



**Government  
of South Australia**

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Department of Treasury  
and Finance

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**ANNUAL REPORT**

**2008-09**

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Treasurer of South Australia on September 30 2009

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## *UNDER TREASURER'S REPORT*

I am pleased to present the Annual Report of the Department of Treasury and Finance for the year 2008–09. The Department has had a central focus on the setting of budgetary strategy and ensuring the implementation of the Government's policy priorities. In some cases the Department has been very directly involved in implementation, such as Shared Services and the Public Private Partnership (PPP) procurement processes, and in other cases its role has been to support and monitor agency activity.

The Australian Government's reform agenda in a number of areas of public administration, including: funding reform, health, ageing, climate change and water, business regulation and competition, and Indigenous reform has required the Department to be heavily involved in the Council of Australian Governments (COAG) and related processes.

This work was set against the priority of retaining the state's triple-A credit rating. The global financial crisis and the resulting negative impact on the state's revenues and fiscal position has made the formulation of budget strategy both more critical and more difficult.

The Department is playing a central role in the PPP procurement processes and working closely with the relevant agencies to ensure the best possible outcomes for the South Australian taxpayer. The Department also supported the procurement of the Adelaide Desalination Plant.

Considerable work was undertaken within the department and across other agencies on improving business operations, systems and processes with the aim of improving the state budget process. The Department continues to work closely with agencies to improve the quality of agency forward estimates; the nature of agency information relating to expenditure, fees and charges; and the quality of information relating to budget bids.

A priority focus on reducing 'red tape' resulted in an overhaul of state taxation laws and greater use of electronic systems to assess and pay taxes. Significant progress was made in implementing legislative initiatives which simplified taxation laws through the removal of redundant provisions, consolidation of provisions relating to taxation reciprocal powers and alignment of administrative processes.

The Shared Services initiative made significant progress during the course of the year with the primary focus being on transitioning functions and staff to Shared Services SA. Once each group successfully transitions the focus then turns to improving the quality and efficiency of services being provided.

The Department continues to integrate and reform functions inherited from the former Department of Administrative and Information Services. Significant training programs were developed and implemented in relation to the induction of new staff and to meet occupational health, safety and welfare requirements.

Contract Services was subject to review in 2007-08, with substantial organisational changes recommended in order to achieve an efficient, better aligned and more flexible organisational model. Those changes were implemented this year in anticipation of the transfer of the Strategic Contracts section to Shared Services SA and the Policy and Governance section to Government Accounting and Reporting Branch. Those transfers occurred successfully on 1 July 2009, with Contract Services ceasing to exist from that time.

Fleet SA was also subject to review in 2007-08. Recommendations included introducing a Single Motor Vehicle Policy, new lease rates and penalty regime, and a new governance and

account management function. These reforms have been implemented progressively during 2008-09 by a small team in the Policy Analysis and Government Enterprises Branch (known as the Fleet SA Reform Project), including a realignment of Fleet SA's organisational structure to support the new business model. In addition, Fleet SA was successfully transferred from the State Procurement and Fleet Operations Branch (SPFO) to SAFA Branch on 1 July 2009, as foreshadowed in the December 2008 Mid Year Budget Review.

I thank all staff for their ongoing support and hard work throughout the year. The Department is facing a growing workload while having to deliver savings and this requires both dedication and flexibility from staff. I expect Treasury and Finance to build on its good 2008-09 performance and play a central role in policy development and implementation in 2009-10. I look forward to us continuing to make a positive contribution to community wellbeing and the economic prosperity of the state.

Jim Wright

UNDER TREASURER

# *THE ROLE OF TREASURY AND FINANCE*

## THE DEPARTMENT

The Department of Treasury and Finance is the lead agency supporting the government's key economic and financial policy outcomes through the provision of advice and coordination of resource allocation for government programs. It also provides financial services to the government and the community, including financial asset and liability management, overseeing government businesses, collection of state taxes, and insurance and superannuation administration.

The department is made up of a diverse group of dedicated people with extensive knowledge and skills in economics, finance, accounting, insurance, superannuation, administration and management.

## OUR VISION

To be an organisation respected for the quality and integrity of our advice, the standard of public sector financial management, the level of service we deliver to our clients and the development of our people.

## OUR PURPOSE

To provide economic and policy advice and financial services to, and on behalf of, the Government of South Australia, to strengthen the state's finances and contribute to community wellbeing.

We do this by promoting policy accountability in the public sector based on objective and comprehensive analysis of options, by managing whole of government financial processes and providing financial services.

