



annual report **statutory
information**



BOX 12 GPO, SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL A

To Members of the New South Wales Parliament and the Trustees of the Scheme

(A) Financial Statements

Scope

I have audited the accounts of the Energy Industries Superannuation Scheme Pool A for the year ended 30 June 1999. The superannuation Scheme's Trustees are responsible for the financial report consisting of the accompanying statement of financial position and operating statement, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and Trustees of the Scheme based on my audit as required by sections 34 & 45(1) of the *Public Finance and Audit Act 1983*.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the Scheme's financial position, the results of its operations and cash flows.

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

Audit Opinion

In my opinion, the financial report of the Energy Industries Superannuation Scheme Pool A presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the Scheme as at 30 June 1999 and the results of its operations and its cash flows for the year then ended.

(B) Compliance

Scope

I have conducted tests in accordance with the Australian Auditing Standards as necessary to provide reasonable assurance whether the Energy Industries Superannuation Scheme Pool A has complied, in all material respects with:

(a) the relevant requirements of the following provisions (to the extent applicable) of the *Superannuation Industry (Supervision) Act 1993* and Regulations: sections 19(2), 19(3), 36, 65, 66, 67, 69-85, 86-93A, 95, 97, 98, 101, 103, 104, 105, 106, 107, 109, 111, 112, 113, 117, 118, 121, 122, 124, 125, 152, 153, 154, 163, 169

(b) Regulations 2.10(1), 2.13(1), 2.21(3), 2.33(2), 2.43(1), 3.10, 4.08(3), 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 9.29, 9.30, 13.14, 13.17, 13.17A; and

(c) adhered to the Guidelines for preparing risk management statements ("Guidelines") issued by Australian Prudential Regulation Authority in Circular II.D.7 on Derivatives (to the extent applicable) for the year ended 30 June 1999.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations.

My procedures with respect to the Guidelines consisted of confirming whether any Risk Management Statement was to be prepared by the Scheme's Trustees under the Guidelines contained in Australian Prudential Regulation Authority Circular II.D.7 at any time during the year of income. These procedures indicated that a Part A Risk Management Statement should be prepared by the Scheme's Trustees. This has been prepared and is broadly consistent with the requirements of the Guidelines.

My procedures with respect to Regulation 6.17 included testing whether amounts identified by the Trustees as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the Regulations. These procedures did not include testing of the calculation of the preserved and the restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.

These tests have not been performed continuously throughout the year, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the *Superannuation Industry (Supervision) Act 1993* and Regulations or Guidelines apart from those specified. The Trustees are responsible for complying with the *Superannuation Industry (Supervision) Act 1993* and Regulations and appropriately applying the Guidelines.

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

Qualification

Regulation 2.43(1) has not been complied with throughout the year as certain members were not supplied with the required details concerning their benefit entitlements within the required timeframe of 1 month.

Qualified Audit Opinion

In my opinion, except for the matter referred to in the qualification paragraph, the Trustees of the Energy Industries Superannuation Scheme Pool A have complied, in all material respects, with the requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations and applied the Guidelines specified above for the year ended 30 June 1999.



R J Sendt
Auditor-General

SYDNEY
30 December 1999

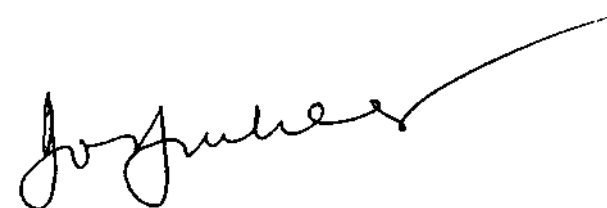
TRUSTEE DECLARATION TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 1999

The Directors of Energy Industries Superannuation Scheme Pty Limited being the Trustee of Energy Industries Superannuation Scheme Pool A declare that:

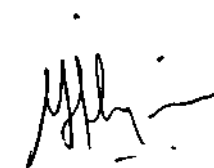
1. The accompanying financial report of the Energy Industries Superannuation Scheme Pool A presents fairly the financial position of the Scheme as at 30 June 1999 and the results from operations for the year then ended in accordance with Australian Accounting Standards and other mandatory professional requirements;
2. The financial report has been prepared in accordance with the requirements of the Trust Deed, and the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit (Statutory Bodies) Regulation, 1995, and the Treasurers directions; and
3. The Scheme has been conducted in accordance with its constituent Trust Deed; and
4. In the Directors' opinion there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board of Directors of Energy Industries Superannuation Scheme Pty Limited (A.C.N. 077 947 285).

