



# STATE SUPPLY COMMISSION

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**1999/00 ANNUAL REPORT**



SEPTEMBER 2000

# LETTER TO THE MINISTER

**HON ROB JOHNSON JP MLA  
MINISTER FOR SERVICES**

Dear Minister

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament the Annual Report of the State Supply Commission for the financial year ending 30 June 2000.

**JENNIFER BALLANTYNE**

**CHAIRMAN**

**22 AUGUST 2000**

**PAUL SCHAPPER**

**MEMBER**

**22 AUGUST 2000**

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# AT A GLANCE

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## INTRODUCTION

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The State Supply Commission (the Commission) is a statutory body established in 1991 to co-ordinate and oversee the purchase of goods and services across Government. Its role encompasses that of policy maker, regulator and umpire in public sector purchasing, and involves promoting best practice through policies and guidelines.

The Commission is comprised of a Board that includes representatives from industry and from the public sector. The Minister for Services appoints the members.

### **MISSION**

*To promote Buying Wisely policies in the public sector through the adoption of good practice*

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## GOALS

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- ! To enhance the efficiency and effectiveness of the public sector supply function.
  - ! To maximise the benefits to the State through the use of Government purchasing.
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## FUNCTIONS

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- ! POLICY - develop, implement and review supply and disposal policies.
  - ! CO-ORDINATION - arrange and coordinate the efficient supply of goods and services.
  - ! SALE OF GOVERNMENT BUSINESSES - effect sales as required.
  - ! MONITORING - monitor supply and disposal activities and conduct compliance audits.
  - ! ADVICE - provide advice to Government, agencies and industry on supply and disposal policies.
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### **STATE SUPPLY COMMISSION ACT 1991**

*The State Supply Commission Act 1991 provides a framework for purchasing goods*



# OPERATIONAL HIGHLIGHTS 1999/00

- “ *Review of State Supply Commission Act 1991*
- “ *Establishment of the new State Tenders Committee*
- “ *Establishment of Process Review Panel to investigate supplier complaints*
- “ *Commenced the public consultation on the draft Buying Local policy and guidelines*
- “ *Development of two new guidelines on the Management of Software Contracts and Internal Audit Reviews of Agencies Application of supply policies*
- “ *1998-99 Who Buys What publication released*

# ORGANISATIONAL PROFILE

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## LEGISLATION

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The State Supply Commission is a statutory body established on 20 September 1991 in accordance with Section 4 of the *State Supply Commission Act 1991*. The Act provides a legislative framework for public sector supply management.

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## RESPONSIBLE MINISTER

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The Hon. Rob Johnson JP MLA is responsible for the State Supply Commission.

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## LEGISLATIVE COMPLIANCE

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In the performance of its functions the Commission has complied with the *Financial Administration and Audit Act 1985* and has also exercised controls to provide reasonable assurance for compliance with other relevant written law. The Commission is not aware of any circumstance that would render this statement inaccurate.

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## CHANGES IN WRITTEN LAW

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There were no changes in any written law that affected the agency during the financial year.

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## ORGANISATIONAL STRUCTURE

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The review into the operation and effectiveness of the State Supply Commission Act 1991 undertaken by the Crown Solicitor's Office was completed in May 1999 and the Crown Solicitor's Review report was tabled in Parliament by the Minister on 30 June 1999.

In doing so, the Minister advised the Parliament that a Ministerial Consultative Committee would be established to consult on the review findings and recommendations.

The Ministerial Consultative Committee completed a further round of extensive consultation within the public sector and across industry to provide feedback on the recommendations made by the Crown Solicitor.

