

**Energy Industries Superannuation Scheme
Pool B**

Financial Report

For the Year Ended 30 June 2000

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2000

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ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

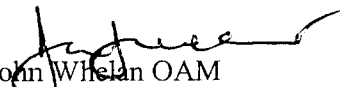
TRUSTEE DECLARATION TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2000

The Directors of Energy Industries Superannuation Scheme Pty Limited (ABN 72 077 947 285) being the Trustee of the Energy Industries Superannuation Scheme Pool B declare that:

1. The accompanying financial report of the Energy Industries Superannuation Scheme Pool B presents fairly the net assets of the Scheme as at 30 June 2000 and the changes in net assets for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting 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 Treasurer's directions.
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 the Energy Industries Superannuation Scheme Pty Limited.

Signed at Sydney this *Thirtieth* day of November 2000


John Whelan OAM
Director


David Croft
Director

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2000**

	Note	2000 \$'000	1999 \$'000
NET ASSETS AVAILABLE TO PAY BENEFITS AT BEGINNING OF THE YEAR		<u>1,088,280</u>	<u>1,030,565</u>
INVESTMENT REVENUE			
Investment Revenue	6	57,821	37,784
Changes in Market Values	7	<u>163,338</u>	<u>74,716</u>
		221,159	112,500
Investment Expenses		<u>(8,784)</u>	<u>(3,865)</u>
Net Investment Revenue		<u>212,375</u>	<u>108,635</u>
CONTRIBUTIONS REVENUE			
Employer Contributions	8	225	2,174
Member Contributions	8	<u>19,137</u>	<u>18,145</u>
		19,362	20,319
Transfers In		6,704	-
Other Revenue		<u>98</u>	<u>94</u>
TOTAL REVENUE		238,539	129,048
BENEFITS PAID		(37,344)	(71,979)
SCHEME ADMINISTRATION EXPENSES	9	<u>(5,281)</u>	<u>(1,986)</u>
INCREASE IN NET ASSETS BEFORE ABNORMAL ITEMS AND INCOME TAX		195,914	55,083
Abnormal Item	2	<u>-</u>	<u>5,466</u>
INCREASE IN NET ASSETS BEFORE INCOME TAX		195,914	60,549
Income Tax Expense	3	(15,234)	(2,453)
Superannuation Contributions Surcharge	1(h)	<u>(658)</u>	<u>(381)</u>
INCREASE IN NET ASSETS AFTER INCOME TAX		<u>180,022</u>	<u>57,715</u>
NET ASSETS AVAILABLE TO PAY BENEFITS AT END OF THE YEAR	10,11	<u><u>1,268,302</u></u>	<u><u>1,088,280</u></u>

The above Statement of Changes in Net Assets should be read in conjunction with the accompanying Notes.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

STATEMENT OF NET ASSETS AS AT 30 JUNE 2000

	Note	2000 \$'000	1999 \$'000
INVESTMENTS	1(c), 13		
Short Term Investments		72,914	35,099
Australian Fixed Interest		143,131	118,005
Australian Equities		512,545	425,267
International Investments		436,279	399,809
Property		135,909	124,600
Total Investments		1,300,778	1,102,780
OTHER ASSETS			
Cash		5,499	3,054
Receivables	4	10,047	18,527
Total other assets		15,546	21,581
Total Assets		1,316,324	1,124,361
Less:			
LIABILITIES			
Reserve Units		166	139
Payables	5	20,568	24,100
Provision for Income Tax	3	3,097	-
Provision for Deferred Income Tax		24,191	11,842
Total Liabilities		48,022	36,081
NET ASSETS AVAILABLE TO PAY BENEFITS	10,11	1,268,302	1,088,280

The above Statement of Net Assets should be read in conjunction with the accompanying Notes.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES

(a) Description of Scheme

The Energy Industries Superannuation Scheme Pool B (the Scheme) consists of Energy Industries members and was established in accordance with sections 127 and 128 of the Superannuation Administration Act, 1996 (the Act). Energy Industries Superannuation Scheme Pty Limited acts as trustee and holds in trust all assets of the Scheme.

