2,792,980</u></u>

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES

for the year ended 30 June 2001

	2001 Estimate \$	2001 Actual \$	Variance \$	2000 Estimate \$	2000 Actual \$	Variance \$
RECURRENT						
Amount required to fund outputs for the year	17,794,000	18,947,610	1,153,610	15,856,000	18,525,830	2,669,830
Less retained revenue – Section 23A Financial Administration and Audit Act	(2,389,000)	(2,477,899)	(88,899)	(1,829,000)	(3,598,830)	(1,769,830)
Item 90 - Amount provided to fund outputs for the year	15,405,000	16,469,711	1,064,711	14,027,000	14,927,000	900,000
Amount authorised by other Statutes						
- Salaries and Allowances Act 1975	116,000	116,000	-	116,000	116,000	-0
Total recurrent services	15,521,000	16,585,711	1,064,711	14,143,000	15,043,000	900,000
Item 91 Administered Grants and Transfer Payments	175,616,000	175,616,000	-	195,116,000	196,816,000	1,700,000
Item 173 - Amount provided for capital services for the year	405,000	455,000	50,000	380,000	429,000	49,000
GRAND TOTAL	191,542,000	192,656,711	1,114,711	209,639,000	212,288,000	2,649,000
DETAILS OF EXPENDITURE						
Recurrent						
Outputs:						
Land and Financial Taxes assessment and collection	4,347,000	5,029,709	682,709	4,476,756	4,470,033	(6,723)
Pay-roll Tax assessment and collection	4,598,000	5,143,949	545,949	4,460,622	4,040,086	(420,536)
Stamp Duties assessment and collection	5,828,000	6,319,233	491,233	6,053,622	6,919,244	865,622
Payment of grants and subsidies to eligible members of the community	2,188,000	2,122,276	(65,724)	713,000	1,846,732	1,133,732
Support services to the Land Valuation Tribunal	389,000	375,984	(13,016)	268,000	335,477	67,477
Recurrent expenditure	17,350,000	18,991,151	1,641,151	15,972,000	17,611,572	1,639,572
Less retained revenue	(1,829,000)	(2,477,899)	(648,899)	(1,829,000)	(3,598,830)	(1,769,830)
Adjustment for cash balances and other funding sources	-	72,459	72,459	-	1,030,258	196,816,000
	15,521,000	16,585,711	1,064,711	14,143,000	15,043,000	900,000
Administered						
Expenditure for Administered items	175,616,000	173,549,369	(2,066,631)	195,116,000	194,765,218	(350,782)
Adjustment for cash balances and other funding sources		2,066,631	2,066,631		2,050,782	2,050,782
	175,616,000	175,616,000	-	195,116,000	196,816,000	1,700,000
Capital						
Capital expenditure	405,000	446,167	41,167	380,000	689,637	309,637
Adjustment for cash balances and other funding sources	-	8,833	-	-	(260,637)	(260,637)
	405,000	455,000	41,167	380,000	429,000	49,000
Grand Total of Appropriations	191,542,000	192,656,711	1,114,711	209,639,000	212,288,000	2,649,000

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes.

SUMMARY OF REVENUE ESTIMATES

for the year ended 30 June 2001

	Estimate	2000/2001 Actual	Variance	Estimate	1999/2000 Actual	Variance
Details of Taxation Revenue						
Land Tax	209,500,000	217,327,308	7,827,308	194,000,000	200,896,150	6,896,150
Stamp Duties	905,200,000	1,021,839,495	116,639,495	830,400,000	961,911,864	131,511,864
Conveyance and Transfer	448,000,000	529,331,721	81,331,721	420,000,000	508,699,148	88,699,148
Insurance Policies	148,900,000	154,981,264	6,081,264	115,700,000	139,450,015	23,750,015
Cheques	8,000,000	6,110,840	(1,889,160)	9,500,000	8,119,153	(1,380,847)
Motor Vehicle Licences	171,900,000	161,202,448	(10,697,552)	162,600,000	160,083,512	(2,516,488)
Mortgages	63,400,000	74,671,182	11,271,182	63,400,000	68,782,747	5,382,747
Rental Duty	24,700,000	23,113,713	(1,586,287)	23,200,000	22,038,730	(1,161,270)
Marketable Securities	28,000,000	57,753,448	29,753,448	24,000,000	42,156,099	18,156,099
Other	12,300,000	14,674,879	2,374,879	12,000,000	12,582,460	582,460
Pay-roll Tax	825,000,000	839,809,440	14,809,440	833,500,000	782,986,583	(50,513,417)
Business Franchise (Tobacco)	-	-	-	-	17,616	17,616
T.A.B. Betting Tax	41,800,000	42,707,779	907,779	41,000,000	39,853,042	(1,146,958)
Debits Tax	105,000,000	99,840,191	(5,159,809)	112,200,000	103,244,203	(8,955,797)
Financial Institutions Duty	135,800,000	137,933,852	2,133,852	131,200,000	131,824,877	624,877
Fuel Suppliers Licenses	-	6,000	6,000	-	16,600	16,600
Total Revenue Estimates	<u>2,222,300,000</u>	<u>2,359,464,065</u>	<u>137,164,065</u>	<u>2,142,300,000</u>	<u>2,220,750,935</u>	<u>78,450,935</u>