On 29 March 2000, the Hon Minister for Works, Services announced that the Review of the State Supply Commission Act has been completed. Minister Johnson has recommended a number of administrative changes which include:

- # the State Supply Commission Board act as a new Contracting Policy Advisory Council to advise the Minister on Government policies and instructions needed to support effective contracting;
- # the existing State Tenders Committee take on a wider role as proposed for the State Contracting Committee to review recommendations for high value or high risk contracts, to advise Government on specific contract issues and conduct investigations into contract and tender issues;
- # Contract and Management Services (CAMS) be responsible for continuing the contracting education and training agenda;
- # a process review panel be established to handle co.1(r)-6.41(o.1(a Twpl)-8.8(end)-1914 Tw67 c)8esend ctir

**IAN CLARENCE HILL**

Mr Hill is the Chief Executive of the WA Department of Training and Employment. His term of appointment expired on 30 June 2000.

**KEITH GRAEME LINGARD**

Mr Lingard is the Partner Audit and Operational Services at Stanton Partners. His term of appointment expired on 30 June 2000.

**RICHARD JAMES MUIRHEAD**

Mr Muirhead is the Chief Executive Officer of the Department of Commerce and Trade. His term of appointment expired on 30 June 2000.

**PAUL ROLAND SCHAPPER**

Dr Schapper is the Chief Executive Officer of the Department of Contract and Management Services. His term of appointment expired on 30 June 2000.

**JAMES SNOOKS**

Mr Snooks was the Business and Development Manager at Thiess Contractors Pty Ltd. His term of appointment expired on 30 June 2000.

**CHERYL GWILLIAM**

**EX-OFFICIO MEMBER – ACTING CHIEF EXECUTIVE OFFICER**

Ms Gwilliam was appointed as ex-officio member in accordance with clause 8(b) of the *State Supply Commission Act 1991*, by virtue of her appointment as Acting Chief Executive Officer of the State Supply Commission.

**SUBSTITUTE MEMBER**

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**IAN BOYD GIBB MAITLAND**

Mr Maitland is a Consulting Engineer in private practice. His term of appointment expired on 30 June 2000.

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**1999/00 REGULAR AND SPECIAL MEETINGS**

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In 1999/00, the State Supply Commission met on thirteen occasions (nine regular and four special meetings) to consider Board matters.

An announcement by the Minister for Services on new appointees to the State Supply Commission Board will be made in July 2000.

**REVIEW OF OPERATIONS**

During 1999/00, the State Supply Commission achieved some major outcomes in its commitment to developing a modern purchasing and contracting environment within the Western Australian public sector.

The Commission's main objectives are to:

- # provide public authorities with a sound supply policy foundation relevant to today's complex purchasing environment;
- # ensure that public authorities receive appropriate autonomy to effectively implement and manage their own purchasing and contracting activities; and
- # provide industry with an independent mediator to resolve government contracting process grievances.

Transparency and accountability continued to be a key focus for the Commission. The Commission assisted in generating increased community confidence in the public sector contracting system through supporting initiatives such as greater disclosure of contract information through the Government Contracting Information Bulletin Board, and resolving supplier grievances through the







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OPEN AND EFFECTIVE COMPETITION POLICY

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The members of the APCC have recognised the potential benefits for government and industry in implementing electronic commerce within a co-ordinated framework. This Framework for National Cooperation on Electronic Commerce in Government Procurement facilitates the development of transnational trading communities providing new opportunities for Australian businesses to grow and export; and provides an open and secure trading facility for businesses, both large and small, to trade with Governments and with each other.

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#### SMALL BUSINESS PROCUREMENT ADVISORY COMMITTEE

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The State Supply Commission is a member of the Ministerial Committee, established by the Minister for Services, which provides advice on policies that impact on small businesses. The Committee provides the small business sector with an opportunity to put their concerns and views to government.



# REPORT ON EQUITY, ACCESS AND CUSTOMER FOCUS

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## COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT SECTION 31 (1)

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The Commission has adopted guidelines and processes supporting the Public Sector Standards in human resource management.

In November 1999, the Commission developed a Human Resource Manual to be given to all Commission employees. Included in this manual are the standards, procedures and requirements for human resource management. This includes information on how to lodge a breach of the standards, employee rights and obligations and other legislative requirements.

The manual is in line with the Commission's Quality Management System and therefore gives clear indication of the procedures to be followed. Given the smaller size of the Commission, a separate human resources section is not viable, and therefore this manual is designed to respond to any queries that may arise in this area.