The Scheme's custodial activities are provided by Commonwealth Custodial Services Limited (CSSL). The following Fund Managers performed the Fund's management activities:

▪ Cash Portfolio	100% - Deutsche Asset Management (Australia) Limited
▪ Australian Fixed Interest Portfolio	100% - Deutsche Asset Management (Australia) Limited
▪ Australian Equity Portfolio	11.1% - State Street Global Advisors Australia Limited 78.8% - Deutsche Asset Management (Australia) Limited 10.1% - Commonwealth Financial Services Limited
▪ International Equity Portfolio	56.8% - Deutsche Asset Management (Australia) Limited 15.4% - Standish Ayer & Wood Inc 27.8% - State Street Global Advisors Australia Limited
▪ Property Trust Portfolio	100% - Deutsche Asset Management (Australia) Limited
▪ Inflation Linked Bonds	100% - Deutsche Asset Management (Australia) Limited

The Scheme consists of Division C and Division D which are defined benefit schemes whilst Division B comprises both a defined benefit component and a defined contribution component. All the divisions are closed to new members. The Scheme is the reporting entity for financial reporting purposes.

(b) Basis of Preparation

The financial report is a general purpose financial report which has been 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

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 Statement of Changes in Net Assets in the year in which they occur.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

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	Fixed interest securities markets
Equities – Australian – International	Stock exchange official quotation as at reporting date Valued at reporting date and translated into Australian dollars at current exchange rate
Property Trusts	Stock exchange official quotation
Real Estate Properties	Valuation by a registered valuer as at reporting date

(d) 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.

(e) 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 Statement of Changes in Net Assets 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.

(f) Management Expenses

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

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

Investment expenses are charged directly against investment revenue.

(g) Reserve Units

Reserve Units are units held by certain Division D Scheme members. They represent units purchased in advance at a rate which is the “rate for age” at the date purchased with an option to convert to full rate units in the Division D Scheme at any future date. On conversion they are no longer recognised as a liability but as part of member funds.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(h) Superannuation Contributions Surcharge

No provision has been made in these financial statements 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 2000 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.

(i) Roundings

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

(j) 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

	2000	1999
	\$'000	\$'000
Transfer to the Pooled Fund	-	5,466
Income tax effect	-	(369)

The abnormal item for 1999 amounting to \$5,466,000 represents a net adjustment to the initial amounts transferred from the Pooled Fund in 1998. This amount was transferred back to the Pooled Fund inclusive of the interest component.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

3. INCOME TAX

Income tax expense in the Statement of Changes in Net Assets represents the tax on changes in net assets before tax, adjusted for permanent differences.

The calculation of tax provided for is as follows:

	2000	1999
	\$'000	\$'000
Increase in net assets before income tax	195,914	60,549
Permanent Differences		
Transfers In	(6,704)	-
Non-assessable Contributions	(19,137)	(18,145)
Benefit Payments	37,344	71,979
Death or Invalidity Insurance deduction	(2,761)	(2,840)
Non-deductible Expenditure	153	50
Non-assessable Pension Related Investment Income	(2,912)	(2,491)
Adjustment on Transfer of Assets	-	(7,925)
Investment Revenue	(48,766)	(4,402)
Other Revenue	-	(5)
Provision for Deferred Income Tax no Longer Required	-	(2,788)
	<u>(42,783)</u>	<u>33,433</u>
Base for Determining Tax Expense	153,131	93,982
Timing Differences	<u>(82,325)</u>	<u>(19,099)</u>
Base for Determining Tax Payable	<u>70,806</u>	<u>74,883</u>
Income Tax Calculated at 15% Comprises:		
Current Income Tax Payable before any Imputation And Foreign Tax Credits	10,621	11,232
Less: Imputation and Foreign Tax Credits	<u>(6,324)</u>	<u>(7,419)</u>
	4,297	3,813
Under Provision last year	(1,412)	1,226
Deferred Income Tax Provision	<u>12,349</u>	<u>(2,586)</u>
Income Tax Expense	<u>15,234</u>	<u>2,453</u>
Current Income Tax Payable	4,297	3,813
Less: Installments Paid	<u>1,200</u>	<u>(5,195)</u>
Provision for Income Tax / (Income Tax Refund)	<u>3,097</u>	<u>(1,382)</u>