OUTPUT SCHEDULE OF EXPENSES AND REVENUE

for the year ended 30 June 2001

OUTPUTS	Land & Financial Taxes Assessment & Collection		Pay-roll Tax Assessment & Collection		Stamp Duties Assessment & Collection		Payment of Rebates & Subsidies		Support Services Land Valuation Tribunal		Total	
	2000/2001 \$	1999/2000 \$	2000/2001 \$	1999/2000 \$	2000/2001 \$	1999/2000 \$	2000/2001 \$	1999/2000 \$	2000/2001 \$	1999/2000 \$	2000/2001 \$	1999/2000 \$
EXPENSES												
Operating expenses												
Employee Expenses	2,913,537	2,601,118	3,917,317	3,084,582	5,062,622	5,035,626	1,269,443	956,801	148,448	155,250	13,311,367	11,833,377
Supplies and services	1,113,337	948,592	761,250	776,070	479,951	809,099	562,502	487,696	16,596	15,547	2,933,636	3,037,004
Depreciation expense	540,617	549,136	468,674	400,217	732,246	822,001	255,959	254,772	29,846	32,537	2,027,342	2,058,663
Administration expenses	6,096,938	5,511,642	245,261	233,100	1,325,032	1,525,928	118,788	124,607	21,695	17,015	7,807,714	7,412,292
Accommodation expenses	442,698	440,161	327,216	251,517	659,523	968,207	207,128	239,096	80,000	75,902	1,716,565	1,974,883
Net loss on disposal of non-current assets	4,953	5,476	3,438	6,315	7,123	7,712	2,183	2,468	318	139	18,015	22,110
Other expenses from ordinary activities	103,928	102,135	102,026	66,969	118,155	140,394	49,979	320,717	109,117	92,221	483,205	722,436
Total Operating Expenses	11,216,008	10,158,260	5,825,182	4,818,770	8,384,652	9,308,967	2,465,982	2,386,157	406,020	388,611	28,297,844	27,060,765
REVENUE												
Revenues from Ordinary Activities	1,404,264	2,178,923	-	14,352	-	14,352	-	-	-	-	1,404,264	2,207,627
Other Departmental Revenue	271,500	464,731	161,003	463,341	165,881	463,341	-	-	-	-	598,384	1,391,413
	1,675,764	2,643,654	161,003	477,693	165,881	477,693	-	-	-	-	2,002,648	3,599,040
Net Cost of Services	9,540,244	7,514,606	5,664,179	4,341,077	8,218,771	8,831,274	2,465,982	2,386,157	406,020	388,611	26,295,196	23,461,725
Revenues from Government												
Appropriations	3,370,945	2,170,676	4,999,946	3,886,690	6,170,351	6,765,847	2,123,485	2,314,310	375,984	335,477	17,040,711	15,473,000
Resources Received Free of Charge	5,819,779	5,026,303	-	14,274	719,299	951,143	-	9,906	-	1,716	6,539,078	6,003,342
Liabilities Assumed by Treasurer	286,605	229,567	373,389	253,299	627,520	416,347	167,353	85,250	14,558	13,480	1,469,425	997,943
Total Revenues from Government	9,477,329	7,426,546	5,373,335	4,154,263	7,517,170	8,133,337	2,290,838	2,409,466	390,542	350,673	25,049,214	22,474,285
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(62,915)	(88,060)	(290,844)	(186,814)	(701,600)	(697,937)	(175,144)	23,309	(15,478)	(37,938)	(1,245,982)	(987,440)

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

for the year ended 30 June 2001

OUTPUTS	Land & Financial Taxes Assessment & Collection		Pay-roll Tax Assessment & Collection		Stamp Duties Assessment & Collection		Payment of Rebates & Subsidies		Support Services Land Valuation Tribunal		Total	
	2000/2001	1999/2000	2000/2001	1999/2000	2000/2001	1999/2000	2000/2001	1999/2000	2000/2001	1999/2000	2000/2001	1999/2000
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ADMINISTERED EXPENSES AND REVENUES												
EXPENSES												
Refunds of Past Years' Taxation Revenue	2,000	2,379	1,373	1,016	3,060	5,473					6,433	8,868
First Home Owner's Grants							114,502				114,502	
Fuel Suppliers Licensing Act 1997							21,398	161,398			21,398	161,398
Pensioners Rate Concession							27,454	23,753			27,454	23,753
Seniors Rebate Scheme							20	17			20	17
Swimming Pools - Subsidies for Operating Costs							346	289			346	289
Inner City Living Rebate Scheme							20	2			20	2
Stamp Duty Rebate on Farming Properties							108	115			108	115
Off-road Diesel Subsidies							3,200				3,200	
Rebates to Community Banks							34				34	
Ex-gratia Payments							34	323			34	323
Doubtful Debts Expense	-321	54	15,747	-556	7,016	10,707					22,442	10,205
TOTAL ADMINISTERED EXPENSES	1,679	2,433	17,120	460	10,076	16,180	167,116	185,897	-	-	195,991	204,970
REVENUES												
Taxation Revenue	458,551	430,451	893,597	822,211	1,036,361	970,917					2,388,509	2,223,579
Refunds of Past Years Taxation Revenue	2,300	2,400	1,500	1,100	2,311	5,500					6,111	9,000
First Home Owner's Grants							119,500				119,500	
Fuel Supplier's Licensing Act 1997							21,700	161,400			21,700	161,400
Pensioners Rate Concession							27,855	25,855			27,855	25,855
Seniors Rebate Scheme							30	60			30	60
Swimming Pools – Subsidies for Operating Costs							300	339			300	339
Inner City Living Rebate Scheme							20	40			20	40
Stamp Duty Rebate on Farming Properties							100	101			100	101
TOTAL ADMINISTERED REVENUES	460,851	432,851	895,097	823,311	1,038,672	976,417	169,505	187,795	-	-	2,564,125	2,420,374
ADMINISTERED CURRENT ASSETS												
Unexpended Appropriation held in Operating Account							5,296	2,983			5,296	2,983
Accounts Receivable - Taxation Revenue	16,584	13,201	18,908	5,875	59,217	44,909					94,709	63,985
less Provision for Uncollected Taxes	20	350	19,880	4,268	18859	12151					38,759	16,769
TOTAL ADMINISTERED ASSETS	16,564	12,851	-972	1,607	40,358	32,758	5,296	2,983	-	-	61,246	50,199

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Departmental Mission and Funding

The Department's mission is "To administer revenue laws in a fair and equitable manner for the community".

The Department is funded by Parliamentary appropriations. It provides the following services on a fee-for-service basis: Land Tax Enquiries and Administration of Taxes in the Indian Ocean Territories. The fees are charged on a full cost recovery basis. The financial statements encompass all funds through which the Department controls resources to carry on 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 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 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 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.

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in the notes 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 is described above for the financial statements of the Department. The administered assets, liabilities, expenses and revenues are those which 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.

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) Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, 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.

(d) *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.

Retained revenues may only be applied to the outputs specified in the 2000/01 Budget Statements.

Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

(e) *Depreciation of Non-current Assets*

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

Depreciation is provided for on the straight line basis, using rates which are reviewed annually.

Useful lives for each class of depreciable asset are:

Computer Hardware	5 years
Plant and Equipment	6 to 7 years
Furniture and Fittings	10 years
Revenue Collection Information System	10 Years

(f) *Employee Entitlements*

Annual Leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of 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 employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30, Accounting for Employee Entitlements.

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit 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.

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

- (ii) notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Department had made concurrent employer contributions to those Schemes.

[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.]

(g) *Leases*

The Department has entered into a number of operating lease arrangements for the rent of the office building where the lessor effectively retains 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.

(h) *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 represent 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.

(i) *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.

(j) *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.

(k) *Revenue Recognition*

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

(l) *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 which are reliably attributable to those outputs is set out in the Output Schedule. 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.