The manual is an updated version of the Human Resources Plan established in 1998/99.

### **STATEMENT OF COMPLIANCE**

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- 1) In the administration of State Supply Commission, I have complied with Human Resource Management, the WA Public Sector Code of Ethics and our Code of Conduct.
- 2) I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
- 3) The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged	0
Number of breaches found	0
Number still under review	0

**Cheryl Gwilliam**

**A/Chief Executive Officer**





Access in full	6
Access denied	0
Status pending	5
Total	11

If there is a requirement for documents not routinely available, the *Freedom of Information Act 1992* provides the right for the public to lodge an application for them. To apply for any documents under the Freedom of Information legislation, an application in writing to the FOI Co-ordinator, State Supply Commission, 5th Floor, 2 Havelock Street, West Perth, WA 6005 is required. The application must have a return address within Australia and identify the applicant.

For assistance in making an application, contact the FOI Co-ordinator on 9222 5700. A standard application form and explanatory notes are available on request. Use of the form is optional and a letter is normally sufficient. The FOI Coordinator may contact the applicant to assist in clarifying the request. Applications will be dealt with within 45 days.

A fee of \$30 must accompany each application for non-personal information and additional costs may apply. Where additional charges are to be levied, an estimate of the cost and basis of calculation will be given to the applicant.

Applications from individuals seeking personal information about themselves are free of charge and there are no other costs for access.

A written decision giving details and reasons for any refusal or editing will be provided. If an applicant is refused access to information and is dissatisfied with the agency's decision, the applicant

<b>Market Research Organisations</b>	<i>\$20,605.00</i>
Patterson Market Research	For Customer Satisfaction Survey
Right Marketing Australia	For Annual Supply Report collation
<b>Polling Organisations</b>	<i>NIL</i>
<b>Direct Mail Organisations</b>	<i>\$320</i>
Post Data	For booklet binding



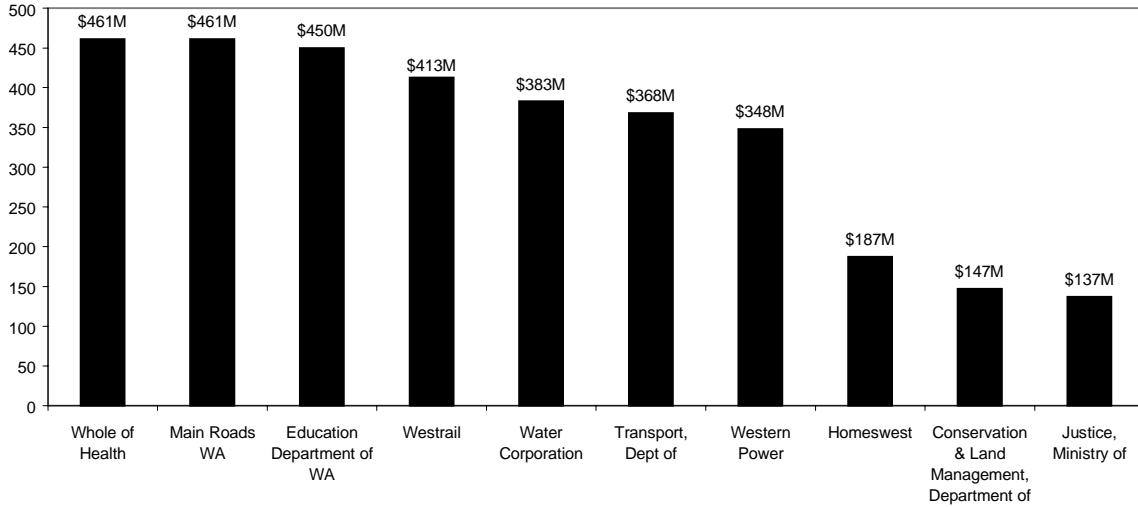
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WHAT ARE THE STATISTICS SAYING?

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**TOP 10 AGENCIES**

The agencies with the greatest overall expenditure on goods and services are listed below.