Signed at Sydney this 30th day of December 1999.



John Whelan OAM
Director



William Hilzinger
Director

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1999

	NOTE	1999 \$'000	1998 \$'000
Investment Revenue			
Investment Revenue	9	1,931	366
Changes in Net Market Value of Investments	8	1,137	2,538
Total Investment Revenue		3,068	2,904
Investment Expenses		(37)	(5)
Net Investment Revenue		3,031	2,899
Contribution Revenue			
Employer Contributions	10	7,723	6,208
Member Contributions	10	6,068	4,057
Total Contribution Revenue		13,791	10,265
Total Revenue		16,822	13,164
Expenses			
Scheme Administration Expenses	12	(139)	(99)
Insurance Premium		(24)	(23)
Total Expenses		(163)	(122)
Operating Result Before Abnormal Item and Income Tax		16,659	13,042
Abnormal Item	2	-	25,217
Operating Result Before Income Tax		16,659	38,259
Income Tax Expense	6	(1,372)	(1,237)
Superannuation Contributions Surcharge	1(i)	(116)	-
Benefits Accrued as a Result of Operations		15,171	37,022

The above Operating Statement should be read in conjunction with the accompanying Notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1999

	NOTE	1999 \$'000	1998 \$'000
Investments			
Short Term Investments		3,654	1,854
Australian Fixed Interest		5,355	4,139
Australian Equities		8,858	6,057
International Investments		8,336	6,234
Property Trusts		2,558	1,938
Pooled Superannuation Trusts		14,249	13,110
Total Investments	3	43,010	33,332
Other Assets			
Cash	15(a)	3,807	899
Receivables	4	148	195
Total Other Assets		3,955	1,094
Total Assets		46,965	34,426
Less:			
Liabilities			
Creditors	5	274	10
Provision for Income Tax	6	724	953
Provision for Deferred Income Tax	6	228	284
Total Liabilities		1,226	1,247
Net Assets Available to Pay Benefits		45,739	33,179
Represented by:			
Liability for Accrued Benefits			
Funds Allocated to Members' Accounts		45,630	32,956
Funds Not Yet Allocated to Members' Accounts	7(b)	8	85
Death or Invalidity Reserve	7(c)	101	138
Total Liability for Accrued Benefits	7(a)	45,739	33,179

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1999

	NOTE	1999 \$'000	1998 \$'000
Cash Flows from Operating Activities			
Contributions Received from Employers		7,773	6,208
Contributions Received from Members		2,306	4,057
Transfers from other funds		3,761	25,217
Interest Received		36	47
Dividends Received		–	131
Benefits Paid		(2,611)	(3,843)
Scheme Administration Expenses Paid		–	(98)
Investment Expenses Paid		(9)	(3)
Insurance Premiums		(24)	(23)
Surcharge Paid		(116)	–
Income Tax Paid		(1,658)	–
Net Cash Provided from Operating Activities	15(b)	9,458	31,693
Cash Flows from Investing Activities			
Redemptions from investments		987	8,352
Applications to investments		(7,537)	(39,146)
Net Cash used in Investing Activities		(6,550)	(30,794)
Net increase in Cash Held		2,908	899
Cash at the Beginning of the Financial Year		899	–
Cash at the End of the Financial Year	15(a)	3,807	899

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 1999

1. STATEMENT OF ACCOUNTING POLICIES

(a) Description of Scheme

The Energy Industries Superannuation Scheme Pool A (the Scheme) is an accumulation Scheme consisting of Energy Industries members transferred from the First State Superannuation Fund (FSS) and the Public Sector Executives Superannuation Fund (PSES) in accordance with sections 127 and 128 of the Superannuation Administration Act, 1996 (the Act). Previously, all Scheme members were included in the FSS and PSES schemes and the assets were administered by the FSS Trustee Corporation (FTC) under the Act. The Scheme is a reporting entity for accounting purposes.