The five key outputs of the Department:

(a) *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, Financial Institutions Duty Act, Debits Tax Assessment Act and the Debits Tax Act.

(b) Pay-roll Tax Assessment and Collection

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

(c) Stamp Duties Assessment and Collection

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

(d) Payment of Grants and Subsidies to Eligible Members of the Community

The payment of grants to eligible First Home Owners; the payment of claims to fuel distributors/suppliers; and the issuing of licences to distributors/suppliers. Payments are also made to local authorities under various rebate and subsidy schemes.

(e) Support Services to the Land Valuation Tribunal

The Land Valuation Tribunal consists of three Members and is supported by a registrar and a typist. Members of the Tribunal are appointed by the Governor and are independent of the Commissioner of State Revenue. The role of the Tribunal is to determine appeals referred to it pursuant to the Valuation of Land Act and the Land Tax Assessment Act and other rating and Taxing Acts.

	2000/01	1999/00
	\$	\$
4. Employee Expenses		
Wages and salaries	11,712,017	10,901,333
Superannuation	1,469,425	997,943
Other related expenses	129,925	134,102
	13,311,367	12,033,378
5. Supplies and Services		
Consultants and contractors	2,532,354	2,662,624
Repairs and maintenance	193,697	118,167
Travel	207,585	256,213
	2,933,636	3,037,004
6. Depreciation Expense		
Plant, equipment	687,451	718,772
Software	1,339,891	1,339,891
	2,027,342	2,058,663
7. Administration Expenses		
Communication	645,064	636,171
Consumables	368,869	398,710
Other staff costs	227,304	353,584
Taxation administration costs	6,566,968	6,023,827
	7,808,205	7,412,292

	2000/01 \$	1999/00 \$
8. Accommodation Expenses		
Lease rentals	1,502,103	1,534,279
Repairs and maintenance	89,185	427,036
Cleaning	10,790	4,982
Electricity	86,745	83,685
Other accommodation costs	27,742	24,901
	<u>1,716,565</u>	<u>2,074,883</u>
9. Other Expenses From Ordinary Activities		
Motor vehicle expenses	94,578	85,044
Insurance	41,615	37,565
Advertising	8,063	10,534
Other expenses	338,949	289,293
	<u>483,205</u>	<u>422,436</u>
10. User Charges and Fees		
Land tax liability enquiry fee	1,404,264	1,754,350
Indian Ocean Territories Administration Fee	71,320	43,000
Other revenue	527,064	1,801,690
	<u>2,002,648</u>	<u>3,599,040</u>
The Indian Ocean Territories administration fee does not include an amount of \$732 which is to be recouped from GST paid to the Commonwealth		
11. Net Loss on Disposal of Non-current Assets		
Losses on sale of non-current assets		
Computer Hardware	17,524	22,110
Gross proceeds on disposal of asset	-	-
	<u>17,524</u>	<u>22,110</u>
12. Revenues from Government		
Appropriation revenue received during the year:		
Recurrent	16,585,711	15,044,000
Capital	455,000	429,000
	<u>17,040,711</u>	<u>15,473,000</u>

Supplementary Funding

During the year supplementary funding of \$1,124,000 was received for expenditures that were unknown at the time of formulating the 2000/01 estimates. These funds were required for the implementation of a credit card payment facility (\$160,000), additional policy officers (\$262,000), land tax audit project (\$333,000), reduction of outstanding debtors (\$250,000) and on-road diesel investigations (\$119,000).

	2000/01 \$	1999/00 \$
13. The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation	1,469,425	997,943
14. Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Valuer General's Office (Valuation fees)	5,991,006	5,619,005
Office of the Auditor General	73,000	78,000
Department of Land Administration (Titles and Microfiche Costs)	475,072	306,337
	<u>6,539,078</u>	<u>6,003,342</u>
15. Cash Assets		
Cash on hand	4,200	4,200
Cash in operating bank account	2,584,173	2,563,780
	<u>2,588,373</u>	<u>2,567,980</u>
16. Restricted Cash Assets		
Accrued salaries suspense account	270,000	225,000
Amount held in suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.		
17. Receivables		
Current		
Receivables	-	300
GST receivable	185,296	5,095
	<u>185,296</u>	<u>5,395</u>
18. Other Assets		
Prepayments	121,431	-
19. Plant, Equipment and Software		
Plant and Equipment		
At cost	611,753	614,750
Accumulated depreciation	(427,226)	(348,129)
	<u>184,527</u>	<u>266,621</u>
Computer hardware		
At cost	3,581,794	3,557,765
Accumulated depreciation	(2,509,095)	(2,315,092)
	<u>1,072,699</u>	<u>1,242,673</u>
Furniture and fittings		
At cost	47,330	47,330
Accumulated depreciation	(10,964)	(4,222)
	<u>36,366</u>	<u>43,108</u>

	2000/01 \$	1999/00 \$
Computer software (Revenue Collection Information System)		
At cost	13,398,908	13,398,908
Accumulated depreciation	(2,903,097)	(1,563,206)
	10,495,811	11,835,702
	11,789,403	13,388,104

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and software at the beginning and end of the current financial year are set out below.

2000/01	Plant & Equipment	Computer Hardware	Furniture & Fittings	Computer Software
Carrying amount at start of year	266,621	1,242,673	43,108	11,835,702
Additions	21,684	424,483	-	-
Disposals	(339)	(17,185)	-	-
Depreciation	(103,439)	(577,272)	(6,742)	(1,339,891)
Carrying amount at end of year	184,527	1,072,699	36,366	10,495,811

	2000/01 \$	1999/00 \$
20. Payables		
Current	47,883	9,516
Receipts in suspense	96,895	112,793
	144,778	122,309
21. Other Current Liabilities		
Accrued salaries	254,180	255,600
Accrued Expenses	50,062	78,198
	304,242	333,798
22. Provisions		
Current		
Annual leave	453,829	521,153
Long service leave	1,046,094	1,107,029
	1,499,923	1,628,182
Non-current		
Long service leave	1,016,933	867,581

Employee Entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current	1,499,923	1,628,182
Non-current	1,016,933	867,581
	2,516,856	2,495,763

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.