\* Includes Health Supply Council, Health Department of WA, Healthway and Supply Chains One and Two for the various teaching hospitals

**COMPARISON BETWEEN EXPENDITURE ON GOODS AND THAT ON SERVICES**

Since 1994/95, an increasing proportion of government commercial purchasing has been on services, reflecting the ongoing trend within agencies of outsourcing operations. In 1998/99, services once again represented the significant majority of total commercial purchases (80%), or \$3.69 million, compared to the \$0.95 billion spent on goods. This was consistent with the previous financial year (1997/98), where services accounted for 77% of total expenditure. Growth in services purchasing has continued to rise, while expenditure on goods remains relatively stable, decreasing only marginally





# OUTPUT BASED REPORTING





<b>Performance Measures</b>	<b>1999/00 target</b>	<b>1999/00 actuals</b>	<b>Reasons for Significant Variance</b>
The successful completion of scheduled assessments of agencies' accreditation conditions and procurement policy requirements	100%	100%	
<b>Cost:</b> Average compliance cost per agency	\$10,800	\$29,859	The increased cost was due to the decreased number of agencies monitored for the health check.
Average cost exemption and approval granted	\$1,238	\$930	This has dropped due to the increased number of agency requests for exemption.

The implementation of delegated purchasing authority (partial or total exemption) to public authorities through an accreditation process, enables the Commission to fulfil its regulatory function to monitor the efficiency and effectiveness of procurement and contracting activity in the public sector.

In addition, this process enables the Commission to provide policy advice to Government and agencies to promote and achieve improvements in public sector performance and accountability in the area of procurement and contracting.

The Commission has also recognised the requirement within agencies to further develop procurement and contracting skills and therefore the accreditation process is being further developed to have a stronger focus on the competencies of procurement and contracting officers.

The Commission has a legislative responsibility under section 5 of the Commission's Act to monitor the efficiency of the process under which goods and services are supplied and goods are disposed of.

Under section 25 of the Commission's Act, the Commission is responsible for collecting information regarding changes to the efficiency of supply of goods and services over time, and public authorities' compliance with supply policies.

These responsibilities are met by the Commission undertaking spot audits focussed on specific policies, health checks, reviews of agency systems and through continual disclosures by agencies seeking Commission approval to waive or vary supply policies.

The Commission also makes deliberations, under delegation, on such matters as requests from agencies for the waiving of quotations and public tenders, exemptions from common use contracts and purchases above the agency's exemption level.

## **EFFECTIVENESS**

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- # 102 agencies were surveyed to determine the extent to which internal audits within agencies incorporate procurement or contracting activities.

**Health Check**

A health check on 15 public sector agencies is underway by Caps Gemini, Ernst and Young, on



The Commission received written notification from some agencies as to whether they had implemented the recommendations. Other agencies that had not responded in writing were contacted by phone to ascertain the extent to which recommendations had been put in place. In these



# CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the State Supply Commission have been prepared in compliance with the provisions of the

# OPINION OF THE AUDITOR GENERAL

To the Parliament of Western Australia

STATE SUPPLY COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

## Scope

I have audited the accounts and financial statements of the State Supply Commission for the year ended 30 June 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is 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 rests with the Commission.

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 Commission 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 Commission'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 Supply Commission provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Operating Statement, Statement of Financial Position and the Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with the applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Commission at June 30, 2000 and the results of its operations and its cash flows for the year then ended.

**C P MURPHY**  
**ACTING AUDITOR GENERAL**  
September 8, 2000

# OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

	<i>Note</i>	<b>2000</b>	<b>1999</b>
		\$	\$
<b>COST OF SERVICES</b>		<hr/>	<hr/>

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2000

	Note	2000 \$	1999 \$
<b>Current Assets</b>			
Cash	21(a)	903,680	5,725,435
Inventories	13	-	528,168
Receivables	14	14,210	101,684
Other assets	15	10,254	1,411,112
<b>Total Current Assets</b>		<b>928,144</b>	<b>7,766,399</b>
 <b>Non-Current Assets</b>			