Energy Industries Superannuation Scheme Pool A consists of three divisions. Division A represents members transferred from FSS, Division E represents members transferred from PSES, and Division F is an allocated pensions and rollover scheme.

Division A and F's custodial activities are provided by State Street Australia Limited. The following fund managers perform the funds management activities:

■ Cash Portfolio	100% – Macquarie Investment Management Limited
■ Australian Fixed Interest Portfolio	100% – BT Funds Management Limited
■ International Fixed Interest Portfolio	100% – Rothschild Funds Management Limited
■ Australian Equity Portfolio	100% – HSBC Asset Management Australia Limited
■ International Equity Portfolio	100% – State Street Global Advisors Australia Limited
■ Property Trust Portfolio	100% – Macquarie Investment Management Limited

Division E investments are managed by BT Funds Management Limited and Westpac Banking Corporation. From 1 July 1999, Division E members have the option of investing in the above structure or maintaining BT or Westpac as their funds manager.

(b) Basis of Preparation

The financial report is drawn up in accordance with the Public Finance and Audit Act, 1983, Section 41B of the Public Finance and Audit (Statutory Bodies) Regulation, 1995, and the Treasurer's directions.

In addition, the financial report has been drawn up in accordance with Australian Accounting Standard AAS25 "Financial Reporting by Superannuation Plans", Urgent Issues Group Consensus Views, other applicable accounting standards, the provisions of the Trust Deed and other mandatory professional reporting requirements.

(c) Investments*Division A & Division F*

Investments are recorded at balance date at net market value, which comprises market value less estimated costs of disposal. Changes in market values, representing gains or losses, are recognised in the Operating Statement in the year in which they occur.

The valuation of each class of investment as at 30 June is determined as follows:

Short Term Investments	Market rates
Australian and International Fixed Interest	Relevant fixed interest securities markets.
Equities - Australian	Relevant stock exchange official quotation as at reporting date.
- International	Valued at reporting date and translated into Australian dollars at current exchange rate.
Property Trusts	Stock exchange official quotation.

Division E

Investments are recorded at balance date at net market value.

Net contributions received from members are invested into pooled superannuation trusts managed by BT Funds Management Limited and into a Cash Management Bank Account with Westpac at the end of each month. Movements in unit redemption values in the pooled superannuation trusts are brought to account in the Operating Statement as changes in net market values. Corresponding investment management expenses are reflected in the unit redemption prices.

(d) Income Tax

The Scheme has adopted the liability method of tax effect accounting in accordance with the provision of Australian Accounting Standard AAS 3 "Accounting for Income Tax (Tax-effect accounting)". The income tax expense shown in the Operating Statement is based on the operating surplus or deficit adjusted for any permanent differences.

The tax effect of timing differences, which occur where items are allowed for income tax purposes in a period different from that in which they are recognised in the financial statements, is included as a provision for deferred income tax or future income tax benefit as applicable at current taxation rates.

Future income tax benefits are not brought to account unless realisation of the benefits are assured beyond reasonable doubt.

(e) Contributions

Member and employer contributions are recorded on a cash basis and do not include amounts relating to the current financial period which may be received subsequent to balance date.

(f) Management Expenses

Scheme administration expenses, other than expenses of administering the death or invalidity insurance provision of the scheme, are charged directly to members' accounts to the extent permissible through legislation.

Death or invalidity insurance expenses are charged directly to the Death or Invalidity Reserve.

Investment expenses are charged directly against investment revenue.

(g) Liability for Accrued Benefits

The liability for accrued benefits is the present obligation to pay benefits to members and beneficiaries represented by the carrying amount of the Net Assets Available to Pay Benefits.