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

4. RECEIVABLES

	Note	2000 \$'000	1999 \$'000
Income Tax Refund Receivable	3	-	1,382
Investment Income Due and Receivable		4,547	4,049
Investment Sales		4,468	11,383
Interest Income Receivable		18	-
Other Receivables		1,014	1,713
		<u>10,047</u>	<u>18,527</u>

5. PAYABLES

Benefits Payable	3,473	5,140
Investment Purchases	13,621	16,476
Other Payables	3,474	2,484
	<u>20,568</u>	<u>24,100</u>

6. INVESTMENT INCOME

Interest	23,906	7,087
Dividends	20,145	20,404
Property Income	16,173	10,570
Other	(2,403)	(277)
	<u>57,821</u>	<u>37,784</u>

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

7. CHANGES IN NET MARKET VALUE

30 JUNE 2000

	HELD AT REPORTING DATE GAIN/(LOSS) \$'000	REALISED DURING THE YEAR GAIN/(LOSS) \$'000	TOTAL \$'000
Short Term Investments	120	(36)	84
Australian Fixed Interest	1,907	(22)	1,885
Australian Equities	88,169	1,053	89,222
International Investments	60,454	5,651	66,105
Property	9,820	(3,778)	6,042
	<u>160,470</u>	<u>2,868</u>	<u>163,338</u>

30 JUNE 1999

	HELD AT REPORTING DATE GAIN/(LOSS) \$'000	REALISED DURING THE YEAR GAIN/(LOSS) \$'000	TOTAL \$'000
Short Term Investments	178	-	178
Australian Fixed Interest	(4,144)	2,077	(2,067)
Australian Equities	41,865	13,760	55,625
International Investments	29,403	(12,440)	16,963
Property	4,017	-	4,017
	<u>71,319</u>	<u>3,397</u>	<u>74,716</u>

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

8. FUNDING ARRANGEMENTS

For years ended 30 June 2000 and 30 June 1999, member and employer contributions for each of the schemes are determined on the bases described below. Employers in Energy Industries Superannuation Scheme Pool B were on a contribution holiday during 1999/00.

(a) Division B Scheme

Member Contributions: Each member elects to contribute between 1% and 9% of salary.

Employer Contributions: Employers contribute on a fully funded basis as determined by the trustees based on actuarial advice.

(b) Division C Scheme

Member Contributions: As the Scheme is 100% employer funded, there are no member contributions.

Employer Contributions: Employers contribute on a fully funded basis as determined by the trustees based on actuarial advice.

(c) Division D Scheme

Member Contributions: Each member contributes on a "rate for age" basis to individual pension units which become available with salary increases. Members may elect to abandon units where total contributions payable would exceed 6% of salary.

Employer Contributions: Employers contribute on a fully funded basis as determined by the trustees based on actuarial advice.

9. SCHEME ADMINISTRATION EXPENSES

Included in Scheme Administration Expenses is the following item:

	2000	1999
	\$'000	\$'000
Audit fees	<u>55</u>	<u>37</u>

10. LIABILITY FOR ACCRUED BENEFITS

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

The value of accrued benefits has been determined on the basis of the present value of expected future payments which arise from membership of the Scheme at the date of the actuarial review. The value of the accrued benefits was calculated by the actuary as part of the comprehensive actuarial review, which was performed as at 1st July 1999.

The figure reported has been determined using the assumed future salary increases, future Scheme earnings and other relevant actuarial assumptions used in the actuarial review.