Accumulated surplus/(deficiency)

	2000/01	1999/00
	\$	\$
	11,988,627	13,234,609
Opening balance	13,234,609	14,222,049
Change in net assets	(1,245,982)	(987,440)
Closing balance	11,988,627	13,234,609

24. Reconciliation of cash

- (a) For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense 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	2,588,373	2,567,980
Restricted cash assets (refer to note 16)	270,000	225,000
	<u>2,858,373</u>	<u>2,792,980</u>

- (b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(26,295,196)	(23,461,725)
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Non-cash items:

Depreciation expense	2,027,342	2,058,663
Superannuation expense	1,469,425	997,943
Resources received free of charge	6,539,078	6,003,342
Loss on sale of plant and equipment	17,524	22,110

(Increase)/decrease in assets:

Current receivables (i)	300	(210)
Other current assets	(121,431)	112,683

Increase/(decrease) in liabilities:

Current accounts payable (i)	22,469	39,290
Current provisions	(128,259)	(26,200)
Other current liabilities	(29,556)	124,944

Non-current provisions	149,352	150,866
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Net GST receipts/(payments) (ii)	(180,199)	(5,095)
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Net cash provided by/(used in) operating activities	<u>(16,529,151)</u>	<u>(13,983,389)</u>
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- (i) Note that ATO receivable/payable in respect of GST and receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items.

- (ii) This is the net GST paid/received, ie. cash transactions.

2000/01	1999/00
\$	\$

25. Resources Provided Free of Charge

During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Department

Valuer General's Office (Corporate Support)	144,000	75,000
	<u>144,000</u>	<u>75,000</u>

26. Affiliated Bodies

Land Valuation Tribunal	375,984	335,477
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The State Revenue Department provides the funding and clerical support for the operations of the Land Valuation Tribunal of Western Australia. The Land Valuation Tribunal is constituted under the provisions of the Land Valuation Tribunals Act 1978.

The function of the Tribunal is to hear and determine appeals referred to it under the Valuation of Land Act or other rating and taxing Acts. The Tribunal is independent of the Commissioner in the performance of its function.

27. Lease Commitments

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

Office Accommodation		
Within 1 year	1,457,949	1,476,409
Later than 1 year and not later than 5 years	5,803,596	5,743,490
Later than 5 years	2,176,349	3,585,275
Motor Vehicles		
Within 1 year	44,028	27,272
Later than 1 year and not later than 2 years	20,372	3,462
Representing:		
Cancellable operating leases	9,502,294	10,835,908
Non-cancellable operating leases	-	-
	<u>9,502,294</u>	<u>10,835,908</u>

28. Capital Commitments

There are no capital commitments for the State Revenue Department.

29. Contingent Liabilities

The State Revenue Department has no contingent liabilities as defined by Treasurer's Instruction 952(5).

30. Remuneration to Senior Officers

Senior officers are those officers who are permanent members of the Executive Committee of the Department.

The number of senior officers whose total of fees, salaries and other benefits received or due and receivable for the financial year falls within the following bands:

	2000/01	1999/00
\$70,000 - \$80,000	-	1
\$80,000 - \$90,000	-	2
\$90,000 - \$100,000	2	4
\$100,000 - \$110,000	3	-
\$170,000 - \$180,000 (i)	1	-
(i) Includes a redundancy payment.	6	7
	2000/01 \$	1999/00 \$
Remuneration paid to senior officers is	686,606	623,861

Retirement Benefits

The following amounts were paid or became payable for the financial year.

Notional contributions to

- Government Employees Superannuation Scheme Act	151,051
- Contributions to other superannuation funds	-
	151,051

Amounts paid to senior officers on retirement

91,547	-
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31. Explanatory Statement**Significant Variations**

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10%.

(i) Revenues for the Financial Year

	2000/01 Estimate	2000/01 Actual	Variation
Retained Revenue	1,829,000	2,477,899	648,899
The variance reflects the inclusion of GST input tax credits received as revenue.			

(ii) Expenditure for the Financial Year

There were no significant variations where actual expenditures were less than an expenditure item in the annual estimates or where actual expenditures exceeded or were less than an estimated expenditure item authorised by other statutes for the financial year.

		2000/01 Estimate	2000/01 Actual	Variation
Outputs				
Land and Financial Taxes Assessment and Collection		4,347,000	5,029,709	682,709
The additional expenditure is due to projects undertaken which were supported by supplementary funding of \$1,124,000.				
Pay-roll Tax Assessment and Collection		4,598,000	5,143,949	545,949
The additional expenditure is due to projects undertaken which were supported by supplementary funding of \$1,124,000.				
		2000/01 Actual	1999/00 Actual	Variation
(iii)	Comparison of actual results with those of the previous year			
	Land and Financial Taxes Assessment and Collection	5,029,709	4,470,033	559,676
	The additional expenditure is due to projects undertaken which were supported by supplementary funding of \$1,124,000.			
	Pay-roll Tax Assessment and Collection	5,143,949	4,040,086	1,103,763
	The additional expenditure is due to projects undertaken which were supported by supplementary funding of \$1,124,000.			
	Payments of Grants and Subsidies to Eligible Members of the Community	2,122,276	1,846,732	275,544
	The variance is due to the administration of the First Home Owner Grant Scheme which was introduced from 1 July 2000.			
	Support Services to the Land Valuation Tribunal	375,984	335,477	40,507
	The increase in expenditure is due to additional sitting days of the Tribunal.			
	Expenditure for Administered Items	173,549,369	194,765,218	(21,225,849)
	The decrease in expenditure is due to abolition of the Off-road Diesel Scheme from 30 June 2000 offset by the introduction of the First Home Owner Grant Scheme from 1 July 2000.			
	Retained Revenue	2,477,899	3,598,830	(1,120,931)
	The variance is due to the treatment of GST input tax credits as revenue after offsetting the once-off sale proceeds for the Revenue Collection Information System in 1999/00.			

2000/01	1999/00
\$	\$

32. Taxes, Fees and Fines

The Department is responsible for the collection of taxes, fees and fines. These are not classified as operating revenue and are paid directly to the Consolidated Fund.

The total revenue raised was: 2,388,508,640 2,223,578,744

Collections made during the year and transferred to the Consolidated Fund were:

Land Tax	217,327,308	200,896,150
Stamp Duties	1,021,839,495	961,911,864
- Conveyance and Transfer	529,331,721	508,699,148
- Insurance Policies	154,981,264	139,450,015
- Cheques	6,110,840	8,119,153
- Motor Vehicle Licences	161,202,448	160,083,512
- Mortgages	74,671,182	68,782,747
- Rental Duty	23,113,713	22,038,730
- Marketable Securities	57,753,448	42,156,099
- Other	14,674,879	12,582,460
Pay-roll Tax	839,809,440	782,986,583
Tobacco Sellers Licences	-	17,616
T.A.B. Betting Tax	42,707,779	39,853,042
Debits Tax	99,840,191	103,244,204
Financial Institutions Duty	137,933,852	131,824,877
Fuel Suppliers Licences	6,000	16,600
Total Taxation Revenue	2,359,464,065	2,220,750,936

Explanatory Note

Details and reasons for significant variations between estimates and actual results and between actual results and the corresponding item for the preceding year are set out below.