(h) Foreign Currency Transactions

Foreign currency transactions during the year are converted to Australian dollars at the rate of exchange applicable at the date of the transaction. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

(i) Superannuation Contributions Surcharge

No provision has been made in this financial report for the amount of the superannuation contributions surcharge which may be payable by the Scheme under the Superannuation Contributions Tax (Assessment and Collection) Act 1997. The Trustee is unable to determine the amount of the surcharge until assessments are received from the Australian Taxation Office.

As the surcharge is levied based upon individual members' taxable income any surcharge for the year ended 30 June 1999 subsequently levied against the Scheme will be charged to the relevant members' benefits or otherwise dealt with in accordance with the provisions of the Trust Deed and relevant legislation. The benefits of members not subject to the surcharge will be unaffected.

(j) Roundings

All values reported in the financial statements have been rounded to the nearest thousand dollars, except where otherwise stated.

(k) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the financial report in the current year.

2. ABNORMAL ITEM

	1999 \$'000	1998 \$'000
Transfer of FSS members to the Scheme	-	13,120
Transfer of FSS Death or Invalidity Reserve to the Scheme	-	126
Total Transfer from FSS to the Scheme	-	13,246
Total Transfer of PSES members to the Scheme	-	11,971
TOTAL TRANSFER TO THE SCHEME	-	25,217
Income Tax Effect	-	-

On 1 July 1997 and in accordance with a government policy decision, certain Energy Industry members were transferred from FSS and PSES to a new superannuation scheme known as EISS Pool A.

All costs associated with the transfer were paid out of the Energy Industries Superannuation Scheme Pool B Employer reserves.

All assets of the Scheme were transferred in accordance with the Trust Deed.

3. INVESTMENTS

INVESTMENTS 1999

Investments Held – Division A & Division F

	CASH PLUS \$'000	CAPITAL GUARDED \$'000	BALANCED \$'000	DIVERSIFIED \$'000	HIGH GROWTH \$'000	TOTAL \$'000
Short Term Investments	1,413	145	165	987	35	2,745
Australian Fixed Interest	–	443	863	4,023	26	5,355
Australian Equities	–	161	654	7,660	383	8,858
International Investments	–	213	670	7,051	402	8,336
Property Trusts	–	49	190	2,189	130	2,558
	1,413	1,011	2,542	21,910	976	27,852

Investments Held – Division E

	Unit Price \$	Number of Units	Redemption Value \$'000	Increase in Unit Price %
BT Stable Capital Fund	3.9540	1,498,016	5,924	6.07
BT Retirement Fund	57.7610	144,129	8,325	7.40
Short Term Investments			909	
Total			15,158	

INVESTMENTS 1998

Investments Held – Division A

	CASH PLUS \$'000	CAPITAL GUARDED \$'000	BALANCED \$'000	DIVERSIFIED \$'000	HIGH GROWTH \$'000	TOTAL \$'000
Short Term Investments	576	102	130	812	24	1,644
Australian Fixed Interest	–	314	663	3,145	17	4,139
Australian Equities	–	101	445	5,290	221	6,057
International Investments	–	142	492	5,340	260	6,234
Property Trusts	–	34	143	1,678	83	1,938
	576	693	1,873	16,265	605	20,012

Investments Held – Division E

	Unit Price \$	Number of Units	Redemption Value \$'000	Increase in Unit Price %
BT Stable Capital Fund	3.714	1,584,313	5,884	5.60
BT Retirement Fund	53.514	135,032	7,226	6.47
Short Term Investments			210	
			13,320	

4. RECEIVABLES

	1999 \$'000	1998 \$'000
Investment Income Due and Receivable	147	188
Investment Sales	1	7
	148	195

5. PAYABLES

	1999 \$'000	1998 \$'000
Refunds & Unclaimed Monies	49	1
Investment Purchases	83	7
Other Payables	142	2
	274	10

6. INCOME TAX

Income tax expense in the Operating Statement represents the tax on the operating result before income tax, adjusted for permanent differences.