## MAJOR CLIENTS

**Government:** the department's principal client is the Treasurer and through the Treasurer, the government, for its work in administering and coordinating the government's finances and providing a range of financial services during the reporting year. The department also provided support to the Minister for Finance and Minister for Gambling. The portfolio of Minister for Finance was abolished on 24 July 2008.

**Government agencies:** in addition to administering and coordinating the government's requirements across agencies, the department delivers a range of services, including advice and technical support, to all portfolio groups, state agencies and government businesses.

**SA community:** the broader community, through the elected government and Parliament, is the ultimate client of our services. The department has direct dealings with a range of community members, including taxpayers and their representatives, members of superannuation schemes and the business community generally.

## **STRATEGIC DIRECTIONS**

The department plays a key role in supporting the government's objectives for South Australia, including those in South Australia's Strategic Plan, by ensuring accountability for public sector resources, providing high quality policy advice on issues before government, ensuring that the state's finances are sound and that financial information flows provide a reliable basis for government decision making.

## **AGENCIES IN TREASURER'S PORTFOLIO**

The Department of Treasury and Finance is the principal agency in the Treasurer's Portfolio.



## ***THE YEAR IN REVIEW***

The 2008-09 year saw the Department of Treasury and Finance continuing its focus on:

- strengthening state finances;
- achieving performance improvements in the South Australian public sector;
- improving budget and financial management processes;
- improving service delivery;
- effective industry regulation;
- our people; and
- our operations.

The department's priorities support *South Australia's Strategic Plan*.

There were a number of highlights in each of these areas during the year, as outlined below and in the respective branch reports.

### **STRENGTHEN STATE FINANCES**

- The department provided advice to the government on strategies to manage state finances and maintain the triple-A credit rating. This task was made more challenging by the global financial crisis and the resulting negative impact on the state's revenues and fiscal position. The department also managed the implementation of revised financial arrangements for the delivery of Commonwealth funded initiatives including those approved under the *Nation Building — Economic Stimulus Plan*.
- The department also worked to ensure an equitable share of Commonwealth funding through submissions to the Commonwealth Grants Commission and participated in the reforms of Commonwealth-state relations initiated by the Council of Australian Governments.

### **ACHIEVE PERFORMANCE IMPROVEMENTS IN SOUTH AUSTRALIAN PUBLIC SECTOR**

- As part of the Fleet SA Reform Project an organisational review of Fleet SA was undertaken to create an efficient, responsive and integrated organisational structure. The new structure refocusses the organisation on service delivery and improved fleet management following the implementation of recommendations from an external consultancy group.
- The department continued its Shared Services SA initiative. As at 30 June 2009, Shared Services SA comprised 865 employees, providing services to 51 client agencies across the South Australian Public Sector.

## **IMPROVE BUDGET AND FINANCIAL MANAGEMENT PROCESSES**

- The department continued to improve government financial management by coordinating a rigorous financial monitoring program, providing policy and costing advice to the government on a range of strategic issues and conducting Senior Finance Officer Forums.
- The department continued the development and enhancement of its budget management system. This work was aimed at supporting budgetary control and accountability in agencies, and producing high quality information to support government decision-making and the parliamentary appropriation process.

## **IMPROVE SERVICE DELIVERY**

- Significant progress has been made by the department in implementing red tape reduction initiatives. Legislation which simplifies taxation laws through the removal of redundant provisions, consolidation of provisions relating to taxation reciprocal powers and alignment of administrative processes was enacted.
- The department created a revised publication system that will provide uniformity with other state and territory revenue offices and make it easier for practitioners to locate relevant information. Revenue rulings and information circulars will now be published to disseminate decisions on the interpretation of legislation administered by the department and changes in administrative practices or taxation laws.
- In relation to superannuation, the department focused on communicating the importance of appropriate levels of insurance and, given recent market volatility, educating members about investment. A tailored investment communication was distributed to members over 50, as well as a retirement checklist, to assist members approaching retirement.

## **EFFECTIVE INDUSTRY REGULATION**

- The department provided advice on a range of revenue measures and policy advice on gambling issues and essential services regulation.

## **OUR PEOPLE**

- A significant training and development focus was adopted during the year. A comprehensive induction program for new staff was introduced and mandatory update training in occupational health, safety and welfare was provided.
- Strong support was also provided to improve workforce participation and diversity in the workplace.

## **OUR OPERATIONS**

- A new information technology standard operating environment was deployed across the department, enabling desktop computer software to be upgraded.

## OTHER HIGHLIGHTS

Other achievements during the year included:

- The Department is playing a central role in the PPP procurement processes and working closely with the relevant agencies to ensure the best possible outcomes for the South Australian taxpayer. The Department also supported the procurement of the Adelaide Desalination Plant.
- The department provided policy advice to the Treasurer on the full range of issues considered by Government.