	1997
	\$'000
Net Assets as at 1 st July	<u>845,228</u>

11. VESTED BENEFITS

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

	2000	1999
	\$'000	\$'000
As at 30 June	<u>781,840</u>	<u>645,786</u>

12. 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 2000 are as follows:

Employer representatives

Mr W Hilzinger (resigned 24.3.2000)
 Mrs M Browne
 Mr C Murray
 Mr D Croft
 Mr J Eisenhuth (appointed 24.3.2000)

Employee representatives

Mr J Whelan OAM
 Mr B Riordan
 Mr C Hodges
 Mr W Tomlins

Energy Industries Superannuation Scheme Pty Limited is also the Trustee for Energy Industries Superannuation Scheme - Pool A.

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 secretariat 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.

C Murray and J Whelan OAM are directors of Energy Industries Superannuation Scheme Pty Limited

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

and also Superannuation Services Company Pty Limited

Identification of Related Parties (continued)

Remuneration received or due and receivable by the Directors of Energy Industries Superannuation Scheme Pty Limited during the financial year payable directly or indirectly by Energy Industries Superannuation Scheme Pty Limited or by any related party.

2000	1999
\$'000	\$'000
332,423	292,666

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

	Numbers	
\$ 0 - \$ 9,999	1	2
\$ 10,000 - \$ 19,999	-	1
\$ 30,000 - \$ 39,999	6	4
\$ 40,000 - \$ 49,999	1	-
\$ 50,000 - \$ 59,999	-	1
\$ 70,000 - \$ 79,999	1	1
	9	9

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

There have been no transactions between the directors and the Scheme, except for the payment to the directors for services rendered in relation to their duties as directors, and for the reimbursement of administration costs incurred by the directors whilst attending to Trustee business.

13. FINANCIAL INSTRUMENTS

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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:

Recognised Financial Instruments	Financial Report Note	Accounting Policies	Terms and Conditions
1. Financial Assets			
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 4.0% (1999: 2.46%).
Short Term Investments		Short term interest bearing securities held at a fixed or indexed interest rate valued at net fair value.	Investments represent deposits at call, which have no fixed maturity date. The effective interest rates are between 2.76% and 6.82% (1999: 4.81% and 5.01%).
Fixed Interest Investments		Longer term interest bearing securities held at a fixed or indexed interest rate valued at net fair value.	Effective interest rates are between 4.75% and 6.53% (1999: 4.89% and 5.81%).
Forwards	13(v)	Unrealised gains and losses on forward foreign exchange contracts are recognised at reporting period. Realised gains and losses are brought to account in the period in which they occur.	The contracts are entered into to hedge certain purchase and sale commitments denominated in foreign currencies. The objective is to match the anticipated future cash flows in foreign currencies and to protect the Scheme against future loss from exchange rate fluctuations.
Derivatives	13(v)	Derivatives are measured at net fair value at reporting date. Any unrealised gains or losses are recognised in that reporting period. Realised gains or losses on termination of derivative positions are brought to account in the period in which they occur.	Derivatives are used to gain access to and allow flexibility in the financial markets in order to manage and structure the Scheme's investment portfolio.
Receivable for Investments Sold	4	Records the total proceeds from sales 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 \$4,467,964 (1999: \$11,382,487).
Receivable for Currency Exchanged		Records the total proceeds from currency sales (foreign exchange contracts) that have been processed, but have not been settled as at balance date.	Foreign exchange contracts are entered into to hedge purchase and sale commitments denominated in foreign currencies. Total value Nil (1999: \$612,764).