The calculation of tax provided for is as follows:

	1999 \$'000	1998 \$'000
Operating result before income tax	16,659	38,259
Permanent differences		
Non-assessable investment revenue	(234)	(634)
Non-assessable contributions (includes transfers)	(6,068)	(29,275)
Death or Invalidity Insurance	(120)	(100)
	(6,422)	(30,009)
Base for determining tax expense	10,237	8,250
Movement in timing differences		
Income from investments	(173)	(1,897)
	10,064	6,353
Base for determining tax payable		
Income tax expense calculated at 15% comprises:		
Current income tax payable before tax credits	1,510	953
Less: tax credits	(230)	–
Current income tax payable	1,280	953
Under-provision for last year	148	–
Deferred income tax expense	(56)	284
Income tax expense	1,372	1,237
Current tax payable	1,280	953
Less: instalment paid	(556)	–
Provision for income tax	724	953

The New Business Tax System (Integrity and Other Measures) Act 1999 has amended the capital gains tax regime for superannuation funds. Provisions contained in the Act include measures to change the method of calculating the capital gains tax payable by Superannuation Funds. The current year Provision for Deferred Income Tax has been estimated as two-thirds of the capital gain without taking into account indexation, in accordance with the new method allowed under the Act.

7. LIABILITY FOR ACCRUED BENEFITS

	1999 \$'000	1998 \$'000
(a) Changes in the Liability for Accrued Benefits		
Liability for Accrued Benefits – at Beginning of the Year	33,179	–
Add: Benefits Accrued as a Result of Operating Result Before Abnormal Item	15,171	11,805
Add: Transfers in from FSS and PSES – Members' Accounts	–	25,091
– Death or Invalidation Reserve	–	126
Less: Benefits Paid	(2,461)	(3,757)
– Members' Accounts	(150)	(86)
– Death or Invalidation Reserve		
Liability for Accrued Benefits – at End of the Year	45,739	33,179
(b) Funds Not Yet Allocated to Members' Accounts		
	8	85

Funds not yet allocated to members' accounts relates mainly to:

1. Timing differences between the receipt of cash and receipt of information required for allocation; and
2. Timing differences associated with investment earnings and investment distribution.
3. Adjustment to deferred tax balance as detailed in Note 6.

*Division A***(c) Movement in Death or Invalidation Reserve**

	1999 \$'000	1998 \$'000
Balance at the Beginning of the Year	138	–
Transfer from FSS	–	126
Transfer from Members' Accounts	113	98
Death or Invalidation Benefits Paid	(150)	(86)
Balance at the End of the Year	101	138

The Scheme's actuary, Martin Stevenson of William M Mercer, has stated that there is a strong probability that the Death or Invalidation Reserve at 30 June 1999 is adequate to meet the claims which have arisen prior to that date but had not been settled by 30 June 1999.

8. CHANGES IN NET MARKET VALUE

1999	HELD AT REPORTING DATE \$'000	REALISED DURING THE YEAR \$'000	TOTAL \$'000
<i>Division A & Division F</i>			
Short Term Investments	–	–	–
Australian Fixed Interest	(684)	(1)	(685)
Australian Equities	820	–	820
International Investments	102	1	103
Property Trusts	(97)	–	(97)
	141	–	141
<i>Division E</i>			
BT Stable Capital Fund	343	51	394
BT Retirement Fund	601	1	602
	944	52	996
Total	1,085	52	1,137

1998	HELD AT REPORTING DATE \$'000	REALISED DURING THE YEAR \$'000	TOTAL \$'000
<i>Division A</i>			
Short Term Investments	–	–	63
Australian Fixed Interest	327	2	329
Australian Equities	244	4	248
International Investments	1,288	16	1,304
Property Trusts	31	1	32
	1,890	23	1,913
<i>Division E</i>			
BT Stable Capital Fund	250	23	273
BT Retirement Fund	334	18	352
	584	41	625
Total	2,474	64	2,538

9. INVESTMENT INCOME

	1999 \$'000	1998 \$'000
<i>Division A & Division F</i>		
Interest	43	37
Dividends	1,853	319
Other	4	–
	1,900	356
<i>Division E</i>		
Interest	31	10
	1,931	366

10. EMPLOYER AND MEMBER CONTRIBUTIONS**Compulsory Employer Contributions**

The percentage of salary or wages of employees prescribed as the rate of compulsory employer (Superannuation Guarantee) contributions between 1 July 1998 and 30 June 1999 was 7% (1998: 6%).