# ***ENSURING ACCOUNTABILITY FOR PUBLIC SECTOR RESOURCES***

## **REVENUE AND ECONOMICS BRANCH**

The Revenue and Economics Branch supports the department's priorities of:

- strengthening state finances; and
- improving the budget and financial management process.

The Revenue and Economics Branch provides economic policy advice at the whole of government level on revenue, Commonwealth-state financial relations, economic regulation, gambling policy, insurance issues and the economic and financial environment in South Australia.

### ***Performance***

The major activities included providing advice on a range of revenue measures and policy advice on gambling issues and essential services regulation. The branch also worked to ensure an equitable share of Commonwealth funding through submissions to the Commonwealth Grants Commission (CGC) and participated in the reforms of Commonwealth-state relations initiated by the Council of Australian Governments (COAG).

### **Commonwealth-state relations**

Throughout 2008-09, the branch was actively involved in the COAG led reform of Commonwealth-state financial arrangements. As part of this process, the branch provided input to the Heads of Treasuries Specific Purpose Payments (SPP) Working Group which produced recommendations for the Ministerial Council for Federal Financial Relations (tasked with developing reform options).

These recommendations included a rationalisation of the number of SPP agreements and changes to the nature of funding arrangements to focus more on outputs and outcomes. These recommendations were adopted, referred to COAG for approval and culminated in the signing of a new *Intergovernmental Agreement on Federal Financial Relations* in December 2008.

The branch also provided input to a number of the COAG working groups established to progress reform agendas, in health and ageing, climate change and water, business regulation and competition, and Indigenous reform.

The branch continued to participate in the CGC review of the horizontal fiscal equalisation (HFE) methodology. The review is aimed at simplifying the methods used to distribute Goods and Services Tax (GST) revenue grants consistent with HFE principles. The branch prepared state submissions to the review on the CGC's approach to specific revenue and expense assessment methods. The branch also participated in conferences and interjurisdictional staff-level meetings convened by the CGC on specific assessment issues.

In addition, the branch continued to:

- contribute to policy issues relevant to the GST through membership of the GST Administration Sub-Committee and the States and Territories GST Policy Working Group; and
- prepare and coordinate briefing material for Treasurers' Conferences and Heads of Treasuries meetings.

## Local government issues

The branch provided policy advice and technical input on local government finance issues. This included advice on proposals to improve the legislative framework for internal and external review of council administration and financial management. The branch also provided practical support to the Local Government Association's Financial Sustainability Program which is helping councils to improve their financial governance and performance.

## Gambling policy

Support was given to the government with the passage through Parliament of the *Statutes Amendment (Betting Operations) Bill 2008* and the *Authorised Betting Operations (Trade Practices Exemption) Amendment Bill 2009*. These amendments strengthen integrity arrangements for betting and racing, to provide a sustainable funding source for the racing industry, and broaden consumer protection to include interstate betting operators.

The draft *Gaming Machines (Miscellaneous) Amendment Bill 2008* and an associated public consultation paper was released. The Bill aims to improve responsible gambling environments, reduce costs and risks associated with regulation and to make a number of technical improvements to the principal Act.

The branch supported the Responsible Gambling Working Party during 2008-09. The working party presented its third progress report to the Minister for Gambling. The report outlined the progress of strategies to assist customers who wish to make a commitment to limit their gambling on electronic gaming machines, framed within the working party's key focus areas of informed decision making, money management, and player tracking and pre-commitment trials.

In its second progress report the working party invited industry proponents to submit proposals for the conduct of player tracking and pre-commitment trials. In 2008-09 the working party accepted two proposals for evaluation. The branch succeeded in obtaining Commonwealth funding for the evaluation of both trials. The branch is also conducting and evaluating a third non-technology based pre-commitment and money management trial developed by the working party.

The working party also provided Terms of Reference to an In-venue Signage Advisory Group, chaired by the Office of the Liquor and Gambling Commissioner, and tasked with reviewing and making recommendations regarding optimal signage requirements in gaming venues.

The branch coordinated an all of government response to the Productivity Commission's update of its 1999 Inquiry of Australia's Gambling Industries.

The branch provided representation for South Australia on three national working parties established by the Ministerial Council on Gambling concerning:

- access to cash and pre-commitment;
- responsible gambling environments; and
- electronic gaming machine consumer protection.

## State revenue

The core business of monitoring and forecasting state taxation revenue and general purpose Commonwealth grants while developing revenue policy initiatives and assessing revenue proposals was continued.