Recognised Financial Instruments	Financial Report Note	Accounting Policies	Terms and Conditions
1. Financial Assets (Continued)			

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

Dividends Receivable	4	Dividend income due but not yet received on equities/trusts from the date the dividend was announced (ex-date).	Total value \$2,776,239 (1999: \$2,489,972).
Interest Receivable	4	Interest income, net of withholding tax and tax refunds, due but not yet received on interest bearing securities.	Total value \$1,771,056 (1999: \$1,341,819).
Unlisted investments	13(ii)	The basis of valuation is the last sale price or calculated underlying value adjusted for transaction costs.	
2. Financial Liabilities			
Payable for Investments Purchased	5	Records the total payments for the purchase of physical assets that have been processed but have not 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 \$13,621,142 (1999: \$16,475,525).
Payable for Currency Exchanged		Records the total payments for the purchase of currency (foreign exchange contracts) that have been processed, but have not settled as at balance date.	Foreign exchange contracts are entered into the hedge purchase and sale commitments denominated in foreign currencies. Total value Nil (1999: \$612,764).
Tax	3	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) Unlisted investments

Included in the investments are unlisted investments with a market value of \$140,616,567 (1999: \$6,681,486).

(iii) Credit Risk Exposures

The net market value of financial assets, including derivatives, included in the financial accounts represents the Scheme's exposure to credit risk in relation to those assets.

The Scheme does not have any significant exposure to any individual counterparty or industry. Its assets are invested by individual investment managers and in specific investment trusts.

(iv) 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.

(v) Derivatives

Derivatives are used in managing portfolios as a hedge against market movements in the values of physical assets and as a means of effecting a change in the asset mix of the investment portfolio of the Scheme. Derivative instruments currently used are futures contracts, exchange traded options, forward rate agreements and foreign exchange contracts.

All derivative contracts are written against cash, physical securities or other specific commitments and are not leveraged. Derivatives are not used for speculative purposes. These activities are undertaken within authorised and clearly defined limits.

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

At 30 June 2000, the nominal principal amounts and net fair value of derivatives held by the Scheme are as follows:

30 June 2000	Notional Principal Amounts \$'000	Net Market Value \$'000
Australian Exchange Traded Options	(7)	7
Australian Fixed Interest Futures	(12,494)	10
Australian Share Price Index Futures	1,812	27
	<u>(10,689)</u>	<u>44</u>
30 June 1999	Notional Principal Amounts \$'000	Net Market Value \$'000
Australian Fixed Interest Futures	0	(8)
Australian Share Price Index Futures	670	2
	<u>670</u>	<u>(6)</u>

(vi) Currency Risk Exposures

The exposure at 30 June 2000 to foreign exchange rate movements on international investments is shown below:

2000	USD \$'000	EUR \$'000	OTHER \$'000	TOTAL \$'000
International investments	161,581	2,195	162,822	326,598
Amount effectively hedged		(69)		(69)
Net Exposure	<u>161,581</u>	<u>2,126</u>	<u>162,822</u>	<u>326,529</u>
1999	USD \$'000	EUR \$'000	OTHER \$'000	TOTAL \$'000
International investments	222,826	66,946	115,947	405,719
Amount effectively hedged	610	0	(610)	(0)
Net Exposure	<u>223,436</u>	<u>66,946</u>	<u>115,337</u>	<u>405,719</u>

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

13. FINANCIAL INSTRUMENTS (Continued)

(vii) 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.

The Scheme's exposure to interest rate risk and the effective interest rates on financial instruments at 30 June 2000 are shown as follows. All other financial assets and liabilities are non-interest bearing.

2000	<u>MARKET VALUE FIXED</u> <u>INTEREST RATE MATURING</u>				NON- INTEREST BEARING \$'000	TOTAL \$'000
	FLOATING INTEREST RATE \$'000	WITHIN 12 MONTHS \$'000	1 – 5 YRS \$'000	OVER 5 YRS \$'000		
Assets						
Cash and cash equivalents	22,427					22,427
- Australia						
Cash and cash equivalents	3,885					3,885
- International						
Short Term Securities		53,568	8,207	1,269		63,044
Australian Fixed Interest			47,422	80,555		127,977
Convertible Notes – Australia					360	360
International Fixed Interest			1,520			1,520
Australian Equities					756,152	756,152
International Equity					325,413	325,413
Cash					5,499	5,499
Receivables					10,047	10,047
Total Financial Assets	26,312	53,4568	57,149	81,824	1,097,471	1,316,324
Weighted average interest rate	4.00%	4.91%	6.58%	4.79%		
Liabilities						
Benefits payable					3,473	3,473
Payables					17,095	17,095
Reserve Units					166	166
Provisions					27,288	27,288
Total Financial Liabilities					48,022	48,022