Optional Employer Contributions

Employers may make additional contributions to the Scheme for employees in respect of whom compulsory employer contributions are being made.

Optional Member Contributions

Employees as defined in the Act, may make voluntary contributions to the Scheme in the form of periodical payments or single payments. Payments include benefits transferred or rolled over from another superannuation fund, approved deposit fund, or retirement savings account.

11. INVESTMENT STRATEGY SELECTION*Division A & Division F*

Members can choose from five different options in determining their investment strategy. If a member subject to member protection has not chosen a particular investment strategy the account balance is invested in the Cash Plus strategy. If a member with an account balance greater than \$1,000 has not chosen a particular investment strategy, an automatic investment strategy selection will be made on the basis of the member's age as shown below.

INVESTMENT STRATEGY	MEMBER'S AGE GROUP
<i>Division A & Division F</i>	
High Growth	No automatic allocation. Must be selected by members.
Diversified	Members aged 18-45
Balanced	Members aged 46-54
Capital Guarded	Members aged 55 and over
Cash Plus	Automatic strategy for accounts under \$1,000 (subject to 'member protection'). Must be selected by other members.

Division E

Members must elect to invest in BT or Westpac Cash Management. Members electing BT are able to nominate the proportion to be invested in either the BT Stable Capital Fund or BT Retirement Fund.

From 1 July 1999, Division E members will have the same investment strategy options as Division A and Division F members.

12. SCHEME ADMINISTRATION EXPENSES

Included in Scheme Administration Expenses is the following item:

	1999 \$'000	1998 \$'000
Audit Fees	38	52

13. GUARANTEED BENEFITS

No guarantees have been made in respect of any future payments to members concerning accrued benefits.

14. VESTED BENEFITS

Vested benefits are benefits which are not conditional upon continued membership of the plan (or any factor other than resignation from the plan) and include benefits which members were entitled to receive had they terminated their plan membership as at reporting date.

	1999 \$'000	1998 \$'000
Vested benefits as at 30 June	45,630	33,040

15. CASH FLOW INFORMATION**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash represents cash at bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	1999 \$'000	1998 \$'000
Cash at Bank	3,807	899

The Scheme does not have any credit standby arrangements or loan facilities.

(b) Reconciliation of Benefits Accrued as a Result of Operations to Net Cash Flow provided by Operating Activities

Benefits Accrued as a Result of Operations	15,171	37,022
Benefits paid	(2,611)	(3,843)
Investment revenue	(3,004)	(2,538)
	9,556	30,641
Changes in Assets and Liabilities		
Decrease/ (Increase) in receivables	47	(195)
Increase / (Decrease) in creditors	264	10
Increase/ (Decrease) in provision for income tax	(229)	953
Increase/ (Decrease) in provision for deferred income tax	(56)	284
Non-cash receivables/payables	(124)	-
Net Cash Flow from Operating Activities	9,458	31,693

16. FINANCIAL INSTRUMENTS

The information pertaining to financial instruments set out below is made in accordance with the provisions of AAS33 "Presentation and Disclosure of Financial Instruments".

For the purpose of these financial statements, a financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments include both primary instruments (such as receivables, payables and equity securities) and derivative instruments (such as financial options, foreign exchange transactions, forward rate agreements and interest rate and currency swaps).

(i) Terms, Conditions and Accounting Policies

The Scheme's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instruments, both recognised and unrecognised, at the balance date, are:

Financial Assets			
Recognised Financial Instruments	Financial Report Note	Accounting Policies	Terms and Conditions
Cash and Cash Equivalents		Reflects in Australian dollars the sum of all currencies held. Cash equivalents are short term interest bearing securities held at call.	The weighted average interest rate was 1.00% (1998: 3.75%).
Receivable for Investments Sold	4	Records the total proceeds from sales of physical assets that have been processed, but have not been settled as at balance date.	Sales of investments are settled shortly after the execution of the trade, according to the market convention. Total value of receivables \$599.94 (1998: \$7,209.91).
Dividends Receivable	4	Dividend income due but not yet received on equities/trusts from the date the dividend was announced (ex-date).	Total value \$146,992.31 (1998: \$187,755.13).
Interest Receivable	4	Interest income, net of withholding tax and tax refunds, due but not yet received on interest bearing securities.	Total value \$0 (1998: \$219.97).