The work undertaken by the branch included:

- providing advice to the Treasurer on revenue issues as part of the 2009-10 Budget;
- monitoring developments, responding to requests for information and preparing submissions to the Commonwealth tax review on Australia's Future Tax System;
- determining and implementing Emergency Services Levy (ESL) rates for the 2009-10 year;
- implementation of further payroll tax harmonisation reforms, including the development of legislation to amend the *Payroll Tax Act 1971* to align the Act with the uniform payroll tax legislative model operating in the eastern states; and
- providing advice to the government during the finalisation and debate of the *Stamp Duties (Tax Reform) Amendment Bill 2008*.

## Economic regulation

The branch is continuing its lead role in regulation of the state's water and wastewater industry, monitoring national developments and managing the Treasurer's inquiry into the 2009-10 water and wastewater price setting processes. This inquiry is conducted by the Essential Services Commission of South Australia (ESCOSA), which reviews the government's National Water Initiative (NWI) obligations and other regulatory issues. As in previous years, the branch prepared the government's *Transparency Statement — Water and Wastewater Prices in Metropolitan and Regional South Australia 2009-10*, upon which this inquiry is based, and co-ordinated the government's response.

The branch participated in the development of the government's water security plan, *Water for Good*. The plan sets out the government's next steps in water industry regulation, including strengthening of the state's independent economic regulation by transferring certain functions to ESCOSA. The branch commenced an active role in planning and establishing the process for this transformation.

Work has occurred on a number of other regulatory matters, including:

- continuing to participate in the inter-jurisdictional group that oversees the publication of the *National Performance Report 2007-08 Urban Water Utilities*;

- contributing to the development of the Australian Competition and Consumer Commission's water charge rules;
- participated in the second biennial assessment of the government's progress in achieving its NWI obligations;
- participating in the ESCOSA intrastate rail access regime inquiry — this was required by the Competition and Infrastructure Reform Agreement, signed by COAG;
- continuing to manage the process for setting compulsory third party premiums and providing advice to the Treasurer on these matters;
- administration of the Essential Services Commission, including annual budget and performance plan, and appointment of Commissioners;
- providing advice to the Treasurer on energy regulatory matters; and
- participating in the Water Resources and Forests Inter-Departmental Committee to develop a whole-of-government position on managing the water resource impacts of plantation forests.

## Economic analysis

One hundred and twenty eight economic briefings were completed during 2008-09 analysing major economic indicators as part of the branch's ongoing role in monitoring and analysing state, national and international economic trends and outlook. Briefings were provided to the Treasurer on independent economic reports and publications.

Developments in the global economy since September 2008 saw a greater effort placed into monitoring the global financial crisis and its impact on the economy, and providing briefings on the labour market outlook in particular. This included assessing the impact of the government's capital works program on employment.

The branch provided input to a range of emerging economic, environmental and social policy issues including business regulation, climate change, population and housing and the economic and fiscal impacts of mining expansion, incorporating the Olympic Dam mine expansion.

Oversight was given to the departmental relationship with ratings agencies as part of its role in supporting the maintenance of the state's triple-A credit rating. The department hosted visits from Standard and Poor's in July 2008 and Moody's Investors Service in August 2008, with both credit rating agencies revisiting in June 2009. The triple-A credit rating was maintained in 2008-09 with both Standard and Poor's and Moody's affirming in late 2008. Both rating agencies publicly announced in June 2009 that the 2009-10 Budget was likely to maintain a stable outlook.

Economic advice and data was provided to support state government submissions to the Industrial Relations Commission and the Australian Fair Pay Commission. This included submissions to the proceedings regarding minimum standards of remuneration and the arbitration of the Australian Education Union claim in relation to the award for South Australian education staff.

### *The year ahead*

- Continue to monitor and review revenue projections.
- Continual review of revenue forecasting methodologies and monitoring of revenues.
- Provision of tax policy advice.
- Monitoring new developments and preparing policy responses, where appropriate, to the Commonwealth tax review of Australia's Future Tax System.
- Providing advice on the budgetary and economic impacts of the proposed future expansion of the Olympic Dam mine.
- Establishing regulatory design and review guidance material for agencies.
- Progress South Australia's water and wastewater industry transition to independent economic regulation.
- Continue to work with other agencies across government to ensure compliance with the NWI and other regulatory requirements.
- Continue input to the CGC's 2010 methodology review.
- Providing support to the Responsible Gambling Working Party.
- Managing the conduct and/or evaluations of player tracking and pre-commitment trials.
- Representing South Australia on national working parties established under the Ministerial Council on Gambling.
- Providing advice on recommendations made by the Productivity Commission in its update of its 1999 Inquiry into Australia's Gambling Industries.



## FINANCE BRANCH

Finance Branch manages the state budget process, provides policy advice on budgetary and financial issues across government and monitors the financial performance of general government agencies.