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

13. FINANCIAL INSTRUMENTS (Continued)

1999	<u>MARKET VALUE FIXED</u> <u>INTEREST RATE MATURING</u>					TOTAL
	FLOATING INTEREST RATE \$'000	WITHIN 12 MONTHS \$'000	1 – 5 YRS \$'000	OVER 5 YRS \$'000	NON- INTEREST BEARING \$'000	
Assets						
Cash and cash equivalents						
- Australia	7,060	-	-	-	-	7,060
Cash and cash equivalents						
- International	5,891	-	-	-	-	5,891
Short Term Securities	-	22,658	-	-	739	23,397
Australian Fixed Interest	-	1,000	38,131	78,380	-	117,511
Convertible Notes – Australia	-	-	127	-	-	127
International Fixed Interest	-	-	770	-	-	770
Australian Equities	-	-	-	-	548,966	548,966
International Equity	-	-	-	-	399,058	399,058
Cash	-	-	-	-	3,054	3,054
Receivables	-	-	-	-	18,527	18,527
Total Financial Assets	<u>12,951</u>	<u>23,658</u>	<u>39,028</u>	<u>78,380</u>	<u>970,344</u>	<u>1,124,361</u>
Weighted average interest rate	2.46%	4.94%	5.80%	4.89%		
Liabilities						
Benefits Payable	-	-	-	-	5,140	5,140
Payables	-	-	-	-	18,960	18,960
Reserve Units	-	-	-	-	139	139
Provisions	-	-	-	-	17,293	17,293
Total Financial Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,532</u>	<u>41,532</u>

(viii) Net Fair Values Disclosures

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash, cash equivalents and short term investments: The carrying amounts approximate fair value because of their short term maturity.

Non-current investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset, adjusted for transaction costs necessary to realise the asset. For investments where there is no quoted market price, the last sale price or calculated underlying value is used, adjusted for transaction costs.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

ENERGY INDUSTRIES SUPERANNUATION SCHEME POOL B

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

(A) Financial Statements

Scope

I have audited the accounts of the Energy Industries Superannuation Scheme Pool B for the year ended 30 June 2000.

The Scheme's trustee is responsible for the financial report consisting of the accompanying statement of net assets and statement of changes in net assets, 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 trustee of the Scheme based on my audit as required by sections 34 and 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, in Australia, so as to present a view which is consistent with my understanding of the Scheme's net assets and the changes in net assets during the year.

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 B presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the net assets of the Scheme as at 30 June 2000 and the changes in net assets for the year then ended.

(B) Compliance

Scope

I have conducted tests in accordance with Australian Auditing Standards as necessary to provide reasonable assurance whether the Energy Industries Superannuation Scheme Pool B 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 2000.

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 Regulation 6.17 included testing whether amounts identified by the trustee 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.

My procedures with respect to the Guidelines consisted of confirming whether any Risk Management Statement was to be prepared by the Scheme's trustee 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 only a Part A Risk Management Statement should be prepared by the Scheme's trustee. This has been prepared and is broadly consistent with the requirements of the Guidelines.

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 Scheme's trustee is 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

Section 36 has not been complied with as the annual return for the year ended 30 June 2000 has not been lodged within the required timeframe.

Section 113 has not been complied with as the financial statements and underlying information for the year ended 30 June 2000 were not made available to allow the completion of the audit and signing of the audit report within the required timeframe.

Qualified Audit Opinion

In my opinion, except for the matter referred to in the qualification paragraph, the trustee of the Energy Industries Superannuation Scheme Pool B has 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 2000.



R J Sendt
Auditor-General

SYDNEY
30 November 2000