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 \$	1999 \$
<b>CASH FLOWS FROM GOVERNMENT</b>			
Recurrent appropriations		1,360,000	2,856,000
Capital appropriations		-	90,000
<b>Net cash provided by Government</b>		<b>1,360,000</b>	<b>2,946,000</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee costs		(752,109)	(1,508,676)
Payment to suppliers for goods & services		(723,576)	(29,741,894)
Abnormal payment-Treasury	10	(450,000)	-
		<u>(1,925,685)</u>	<u>(31,250,570)</u>
<b>Receipts</b>			
Sale of goods and services		726,186	3,347,792
Receipts from vehicle fleet lease agreement		-	26,170,326
Interest received		9,010	37,035
Other receipts		8,734	11,442

# NOTES TO THE FINANCIAL STATEMENT

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## 1. SIGNIFICANT ACCOUNTING POLICIES

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

# Computer Equipment-3years

# Office equipment-5 years

**(d) Employee entitlements**

## **ANNUAL LEAVE AND LONG SERVICE LEAVE**

Annual and long service leave entitlements are provided at current salary rates, with long service

- 1) (ii) change in the unfunded employer's liability in respect of current employees who were members of the Superannuation and Family Benefits Act Scheme and current



**(l) Revenue**

Trading profit represents the surplus of vehicle sale proceeds over the termination value paid by the Commission. This relates to the treatment of vehicles under the Motor Vehicle Fleet Lease Agreement transaction prior to May 1999, which required the Commission to pay a termination value on vehicles that were returned 60 days past their due date or are deemed a casualty occurrence for insurance purposes. Vehicles awaiting sale are treated as inventory. Since May 1999, Treasury paid for any vehicles terminated under the Lease Agreement. Details of cost of goods sold and proceeds from sales are presented in Note 5.

Other revenue is fully described in the Operating Statement.

**(m) Appropriations**

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Commission gains control of the appropriated funds. Appropriations that are repayable by the Commission to the Treasurer are recognised as liabilities.

**(n) Cash Resources**

Cash resources are substantially held at the Commonwealth Bank of Australia. This account is a sub-account of the Government of Western Australia Bank Account and the Commission receives no interest on the balance. An account is held with BankWest to hold petty cash monies and the Commission receives interest on the balance. The value of this interest has no mater6(i)3(ons)-8.3(0.32.6(m)-24.6(is



	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>9. OTHER OPERATING REVENUES</b>		
Software Rebates	-	143,582
Sale of Publications	7,506	15,874
Services	-	2,000
Rent	14,430	-
Expense Recoveries	15,722	1,545
Other	-	11,442
	<b>37,658</b>	<b>174,443</b>

**10. ABNORMAL ITEM**

Payment of Microsoft Software Volume Rebates to Contract and Management Services	<b>450,000</b>	-
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**11. REVENUES FROM GOVERNMENT**

Appropriation revenue received during the year:		
Recurrent	1,360,000	2,856,000
Capital	-	90,000
	<b>1,360,000</b>	<b>2,946,000</b>



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	<b>2000</b>	<b>1999</b>
Office Equipment & Furniture & Fittings	\$	\$

**2000**  
**\$**

**1999**  
**\$**

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
(b) Non-cancellable operating lease commitments		
Not later than 1 year	110,315	32,700,000
Later than 1 year and not later than 5 years	399,329	130,800,000
Later than 5 years	-	163,500,000
	<b>509,644</b>	<b>327,000,000</b>

The State Supply Commission at its meeting of 11 July 2000 resolved not to extend the Vehicle Fleet Lease Agreement with Matrix Finance Group Pty Ltd for an additional year. Accordingly, the lease agreement will cease on 14 July 2009.

The Commission currently has 9,228 vehicles under this Agreement. Expressed in terms of present value, the contingent obligation for lease payments over the next ten years is estimated at \$323 million. The obligation has been calculated on the basis of each vehicle being replaced by a similar vehicle and incorporating the most recent known rental charges under the Lease Agreement.