The branch played an important role in supporting the department's priorities of:

- achieving performance improvements in the South Australian public sector;
- improving the budget and financial management process;
- strengthening state finances; and
- implementing reforms in Commonwealth-state financial relations.

### *Performance*

The focus of the branch during 2008-09 continued to be management and improvement of the state budget process in the context of maintaining the state's triple-A credit rating. This task was made more challenging by the global financial crisis and the resulting negative impact on the state's revenues and fiscal position.

The branch provided advice to the government on strategies to manage state finances and maintain the triple-A credit rating. The branch also managed the implementation of revised financial arrangements for the delivery of Commonwealth funded initiatives including those approved under the *Nation Building — Economic Stimulus Plan*.

The branch continued to improve government financial management by coordinating a rigorous financial monitoring program, conducting Senior Finance Officer Forums and providing policy and costing advice to the government on a range of strategic issues.

### **Budget**

The branch's primary activity in 2008-09 was management and production of the 2009-10 Budget that was delivered by the Treasurer on 4 June 2009.

The branch continued to provide financial and economic advice to assist the government to carry out its fiscal strategy and to achieve *South Australia's Strategic Plan* targets, by:

- maintaining the state's triple-A credit rating; and
- continuing to refine the state budget process by improving the quality of agency forward estimates, implementing improved processes and critically analysing agency information on expenditure and fees and charges.

The branch continued to implement measures to improve the quality of information for government decision-making processes, including:

- improvements to the quality and presentation of information relating to budget bids;
- continued development of fiscal modelling tools to assess the longer term financial implications of budget decisions; and
- improvements to the accuracy and timeliness of financial information and the quality of briefing materials provided to the Treasurer, Expenditure Review and Budget Cabinet Committee (ERBCC) and Cabinet.

## Financial monitoring

During 2008-09 the branch implemented quarterly monitoring of the state's performance against benchmarks and milestones for projects approved under the Commonwealth's *Nation Building — Economic Stimulus Plan*.

The branch continued the collection and analysis of monthly monitoring information for general government agencies. The process was subject to ongoing review to increase the accuracy of financial information obtained from agencies and to enhance the quality of briefing materials.

The branch prepared regular reports for the ERBCC regarding monitoring of budget outcomes and specific budget expenditure and saving initiatives. These reports provide information to ministers on agency financial performance and progress in achieving the government's budget targets.

The branch also monitors agency Full Time Equivalent (FTE) employee caps and actual employee data for general government sector agencies. This occurs on a quarterly basis for most agencies.

## Support Initiatives

The branch continued to play a significant role in supporting the enterprise bargaining framework for the government's workforce. This included the provision of policy and costing advice to the Treasurer and the government for enterprise bargaining with public sector workgroups.

Enterprise agreements were finalised for salaried medical officers and clinical academics, South Australian Metropolitan Fire Service firefighters and metal, plumbing and building trade employees. Considerable work was also undertaken on negotiations for an enterprise agreement for teachers and lecturers which is now in the Industrial Relations Commission of South Australia.

The branch also conducted regular forums for Senior Finance Officers of government agencies to increase understanding of budget and financial processes and to enhance agency compliance with these processes.

Other support initiatives undertaken by the branch in 2008-09 included:

- continuing to implement and coordinate carryover policy to ensure that the carryover rules are well understood and that agencies are able to utilise available funding to achieve outcomes over an appropriate timeframe;
- ongoing review and updating of the horizon year process to improve the quality of the base forward estimates and associated record keeping;
- representing the department on government committees including the State Emergency Management Committee, the National Disaster Relief and Recovery Arrangements Stakeholder Committee, the State Recovery Committee, the ICT Board Procurement Steering Committee, the Water Security Council and the State Mitigation Advisory Group;
- improving the budget and monitoring system and associated applications for users, including developing improved processes for collection of financial information on across government initiatives;
- planning for a Targeted Voluntary Separation Program (TVSP) to assist the government to reduce numbers of public sector staff in the general government sector; and
- continuing to implement budget adjustments and revised portfolio arrangements resulting from the Shared Services reform initiative.

### *The year ahead*

- Continue to improve government decision support processes and deliver budget strategies consistent with maintaining the state's triple-A credit rating.
- Improve the capital monitoring information collection, including details of the reasons for delays and carryovers for major capital investing projects.
- Monitor the state's performance against benchmarks established under the Commonwealth's *Nation Building — Economic Stimulus Plan*.
- Anticipate and manage emerging issues in Commonwealth-state financial relations and continue to implement revised Commonwealth funding arrangements.
- Provide rigorous analysis of agency programs and government expenditure.
- Continue to conduct regular forums for Senior Finance Officers across government to facilitate knowledge sharing on budget and financial processes.
- Administer the TVSP scheme.
- Provide support as required to the operations of the Sustainable Budget Commission.