Significant variations are considered to be those greater than 10%.

(a) Comparison of Taxation Revenues – Estimate and Actual

	2000/01 Estimate	2000/01 Actual	Variation
Conveyance and Transfer	448,000,000	539,331,721	81,331,721
The increase in collections is due to stronger than expected market activity and two large one-off transactions that were not anticipated.			
Cheques	8,000,000	6,110,840	(1,889,160)
The decrease in collections is due to the decline in the tax base being more than expected.			
Mortgages	63,400,000	74,671,182	11,271,182
The higher out-turn is due to stronger than expected market activity and the large mortgage duty related to a major sale transaction.			
Marketable Securities	28,000,000	57,753,448	29,753,448
The higher revenue is due to stronger than expected market activity and a very large unlisted share duty transaction related to an internal restructure of share ownership.			

(b) Comparison of Taxation Revenues – Actual Results and those of the Preceding Year

	2000/01 Actual	1999/00 Actual	Variation
Insurance	154,981,264	139,450,015	15,531,249
The variance is due to stronger than expected growth in premiums (despite the HIH collapse).			
Business Franchise (Tobacco)	-	17,616	(17,616)
Tobacco Sellers Licence fees were discontinued from 30 June 2000.			
Fuel Suppliers Licences	6,000	16,600	(10,600)
The Off-road Diesel Scheme, under which fuel suppliers were licensed, was discontinued from 30 June 2000.			

33. Revenues Administered on Behalf of Other Agencies

The Department administers the following revenues on behalf of other agencies:

- Perth Parking Licence fees for the Department of Transport
- Agriculture Protection Rate for the Agriculture Protection Board
- Metropolitan Region Improvement Tax for the Ministry for Planning
- Off-road diesel recoups for the Treasury Department
- Taxes proclaimed in the Indian Ocean Territories for the Commonwealth Government

Details of revenues raised are:

	2000/01 \$	1999/00 \$
Perth Parking Licence Fees	4,712,905	6,583,723
Indian Ocean Territories (Commonwealth)	1,441,645	1,092,416
Agriculture Protection Rate	501,443	516,232
Metropolitan Region Improvement Tax	36,141,649	32,285,353
Off-road diesel recoups	2,898,127	2,099,501
	45,695,769	42,577,225

34. Trust Accounts**Receipts in Suspense**

The purpose of this trust account is, pursuant to section 9(2)(c)(iv) of the Financial Administration and Audit Act, to hold funds pending identification of the purpose for which those monies were received or identification of where those monies are to be credited or paid.

The balance of the trust fund at the end of the financial year is held with the Commonwealth Bank – State Revenue Department Operating Account.

Opening Balance	112,793	78,370
Receipts	587,600	1,486,957
Payments	(603,499)	(1,452,534)
Closing Balance	96,894	112,793

Indian Ocean Territories

The purpose of this trust account is to hold taxation collections pending transfer to the Commonwealth of Australia.

The balance of the trust fund at the end of the financial year is held with the Commonwealth Bank – State Revenue Department Operating Account.

Opening Balance	63,623	152,901
Receipts	1,413,402	2,298,682
Payments	(1,376,463)	(2,387,960)
Closing Balance	100,562	63,623

35. Additional Financial Instruments Disclosures**(a) Interest Rate Risk Exposure**

The Department's financial assets and liabilities are all non-interest bearing.

- (b) Credit Risk Exposure
All financial assets are unsecured.

Amounts owing by other Government agencies are guaranteed and therefore no credit risk exists in respect of those amounts.

In respect of other financial assets, the carrying amounts represent the Department's maximum exposure to credit risk in relation to those assets.

2000/01	1999/00
\$	\$

36. Write Offs

Public and other property, revenue and debts due to the State were written-off in accordance with section 45 of the Financial Administration and Audit Act by the:

Accountable Officer	186,288	94,473
Minister	68,201	308,375
Executive Council	210,543	719,993
	<u>465,032</u>	<u>1,122,841</u>

37. Losses Through Theft, Default and Other Causes

Losses of public moneys and public and other property through theft or default

Amount recovered

37,581	20,731
<u>4,514</u>	<u>15,531</u>
<u>33,067</u>	<u>5,200</u>

Amount recovered was through an outstanding insurance claim at 30 June 2000.

The losses reflect items not located during stocktakes and are at the cost value of \$37,581. However, the written down value was only \$425.

38. Events Occurring after Balance Date

Under the State Government's Machinery of Government Taskforce the State Revenue Department will, effective from 1 July 2001, amalgamate with the Treasury Department to become the Department of Treasury and Finance.

This will be the final set of financial statements and annual report for the State Revenue Department.

AUDITOR GENERAL'S OPINION - FINANCIAL STATEMENTS



Auditor General

To the Parliament of Western Australia

STATE REVENUE DEPARTMENT

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the final accounts and financial statements of the State Revenue Department for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Commissioner of State Revenue was responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rested with the Commissioner of State Revenue. Following the abolition of the Department with effect from July 1, 2001, the Treasurer appointed a Reporting Officer under the provisions of section 65A of the Act, who was responsible for preparing and presenting the final financial statements.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Department to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Department's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the State Revenue Department provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Department at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL

September 21, 2001

CERTIFICATION OF PERFORMANCE INDICATORS

I certify that the accompanying performance indicators are based on proper records and fairly represent the performance of the State Revenue Department for the year ending 30 June 2001.



NIGEL MILLS
REPORTING OFFICER

15 August 2001

PERFORMANCE INDICATORS

A. EFFECTIVENESS INDICATORS:

Outcome One: Revenue raised to fund the operations of Government and the payment of grants and subsidies to the community

State Revenue Department contributes to part of the outcome relating to revenue raised, by collecting taxation revenues and ensuring compliance with the tax laws.

COLLECTION EFFECTIVENESS INDICATORS	1998/99	1999/00	2000/01	NOTES
Proportion of assessments issued without subsequent cancellation or alteration.	93%	92%	91%	1
Proportion of self-assessments found to be correct.	97%	98%	98%	2
Proportion of assessments and applications for assessment issued or processed within standard turnaround times.	92%	94%	93%	3
Revenue collected as a proportion of revenue to be collected.	97%	97%	97%	4
Proportion of assessments paid, and returns lodged and paid by the due date.	86%	87%	85%	5
Proportion of overdue assessments for which recovery action has been initiated.	100%	100%	100%	6

A. EFFECTIVENESS INDICATORS: (continued)**Outcome One: Revenue raised to fund the operations of Government and the payment of grants and subsidies to the community**

State Revenue Department contributes to part of the outcome relating to revenue raised, by collecting taxation revenues and ensuring compliance with the tax laws.