The State Supply Commission has delegated management of the Vehicle Fleet Lease Agreement contract to Treasury.

During the current year the Commission paid \$15 million to Matrix Finance Group Pty Ltd on behalf of Treasury. Treasury has reimbursed this amount. There is no financial effect to the financial statements as a consequence of the payments and receipts on behalf of Treasury.

Changed circumstances, including a significant decline in the second-hand vehicle market and tax changes flowing from the Ralph review of business taxation, will reduce the capacity of the Vehicle Fleet Lease Agreement, in its present form, to continue providing beneficial financing costs into the future. As a result, the government has entered into negotiations to restructure the lease arrangements so as to provide an acceptable cost of funds into the fu-4.7( Bhle c19 4)0.6(e)T12.1(s)5.5(e )-12.io0(0(5.1.3(70.96 295.78(m)1mh)7.89(n)8.4(a)(v)0.2()-1r)-1s)JE2

STATE SUPPLY COMMISSION



Supplies & services:-

Actual results include services provided free of charge of \$40,405. The expenditure budget does not include these items.

The draft *Buy Local* statewide promotion resulted in costs of approximately \$40,000 being incurred in this financial year. This activity was not included in the budget estimates.

Other Items included:

Three major consultancies were undertaken but not budgeted for.

They were as follows:

Review of procurement & contracting across government	\$28,000
FOI Application for Vehicle Fleet	\$20,000
Review of accreditation system	\$36,000

24. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk as at the reporting date:

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity			Non-Interest Bearing	Total
			Less than 1 Year	1 to 5 Years	More than 5 Years		
<b>2000</b>	%	%	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash						903,680	903,680
Receivables						14,210	14,210
Other						10,254	10,254
<b>Total</b>						<b>928,144</b>	<b>7,766,399</b>
<b>Financial Liabilities</b>							
Accounts payable						62,283	63,654
Employee entitlements						340,580	340,580
Other						32,727	32,727
<b>Total</b>						<b>435,590</b>	<b>6,572,067</b>
<b>1999</b>							
Financial Assets						7,812,757	7,812,757
Financial Liabilities						6,707,067	6,707,067

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## 25. REMUNERATION AND RETIREMENT BENEFITS OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

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### Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	<b>2000</b>	<b>1999</b>
\$0-\$10,000	6	8
\$20,000 - \$30,000	1	-
\$90,000 - \$100,000	-	1
\$100,001 – 110,000	1	-

The total remuneration of the members of the Accountable Authority is: \$152,078

### Retirement Benefits of Members of the Accountable Authority

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## 26. OUTPUT INFORMATION

STATE SUPPLY COMMISSION \* ANNUAL REPORT 2000

	Accreditation		Complaints		Policy		Matrix Contract & Others		Total	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
<b>REVENUES FROM GOVERNMENT</b>										
Appropriations	612,000	1,325,700	136,000	294,600	612,000	1,325,700	-	-	1,360,000	2,946,000
Assets assumed/(transferred)	40,128	69,750	2,387	15,500	46,695	69,750	-	-	89,210	155,000
Resources received free of charge	18,150	11,250	4,105	2,500	18,150	11,250	-	-	40,405	25,000
Total revenues from Government	670,278	1,406,700	142,492	312,600	676,845	1,406,700	-	-	1,489,615	3,126,000

Summary of disbursements		
Agencies	-	1,374,000
		<b>1,374,000</b>

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28. TREASURER'S ADVANCE ACCOUNT

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The State Supply Commission has approval to operate a Treasurer's Advance with a limit of \$5million to meet the cost of monthly vehicle lease payments under the Vehicle Fleet Lease Agreement. This facility is operated through the Commission's Trust Account. As a2(m)19.712.1(h)628Co tce74e thc10ro4e th nst œ5s0.9(0e)-1.3(5.)121\$0T(4 1 Tf9)4ratedis\$5.

# STATEMENT ON PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records and fairly represent the performance of the State Supply Commission for the financial year ended 30 June 2000.