## GOVERNMENT ACCOUNTING AND REPORTING BRANCH

The Government Accounting and Reporting Branch played a direct role in supporting the department's priorities of:

- improving the budget and financial management process; and
- strengthening state finances.

The branch contributed to the priorities of achieving performance improvement and improving service delivery in the South Australian public sector.

The branch maintains government financial systems, manages financial policy, legislation and governance, consolidates and analyses financial information, advises the government on fiscal policies and issues, and manages the government's banking and over the counter revenue collection contracts and the recruitment and development of accounting and finance graduates into the public sector.

### *Performance*

The branch undertook a range of activities during the year aimed at improving government budget and financial management processes. Specifically, the branch achieved improvements to its budget management systems and improved its financial reporting processes.

#### **Improving the budget and financial management process**

The branch continued the development and enhancement of its budget management systems during 2008-09. This work is aimed at supporting budgetary control and accountability in agencies, and producing high quality information to support government decision-making and the parliamentary appropriation process.

In particular, the branch delivered significant changes to the format of financial reports in line with changes to the Uniform Presentation Framework.

The major consolidated reporting obligations undertaken by the branch included:

- 2009-10 Budget (June 2009);
- Final Budget Outcome 2007-08;
- AAS 31 Consolidated Financial Statements 2007-08; and
- 2008-09 Mid-Year Budget Review.

The branch focused on data quality and process improvements to support the improved timeliness of annual actual consolidations. The branch achieved further improvement in timeliness for the production of the 2007-08 consolidated financial statements. The branch continued to support the collection of agency monitoring information facilitating monthly monitoring of agency financial performance and improvements to consolidation processes.

The branch also plays an important role in supporting the development of financial management within government agencies. In particular, it provides information and training

on a wide range of issues concerning financial management practice. Specific activities undertaken during 2008-09 included:

- hosting the Government Accounting Information Forum for accountants from across government on two occasions during the year. The forum provided comprehensive technical updates on financial management practices. These included changes to accounting standards, revisions to Treasurer's Instructions and other contemporary accounting and financial management issues. Approximately 350 government accounting officers attended the two sessions;
- convening three taxation information sessions in relation to specific taxation matters with nearly 280 officers attending these sessions; and
- publishing three Government On Target (GOT) bulletins during the year. These bulletins are available to all South Australian public sector accounting staff, and provide important updates on a range of matters relating to financial management and governance.

The branch contributed to the development of new accounting standards on whole of government reporting, and the uniform presentation of financial information by governments through membership on national coordinating committees.

In addition to the financial management help desk service the branch provides to agencies, Treasury executives contribute to finance, audit and financial management improvement committees in a number of public authorities.

The branch continued to manage contractual arrangements for purchase cards, transactional banking, merchant facilities and over the counter collection arrangements through a series of quarterly performance reviews. The branch also reviewed developments in service delivery and pricing across the banking industry as the basis of ensuring that banking and associated contracts continue to provide value for money.

During 2008-09 the role of supporting the use of common financial management software across government including the provision of help desk and mainframe support for financial management systems to government agencies was transferred to Shared Services SA. The Financial Applications Systems Team transitioned into Shared Services SA in mid 2008-09.

## **Strengthening state finances**

The branch provided advice to the Treasurer in the development of the government's fiscal strategy, related policy and the fiscal position of other jurisdictions.

Detailed information on the fiscal position of the state was provided to ratings agencies as part of their annual ratings processes. This contributed to the maintenance of South Australia's triple-A credit rating during the year.

The branch continued to manage the government's Graduate Development Program (GDP) for accounting and economics graduates. The aim of the program is to recruit, place and train graduates for careers in the public service. The GDP offers graduates structured on the job training and a 12 month professional development program. Twenty two graduates participated in the program with 11 training sessions provided.

In preparation for the 2010 graduate intake, branch representatives attended career sessions and spoke at career expos coordinated by the universities and industry bodies, to promote the program. Thirteen graduates will be offered employment in 2010 as part of the program.

During 2008-09 the branch, in partnership with CPA Australia, coordinated a trial graduate internship program for the department. This program offered the opportunity for five undergraduates to obtain temporary paid employment for up to 13 weeks (over the summer vacation period) undertaking specific projects. The program was designed to attract and assess potential graduates and, based on its success, is likely to be continued and expanded in 2009-10.

### *The year ahead*

- Continuing to provide leadership in the areas of quality financial reporting and financial accountability across government.
- Improving the quality and timeliness of financial reporting across government agencies.
- Continuing to improve consolidation and financial reporting processes.
- Providing advice on matters relating to the government's fiscal policy, in particular with respect to key balance sheet items including unfunded superannuation liabilities.
- From 1 July 2009 the branch will assume responsibility for the procurement policy and governance functions of Contract Services.