EFFECTIVENESS INDICATORS	NO. INVESTIGATED/ AUDITED			% OF COMPLIANCE			% OF REVENUE RAISED OR CONCESSION PAID			NOTES
	1998/99	1999/00	2000/01	1998/99	1999/00	2000/01	1998/99	1999/00	2000/01	
The extent to which all instruments liable to duty are lodged for assessment within three months of execution.	914	1,229	2402	97.92%	86.90%	90.55%	0.08%	0.45%	1.02%	7
The extent to which all persons who are required to register (or be licensed) on a returns basis are so registered or licensed.										
♦ Pay-roll Tax	772	634	1892	84.07%	84.07%	85.31%	0.19%	0.20%	0.91%	8
The extent to which all registered or licensed persons submit returns and pay their correct liability or claim the correct concession.										
♦ Pay-roll Tax	285	475	916	67.37%	41.89%	30.46%	0.13%	0.30%	1.12%	9(a)
♦ Stamp Duty – Rentals	19	158	33	89.48%	86.08%	42.43%	0.02%	0.12%	0.05%	9(b)
♦ Financial Institutions Duty	29	44	12	75.86%	68.18%	58.33%	1.57%	0.23%	0.15	9(c)
♦ Off-road Diesel Scheme	142	403	N/A	76.76%	64.02%	N/A	0.31%	1.43%	N/A	9(d)
♦ Pensioner Rebate Scheme	931	1,049	1179	94.2%	94.47%	95.38%	2.5%	2.17%	2.29%	9(e)
♦ First Home Owner Grant Scheme	N/A	N/A	358	N/A	N/A	99.45%	N/A	N/A	0.65%	9(f)

A. EFFECTIVENESS INDICATORS: (continued)**Outcome Two: The provision of support services contributes to the outcomes of the Land Valuation Tribunal**

The Land Valuation Tribunal was questioned as to the level of satisfaction with the support services provided by the State Revenue Department. The response indicated the Land Valuation Tribunal to be satisfied with the services. (See Note 10)

Notes:**Outcome 1:**

1. Proportion of assessments issued without subsequent cancellation or alteration provides an indication of the accuracy of the revenue assessment process. 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. During 2000/01 the number of land tax assessment amendments increased slightly over the previous year. This increase can be attributed to a special project undertaken to identify additional taxable land resulting in an additional 4,000 assessments being raised.

The cancellation or alteration figure for stamp duty assessments consists of objections allowed, on-line audits and internal control audits in which assessments were found to be incorrect.

2. Proportion of self-assessments found to be correct provides an indication of the level of compliance by self-assessed taxpayers. This indicator applies to returns based self-assessments. Incorrect stamp duty returns figure consists only of stamp duty rental.
3. Proportion of assessments and applications for assessment issued or processed within standard turnaround times provides an indication of the speed at which the Department is able to process assessments and thus the time taken to collect revenue. This indicator applies only to land tax and stamp duties assessments.

In 2000/01, 95.51% of the land tax assessments were issued by the target date of 28 February 2001. As a comparison, for 1999/00, 98.59% of the land tax assessments were issued by the target date of 29 February 2000 and in 1998/99, 95.65% of the land tax assessments were issued by the target date of 28 February 1999.

For stamp duties, 87% 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 48,124 bundles created and stamped immediately and a further 13,515 bundles which were pre-paid and stamped without requiring registration. The figure also includes 37,986 delayed assessments issued, of which 66.2% were issued within the standard turnaround time. An assumption was made that one assessment is made for each bundle created.

4. Revenue collected as a proportion of total revenue to be collected provides an indication of the Department's 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 (including Metropolitan Region Improvement Tax, Agriculture Protection Rate and Perth Parking Levy) to be collected, as it takes into account revenue receivable at the commencement of the year.

5. 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 of pay-roll tax, insurance, stamp duty rental and systems generated (non-manual) miscellaneous stamp duty.
6. 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.
7. The extent to which all instruments liable to duty are lodged for assessment within 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 month lodging period. Of 2,402 businesses audited or investigated, 227 or 9.45% were found to have unstamped instruments. The revenue raised from these instruments was \$6,890,368, which represents 1.02% of revenue raised from stamp duty instruments.
8. The extent to which all persons who are required to register (or be licensed) on a returns basis are so registered or licensed, reflects the effectiveness of the Department's programs aimed at detecting unregistered taxpayers. Registrations detected resulted from both specifically targeted projects as well as general audit activities.

The percentage of non-compliance (14.69%) relates to persons found to be liable but not registered. This percentage is not representative of the level of non-registration in the community, which is calculated by dividing the 278 registrations over the total tax base of 7,795 registered employers, resulting in non-compliance of 3.57%. Revenue assessed in respect to unregistered employers (\$7,619,593) represents 0.91% of the total pay-roll tax revenue received in 2000/01 (\$839,809,440).

9. The extent to which all registered or licensed persons submit returns and pay their correct liability or claim the correct concession reflects the level of compliance amongst registered or licensed persons.
 - (a) The percentage of compliance relates to persons found to have declared 100% of their liability. The decrease in compliance was partly attributable to the inclusion of FBT and superannuation amounts as taxable payments. The indicator is based on routine audits of 916 employers representing 11.75% of the total pay-roll tax base of 7,795 employers.
 - (b) The percentage of compliance relates to persons found to have declared 100% of their liability. It is based on a sample of 33 businesses representing 2.52% of the total stamp duty rental registration base of 1,307.
 - (c) The percentage of compliance relates to persons found not to have declared 100% of their liability. It is based on audits performed on 12 (10.26%) of the 117 persons registered to pay financial institutions duty.
 - (d) The Off-road Diesel Scheme ceased during 2000/01, as off-road diesel subsidies were not available for diesel fuel supplied on or after 1 July 2001.
 - (e) 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 rebates claimed. Of 128,301 claims made, 122,374 were accepted. Claims paid totalled \$27,454,216 and claims rejected totalled \$629,256.

- (f) The percentage of compliance relates to persons found to have correctly claimed a First Home Owner Grant (FHOG). It was based on audits performed on 1.87% of the total FHOG applications base of 19,094. Of 19,094 claims made, 18,989 were accepted. Claims paid totalled \$114,502,001 and claims rejected totalled \$742,000.