**JENNIFER BALLANTYNE**

**CHAIRMAN**

**22 AUGUST 2000**

**PAUL SCHAPPER**

**MEMBER**

**22 AUGUST 2000**

**MARTIN BRAGANZA**

**A/MANAGER BUSINESS SERVICES**

**PRINCIPAL ACCOUNTING OFFICER**

**22 AUGUST 2000**

# OPINION OF THE AUDITOR GENERAL

To the Parliament of Western Australia

STATE SUPPLY COMMISSION

# PERFORMANCE INDICATORS

In addition to the output measures disclosed above, the following identifies and reports on key performance indicators of efficiency and effectiveness for each of the outputs.

**Outcome:**

Promotion of best procurement practice in Public Sector Agencies

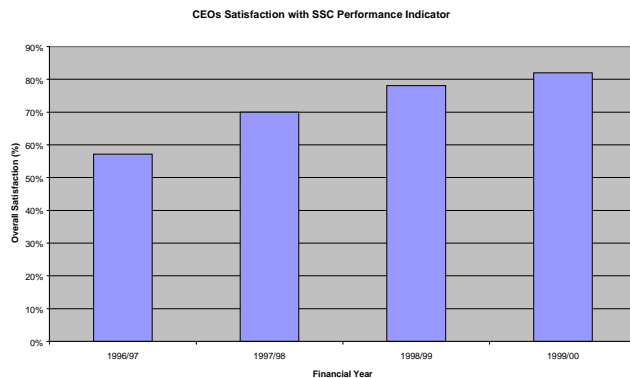
**Effectiveness Indicator**

For its 1999/00 customer satisfaction survey, the Commission asked CEOs and Principal Purchasing officers of public sector agencies whether they were satisfied with the Commission’s ability to promote best practice and the effectiveness of the Commission’s performance towards this outcome.

In total, 205 respondents from the Commission’s primary market were interviewed by an independent market research analyst for the 1999/00 customer satisfaction survey.

The respondents consisted of 81 Chief Executive Officers and 124 Purchasing Officers. One hundred and seventy-eight of the 205 respondents from the primary market reported that they had indeed had contact with the State Supply Commission in the last twelve months. They were asked to assess the extent to which they were satisfied that “the policies and guidelines established by the Commission have contributed to the efficiency and effectiveness of public sector activities”.

NB. THE DATA HAS BEEN WEIGHTED BACK TO THE NUMBER OF PEOPLE WHO HAVE HAD CONTACT WITH THE COMMISSION.	1996/97 %	1997/98 %	1998/99 %	1999/00 %
Very satisfied	14.2	8.6	10	12
Satisfied	26.7	43.0	41	29
Tend to be satisfied	26.0	23.5	23	39
<b>Net Satisfied</b>	<b>66.9</b>	<b>75.1</b>	<b>74</b>	<b>80</b>
Neutral	16.9	16.3	12	10
Tend to be dissatisfied	4.9	6.0	3	6
Dissatisfied	5.4	1.0	3	2
Very dissatisfied	2.0	0.5	0	1
<b>Net Dissatisfied</b>	<b>12.3</b>	<b>7.5</b>	<b>6</b>	<b>9</b>
Don't Know	3.8	1.0	8	1
<b>Total</b>	<b>99.9</b>	<b>99.9</b>	<b>100</b>	<b>100</b>





**EFFICIENCY INDICATORS**

STATE SUPPLY COMMISSION

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AUTHORITIES WITH VARYING PARTIAL EXEMPTIONS FROM  
\$50,000 UP TO AND INCLUDING \$250,000

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- # Agriculture WA
- # Department of Conservation and Land Management
- # Department of Family and Children's Services
- # Department of Land Administration
- # Department of Local Government
- # Department of Resources Development
- # Department of Training and Employment
- # East Perth Redevelopment Authority
- # Eastern Pilbara College of TAFE
- # Great Southern Regional College of TAFE
- # Kimberley Development Commission
- # Metropolitan Health Service Supply Chain 1
- # Metropolitan Health Service Supply Chain 2
- # Ministry for Culture and the Arts
- # Ministry of Justice
- # Ministry of the Premier and Cabinet
- # Peel Development Commission
- # South West Regional College of TAFE
- # Subiaco Redevelopment Authority
- # Water and Rivers Commission
- # Western Australia Police Service