## POLICY ANALYSIS AND GOVERNMENT ENTERPRISES BRANCH

The Policy Analysis and Government Enterprises Branch played an important role in the department's priorities of:

- strengthening state finances including maintaining the triple-A credit rating;
- achieving performance improvements in the South Australian Public Sector; and
- improving budget and financial management processes.

The branch provides strategic analysis and advice on policy issues that impact on government service provision, particularly longer term social policy issues in the areas of education, training, health, family and community services and justice portfolios. In addition, the branch monitors the financial performance of, and provides policy advice on commercial, investment, governance arrangements and other ownership issues relating to government business enterprises. The branch incorporates a small projects group that has responsibility for the review of business units transferred to the department from the former Department for Administrative and Information Services and implementation of recommended reforms.

### *Performance*

The provision of policy advice to the Treasurer on issues relating to education, training, health, family and community services, Indigenous reform and government business enterprises was the focus of the branch's activities during 2008-09. The branch also monitored the financial performance of government business enterprises. The focus of the branch's projects group supported the implementation of service delivery improvements in fleet management.

### **Policy advice**

The branch participated in negotiation of Commonwealth-state National Agreements and National Partnerships as part of the COAG reform agenda, with a focus on the productivity agenda reforms in education, skills, training and early childhood development, and Indigenous reform.

In addition to providing advice in relation to the COAG reforms, advice was provided on a range of social policy issues related to government activity in health, social welfare, education and training. The branch also provided input to the review of the Report on Government Services through its membership of the Senior Officials/Heads of Treasuries Working Group and undertook research and analysis on issues in education and training to assist Revenue and Economics Branch in preparing submissions to the Commonwealth Grants Commission.

### **Government Business Enterprises**

The Policy Analysis and Government Enterprises Branch supported improvements in financial management practices, budget reporting requirements and management of the budget process of government business enterprises as well as introducing enhanced quarterly monitoring of the financial performance of the larger government business enterprises. Further work was undertaken in relation to extension and review of the ownership framework and competitive neutrality guidelines. The branch provided advice on a wide range of financial and policy issues relating to government business enterprises,

including capital programs and participated either as a member or observer on a number of boards of government business enterprises.

## Projects

The branch undertook the Fleet SA Reform Project, and was responsible for implementing a number of the recommendations from a review by an external consultancy group. Recommendations included introducing a Single Motor Vehicle Policy, new lease rates and penalty regime, and a new governance and account management function. A revised organisational structure for Fleet SA that aligns the structure with the refocused service delivery and policy arrangements is also being introduced.

## *The year ahead*

- Continuing to provide analysis and advice on key policy issues relating to education, skills, training, early childhood development, health, justice, child protection and disability services, particularly in relation to COAG reforms.
- Participation in the Heads of Treasuries Committee for Federal Financial Relations, which has responsibility for overseeing the operation of the Intergovernmental Agreement; progressing implementation of the performance reporting framework; maintaining a register of the national minimum data sets required to allow comparative reporting of governments' achievements against agreed objectives and outcomes monitoring; and making recommendations in respect of funding arrangements and levels for National Agreements and National Partnerships.
- Refining the monitoring of the performance of government business enterprises.
- Reviewing the Government's Ownership Framework for Government Business Enterprises.
- Finalising the Fleet SA Reform Project.



## PROJECTS BRANCH

The Projects Branch played an important role in supporting the department's priority of:

- improve budget and financial management processes.

The Projects Branch facilitates private sector participation in infrastructure development under the government's Partnerships SA policy. The branch also provides advice to agencies on major capital investment proposals.

Projects Branch participates fully in the management of PPP procurement processes with a primary focus of ensuring value for money for the South Australian taxpayer. This includes ensuring the appropriate governance of the project procurements.

### *Performance*

The key priority for the branch in 2008-09 was to provide guidance and oversight to sponsor agencies in the implementation of the new schools, and the new prisons and secure facilities PPP projects. The branch also participated in the development of the procurement process for the new Royal Adelaide Hospital PPP and the procurement of the Adelaide Desalination Plant.

### **Infrastructure development**

The branch provided an advisory role for agencies developing business cases for infrastructure projects. It ensured that business cases complied with relevant policies and that the proposals were correctly costed, potential budget impacts were recognised and alternative procurement options were adequately assessed.