Outcome 2:

10. The State Revenue Department provides clerical support services to the Land Valuation Tribunal. The Department is no way involved in the Land Valuation Tribunal's judicial function. The Chairperson expressed his continuing satisfaction with the services provided by the Registrar and his support staff.

B. EFFICIENCY INDICATORS:

Outcome One: Revenue raised to fund the operations of Government and the payment of grants and subsidies to the community

Output One: Land and Financial Taxes assessment and collection

EFFICIENCY INDICATORS	1998/99	1999/00	2000/01	NOTES
Cost of collections per \$100	\$2.46	\$2.33	\$2.46	11
Land and financial taxes cost per determination	\$57.21	\$54.17	\$56.27	12

Output Two: Pay-roll Tax assessment and collection

EFFICIENCY INDICATORS	1998/99	1999/00	2000/01	NOTES
Cost of collections per \$100	\$0.53	\$0.59	\$0.66	11
Pay-roll tax cost per determination	\$58.76	\$65.37	\$77.02	13

Output Three: Stamp Duties assessment and collection

EFFICIENCY INDICATORS	1998/99	1999/00	2000/01	NOTES
Cost of collections per \$100	\$0.78	\$0.97	\$0.82	11
Stamp duties cost per determination	\$12.11	\$16.96	\$16.14	14

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

EFFICIENCY INDICATORS	1998/99	1999/00	2000/01	NOTES
Cost per FHOG claim	N/A	N/A	\$103	15
Cost per payment claim processed	\$49	\$267	\$103	16
Cost per certificates issued	\$73	\$201	N/A	17
Cost per licence issued	\$1,097	\$1,198	\$103	18
Cost per local authority rebate claim	\$115	\$206	\$103	19
Cost per diesel and FHOG investigation	\$1,562	\$1,988	\$671	20

Outcome Two: The provision of support services contributes to the outcomes of the Land Valuation Tribunal**Output Five: Support services to the Land Valuation Tribunal**

EFFICIENCY INDICATORS	1998/99	1999/00	2000/01	NOTES
Elapsed time from lodgement of appeal to Hearing	51 days	62 days	37.5 days	21
Cost per Hearing	\$7,938	\$4,519	\$4,951	22

Notes:**Outcome 1:**

11. Cost of collections per \$100 provides some indication of the cost of raising revenue. It must be said, however, that the cost can also be affected by changes to the revenue base and the rates of taxes and duties imposed. No significant change to the tax scale occurred in the 2000/01 year.
12. Cost per determination reflects the unit cost of the principal work items produced by the Department. Determinations include notices issued and returns processed, and are in relation to Western Australia only (and do not include any determinations in relation to the Indian Ocean Territories). This indicator is based on the gross cost of operations.
13. Cost per determination reflects the unit cost of the principal work items produced by the Department. Determinations do not include pay-roll tax returns issued in respect of the Indian Ocean Territories. In previous financial years this indicator had also included business franchises 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.
14. Cost per determination reflects the unit cost of the principal work items produced by the Department. Determinations include instruments assessed under the Collection By Returns, assessments (originals, duplicates and NDPs) and returns issued in relation to Western Australia only (and do not include any determinations in relation to the Indian Ocean Territories). This indicator is based on the gross cost of operations.

15. The cost per FHOG claim was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 19,094 for the FHOG scheme. No comparison was made with previous years as the First Home Owner Grant scheme commenced from 1 July 2000.
16. The cost per payment claim processed relates to fuel suppliers claims only. The Off-road Diesel Scheme ceased during 2000/01, with off-road diesel subsidies not available for diesel fuel supplied on or after 1 July 2000. The cost per payment claim was based on an average cost of the determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 36 diesel fuel subsidy payments processed that were in relation to claims for fuel supplied prior to 1 July 2000.
17. The cost per certificate issued relates to Off-road Diesel User's Certificates. This scheme ceased as of 30 June 2000.
18. Cost per licence issued relates to fuel distributor licences and fuel suppliers licences. The cost per licence was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included five fuel suppliers licences issued to validate diesel fuel subsidy payments processed that were in relation to claims for fuel supplied prior to 1 July 2000.
19. Cost per local authority rebate claim was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 1,277 local authority claims. Local authority claims include pensioner rebate and deferment (1,179), seniors rebate (14), and swimming pool rebates (84). In previous years this indicator had also included determinations in relation to the inner city living rebate and refinancing of farm loans.
20. The cost per diesel and FHOG investigation is based on the average cost of all investigations performed. FHOG investigations commenced in 2000/01 with the commencement of the First Home Owner Grant scheme from 1 July 2000.

Outcome Two:

21. Elapsed time from lodgement of appeal to Hearing provides an indication of the time taken by the Tribunal to convene and attend a Hearing. The State Revenue Department is unable to influence the allocation of Hearing dates, as they are decided on the basis of the availability of Tribunal Members and parties to the appeal. The State Revenue Department is responsible for providing the clerical support to the Tribunal only. There was no occasion when the Tribunal was not fully supported as relief officers were provided at all times.
22. Cost per Hearing is an indication of the unit cost of each registered appeal. The total cost includes the fees paid to Tribunal Members. This cost is not within the control of the State Revenue Department.

AUDITOR GENERAL'S OPINION – PERFORMANCE INDICATORS



Auditor General

To the Parliament of Western Australia

STATE REVENUE DEPARTMENT PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the final key effectiveness and efficiency performance indicators of the State Revenue Department for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Commissioner of State Revenue was responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. Following the abolition of the Department with effect from July 1, 2001, the Treasurer appointed a Reporting Officer under the provisions of section 65A of the Act, who was responsible for preparing and presenting the final key performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Department's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the State Revenue Department are relevant and appropriate for assisting users to assess the Department's performance and fairly represent the indicated performance for the year ended June 30, 2001.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
September 21, 2001

BUDGET STATEMENTS OUTPUT MEASURES

Outcome One: Revenue raised to fund the operations of Government and the payment of grants and subsidies to the community

Output One: Land and Financial Taxes assessment and collection

BUDGET STATEMENT INDICATORS (OUTPUT MEASURES)	2000/01 TARGETS	2000/01 ACTUALS	NOTES
QUANTITY			
Determinations	172,000	199,495	1
QUALITY			
Number of amendments	20,000	25,724	
TIMELINESS			
Proportion of assessments issued (by January of the year of assessment)	98%	94%	2
Revenue collected as a proportion of revenue raised	98%	99%	3
COST			
Average cost of administration (per determination)	\$67.32	\$56.22	

Notes:

1. The variation has occurred due to a change in the basis of calculation. The target was based on actual (net) assessments to be issued and payable in the year, whereas the actual determinations are based on all assessments issued, including reassessments.