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AUTHORITIES WITH VARYING PARTIAL EXEMPTIONS UP TO AND  
INCLUDING \$50,000

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- # Aboriginal Affairs Department
- # Animal Resources Authority
- # Botanic Parks and Gardens Authority
- # Burswood Park Board
- # Central Metropolitan College of TAFE

- # Central West College of TAFE
- # Dairy Industry Authority of WA
- # Department of Commerce and Trade
- # Department of Productivity and Labour Relations
- # Department of Transport – General
- # Gascoyne Development Commission
- # Goldfield Esperance Development Commission
- # Government Employees Superannuation Board
- # Great Southern Development Commission
- # Health Department (Administration)
- # Karratha College of TAFE
- # Keep Australia Beautiful Council
- # Kimberley College of TAFE
- # WA Land Authority (Landcorp)
- # Library and Information Services WA
- # Metropolitan Cemeteries Board
- # Midland College of TAFE
- # Ministry of Fair Trading
- # Office of Citizenship and Multicultural Interest
- # Office of Energy
- # Office of Public Sector Standards Commission
- # Office of Racing, Gaming and Liquor
- # Office of Seniors Interest
- # Office of the Auditor General
- # Office of Water Regulation
- # Perth Dental, Hospital and Community Dental Services
- # Perth Market Authority
- # Pilbara Development Commission
- # South East Metropolitan College of TAFE
- # South Metropolitan College of TAFE
- # South West Development Commission

- # State Revenue Department
- # Tourist Commission of WA
- # WA Electoral Commission
- # WA Health Promotion Foundation
- # WA Industrial Relations Commission
- # WA Sports Centre Trust
- # West Coast College of TAFE
- # Women's Policy Office
- # Zoological Gardens Board

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AUTHORITIES WITH A PARTIAL EXEMPTION UP TO AND INCLUDING \$20,000

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- # Anti Corruption Commission
- # Chemistry Centre (WA)
- # Commissioner of Workplace Agreements
- # Curriculum Council
- # Department of Education Services
- # Department of Environmental Protection
- # Dried Fruits Board
- # Fisheries Department
- # Fremantle Cemeteries Board
- # Government Employees Housing Authority
- # Heritage Council of WA
- # Mid West Development Commission
- # Ministry for Planning
- # Ministry of Sport and Recreation
- # Next Step Specialist Drug and Alcohol Services
- # Office of the Information Commissioner
- # Parliamentary Commission for Administrative Investigation
- # Public Trust Office
- # Small Business Development Corporation

- # Treasury Department
- # Valuer General's Office
- # WA Treasury Corporation
- # Wheatbelt Development Commission
- # Worksafe Western Australia

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SPECIAL EXEMPTIONS

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- # Art Gallery of WA –Purchase of Artworks
- # Crown Solicitor – Legal Services
- # Director of Public Prosecution



particularly diligent when addressing the issue of risk, conflict of interest, the employer/employee relationship, taxation obligations, professional indemnity and public liability insurance.

# Ethical Standards in Government Buying

Government requires high standards of ethical conduct in buyers. These guidelines provide buyers with the key ethical issues that require consideration and management.

# Partnering

Partnering introduces a range of measures to enhance supplier relationships and contract management techniques.

# Regional Buying Compact

The Government is committed to promoting the use of competitive regional suppliers. The Compact provides a range of preferences to encourage the greater use of regional suppliers.

# Sale of Government Business

An outline of the key steps in preparing a business for sale and strategies to achieve a sound outcome.

# Sponsorship in Government

This guideline has been prepared to assist public authorities obtain or provide sponsorship where it fits their strategic business needs. The guidelines treat arrangements for either giving or receiving sponsorship as contracts for services and provide guidance on how to best establish and manage them.



STATE SUPPLY COMMISSION