Financial Liabilities			
Recognised Financial Instruments	Financial Report Note	Accounting Policies	Terms and Conditions
Payable for Investments Purchased	5	Records the total payments for the purchase of physical assets that have been processed but have not been settled as at balance date.	Purchases of investments are settled shortly after the execution of the trade, according to market convention. Total value of payables \$83,344.43 (1998: \$7,038.82).
Tax	6	The liability for taxation is accounted for in accordance with AAS 3.	The income tax liability is calculated using a tax rate of 15%

(ii) Liquidity Risk Exposures

Liquidity risk is the risk that there are insufficient liquid assets available to pay the beneficiaries of the Scheme. This risk is managed by assessing on both a short term and long term basis, the Scheme's cash flow requirements.

(iii) Interest Rate Risk

The Scheme invests in financial assets for the primary purpose of obtaining a return on investments on behalf of its members. The Scheme's investments are subject to interest rate risks and the return on the investments will fluctuate in accordance with movements in the market interest rates.

17. RELATED PARTY INFORMATION

(a) Identification of Related Parties

The Trustee of the Scheme is the Energy Industries Superannuation Scheme Pty Limited. The names of the directors of Energy Industries Superannuation Scheme Pty Limited in office during the year ended 30 June 1999 are as follows:

Employer representatives	Employee representatives
Mr W Hilzinger	Mr J Whelan OAM
Mrs M Browne	Mr C Hodges
Mr C Murray	Mr B Riordan
Mr J Byrne (resigned 15 February 1999)	Mr W Tomlins
Mr D Croft (appointed 15 February 1999)	

Energy Industries Superannuation Scheme Pty Limited is also the Trustee for Energy Industries Superannuation Scheme – Pool B.

Energy Industries Superannuation Scheme Pool B and Pool A are related parties as they are both controlled by Energy Industries Superannuation Scheme Pty Limited.

Superannuation Services Company Pty Limited, which provides secretarial services to the Scheme, is a related party as Energy Industries Superannuation Scheme Pty Limited holds 50% of the share capital. Superannuation Services Company Pty Limited receives management fees directly from the Trustee of the Scheme for these services.

W Hilzinger and J Whelan OAM are directors of Energy Industries Superannuation Scheme Pty Limited and also Superannuation Services Company Pty Limited.

(b) Identification of Related Parties

The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all directors of Energy Industries Superannuation Scheme Pty Limited, directly or indirectly, by Energy Industries Superannuation Scheme Pty Limited or by any related party.

	1999 \$'000	1998 \$'000
	292,666	281,383

The number of Directors whose total income falls within each successive \$10,000 band of income:

	Numbers	
\$ 0 - \$ 9,999	2	2
\$ 10,000 - \$ 19,999	1	-
\$ 20,000 - \$ 29,999	-	1
\$ 30,000 - \$ 39,999	4	4
\$ 40,000 - \$ 49,999	-	1
\$ 50,000 - \$ 59,999	1	-
\$ 60,000 - \$ 69,999	-	1
\$ 70,000 - \$ 79,999	1	-
	<u>9</u>	<u>9</u>

(c) Transactions entered into during the year with Directors and their related entities

There have been no transactions between these directors set out in note (a) and for the Scheme, except for the payment of director fees as set out in note (b) and for the reimbursement of administration costs incurred by the directors whilst attending to Trustee business.

(d) Other related parties transactions

Administration expenses totalling \$138,635 were paid by the Energy Industries Superannuation Scheme – Pool B on behalf of the Energy Industries Superannuation Scheme – Pool A. The amount, which is to be reimbursed by Pool A, is included in the payables figure in Note 5 of the accounts.

- End of Audited Financial Statements -