The determination figure includes land tax assessments issued (155), debits tax returns (12) and financial institutions duty returns lodged (12) in relation to the Indian Ocean Territories.

2. During 2000/01 a special project was undertaken to identify further taxable land, resulting in an additional 4,000 assessments being raised. With the additional assessments being issued it meant that the percentage issued by 31 January 2001 was below the target. This result was however consistent with the previous financial year's result.
3. This indicator shows all revenue collected (including amounts outstanding from previous years) compared with taxes raised in 2000/01.

Output Two: Pay-roll Tax assessment and collection

BUDGET STATEMENT INDICATORS (OUTPUT MEASURES)	2000/01 TARGETS	2000/01 ACTUALS	NOTES
QUANTITY			
Determinations	75,500	75,816	4
QUALITY			
Percentage of self-assessments found to be correct	97%	98%	
TIMELINESS			
Proportion of assessments paid by the due date	97%	92%	5
Proportion of revenue collected (in year of assessment)	99%	99.53%	
COST			
Average cost of administration (per determination)	\$72.13	\$76.84	

Notes:

4. The determinations figure includes pay-roll tax returns (75,735) for both Western Australia and the Indian Ocean Territories, business franchises tobacco licences issued (70) for the Indian Ocean Territories and declarations made in accordance with Totalisator Agency Board Betting Tax Act (11).
5. On reflection, the target was too ambitious. The result for 2000/01 remains consistent with the previous year's result.

Output Three: Stamp Duties assessment and collection

BUDGET STATEMENT INDICATORS (OUTPUT MEASURES)	2000/01 TARGETS	2000/01 ACTUALS	NOTES
QUANTITY			
Determinations	558,500	519,567	6
QUALITY			
Objections allowed	145	225	7
TIMELINESS			
Proportion of assessments paid by the due date	94%	97%	8
COST			
Average cost of administration (per	\$13.37	\$16.14	

determination)			
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Notes:

6. Actual determinations did not meet the target due to a decrease in the commercial activity. The determinations figure includes stamp duty assessments (21) and stamp duty returns (76) in relation to the Indian Ocean Territories.
7. Objections allowed exceeded the target because of the change in practice in relation to assessments of off-the-plan sales and the treatment of GST.
8. 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.

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

BUDGET STATEMENT INDICATORS (OUTPUT MEASURES)	2000/01 TARGETS	2000/01 ACTUALS	NOTES
QUANTITY			
First Home Owner Grant (FHOG) scheme claims processed	17,000	19,094	
Diesel fuel subsidy payments processed	45	36	9
Number of end user certificates issued	N/A	N/A	9
Number of supplier/distributor licences issued	N/A	5	10
Number of local authority claims settled/processed	1,100	1,277	
Number of diesel and FHOG investigations	300	550	11
QUALITY			
FHOG scheme claims paid correctly	100%	100%	
Accuracy of diesel fuel subsidy claims/certificates issued	99.5%	100%	
TIMELINESS			
FHOG scheme claims processed by the due date	100%	100%	
Turnaround time for diesel fuel subsidy payments and the issue of certificates on application	N/A	N/A	9
COST			
Average cost per FHOG claim	\$117.23	\$102.73	12
Average cost per diesel fuel payment processed	\$166.00	\$102.73	13
Average cost per end user certificates issued	N/A	N/A	9
Average per diesel fuel supplier/distributor licence issued	N/A	\$102.73	14
Average cost per local authority rebate claim	\$115.20	\$102.73	15
Average cost per diesel and FHOG scheme investigation	\$1,211	\$671	16

Notes:

9. The Off-road Diesel Scheme ceased during 2000/01, with off-road diesel subsidies not available for diesel fuel supplied on or after 1 July 2000. As such, there were no certificates required to be issued for fuel supplied during 2000/01, and the diesel fuel subsidy payments processed were in relation to claims for fuel supplied prior to 1 July 2000.
10. These licences were issued to fuel suppliers to validate retrospective claims from the previous financial year.
11. The number of investigations consists of 358 audits for the FHOG scheme and 192 diesel audits. The number of diesel audits was reduced in line with the winding down of the Off-road Diesel Scheme.
12. The cost per FHOG claim was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 19,094 for the FHOG scheme.
13. The cost per payment claim processed relates to fuel suppliers claims only. The Off-road Diesel Scheme ceased during 2000/01, with off-road diesel subsidies not available for diesel fuel supplied on or after 1 July 2000. The cost per payment claim was based on an average cost of the determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 36 diesel fuel subsidy payments processed that were in relation to claims for fuel supplied prior to 1 July 2000.
14. Cost per licence issued relates to fuel distributor licences and fuel suppliers licences. The cost per licence was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 5 fuel suppliers licences issued to validate diesel fuel subsidy payments processed that were in relation to claims for fuel supplied prior to 1 July 2000.
15. Cost per local authority claims was based on an average cost of determinations for this output (excluding the cost in relation to investigations). The 20,412 determinations included 1,277 local authority claims. Local authority claims include pensioner rebate and deferment (1,179), seniors rebate (14), and swimming pool rebates (84). In previous years this indicator had also included determinations in relation to the inner city living rebate and refinancing of farm loans.
16. The cost per diesel and FHOG investigation is based on the average cost of all investigations performed.

Outcome Two: The provision of support services contributes to the outcomes of the Land Valuation Tribunal

Output Five: Support services to the Land Valuation Tribunal

BUDGET STATEMENT INDICATORS (OUTPUT MEASURES)	2000/01 TARGETS	2000/01 ACTUALS	NOTES
QUANTITY			
Number of Hearings	40	82	17
QUALITY			
Decisions overturned by the Supreme Court	Nil	1	18
TIMELINESS			
Elapsed time from lodgement of appeal to Hearing	67 days	37.5 days	
COST			
Cost per Hearing	\$11,150	\$4,951	19

Notes:

17. The Hearings figure can include Directions and Substantive Hearing(s) and also includes formal handing down of decisions. During the year, 22 appeals were lodged and 24 appeals were decided.
18. At the end of 1999/00 two cases that had gone before the Supreme Court during 1999/00 were waiting on a result. These decisions were handed down during 2000/01, with one case having its decision overturned and the other case having been dismissed.
19. The cost per determination was significantly below the target because the actual determinations were greater than the target and because the cost of the output was less than the target.