### *The year ahead*

- Monitoring and providing advice in relation to the implementation of the schools PPP contract.
- Managing residual issues resulting from the cancellation of the secure facilities PPP.
- Providing strategic oversight of the procurement of the new Royal Adelaide Hospital PPP in collaboration with Department of Health.
- Provide secretariat services to the Executive Steering Committee for the new Royal Adelaide Hospital PPP project.
- Participate in the delivery of the Adelaide Desalination Plant in collaboration with SA Water.
- Represent the department in National PPP forums such as the Infrastructure Australia PPP Sub-committee.
- Providing strategic financial advice to agencies on business cases for infrastructure development.

## MARKET PROJECTS UNIT

The Market Projects Unit was established in February 2009, to implement several measures announced in the 2008-09 Mid-Year Budget Review.

These measures involve realising the value of some of the State's assets to strengthen the State's budget position. Over the next 3-4 years the unit will:

- explore options to sell the future harvesting rights of ForestrySA (FSA) plantations;
- facilitate the sale of a number of significant government owned buildings in the central business district and metropolitan Adelaide; and
- dispose of government employee residential housing assets in close proximity to Adelaide and in regional centres where a viable rental market exists.

# ***FINANCIAL SERVICES PROVISION***

## **REVENUESA**

RevenueSA plays an important role in supporting the department's priorities of:

- strengthening state finances; and
- improving service delivery.

RevenueSA is responsible for the administration of taxation legislation, revenue collection and compliance systems, to enable the government to raise revenue using its taxation powers. The branch also provides policy advice on taxation issues and administers various grant and subsidy schemes for the government.

### ***Performance***

RevenueSA collected approximately \$2.9 billion in revenue during 2008-09, as detailed in Appendix 8. RevenueSA also approved and paid 12 523 First Home Owner Grant (FHOG) applications and rebated approximately \$87.5 million and \$7.9 million under the Payroll Tax Trainee and Export Rebate schemes respectively.

### **Taxation management**

A clear objective is to ensure that taxpayers meet their obligations under South Australia's taxation legislation. RevenueSA takes positive action to identify and resolve deliberate non-compliance through investigation and strategic intelligence. However, compliance strategies reflect the belief that most taxpayers will generally meet their obligations voluntarily as long as these are fully understood.

The RevenueSA website offers a dynamic help facility with easy access to taxpayer material including tax calculators for specific taxes which enable taxpayers to quickly estimate likely tax liabilities.

In addition, the website also offers a comprehensive set of online transactions including electronic payment, electronic lodgement, online seminar registration and online service for publications. During the 2008-09 financial year, the RevenueSA website averaged 28 000 hits per month.

### **Compliance activity**

A risk based compliance program is conducted across the full range of taxes and schemes. Statistical based data matching is increasingly being used to improve audit and debt management case selection techniques. Compliance activity focused on payroll tax, land tax, emergency services levy and stamp duties in 2008-09. The total revenue collected from compliance enforcement activities for 2008-09 was \$69.4 million. Compliance resources increased by thirty full time equivalent employees during the latter part of the 2008-09 year in preparation for increased activity in 2009-10.

Compliance activity was also conducted in regional areas further supporting and connecting with the local communities regarding their understanding and compliance with state revenue laws.

#### Estimated Revenue collections through Compliance and Debt Management Programs

<b>Tax / Grant</b>	<b>Target</b>	<b>Revenue collected</b>	<b>Number of taxpayers investigated and completed</b>
	<b>\$000</b>	<b>\$000</b>	
Payroll Tax	19 395	16 629	1 460
Land Tax	9 150	20 506	6 349
First Home Owners Grant	2 310	2 127	516
Stamp Duty Insurance	1 360	198	7
Stamp Duty Motor Vehicles	241	213	340
Stamp Duty Conveyance	18 865	25 685	858
Stamp Duty Rental Business	946	710	91
Stamp Duty Mortgages	1 200	521	2
Emergency Services Levy	970	2 784	11 190
Other (inc Petroleum, Debits & Liquidations)	419	16	8
<b>Total</b>	<b>54 856</b>	<b>69 389</b>	<b>19 961</b>

## Publications

A revised system of publication will be introduced on 1 July 2009. The revised system will provide uniformity with other state and territory revenue offices and make it easier for practitioners to locate relevant information. Revenue rulings and information circulars will now be published to disseminate decisions on the interpretation of legislation administered by RevenueSA and changes in administrative practices or taxation laws.

An integral part of the compliance strategy, these documents are available free of charge on the website and by subscription to assist taxpayers, their agents and industry representative bodies to understand and comply with revenue legislation.

## Internet online system — RevNet

RevenueSA continued to achieve an ongoing rate of 94 per cent for stamp duty documents self-determined using the RevNet system, the e-portal.

Over 3800 taxpayers have now elected to use the payroll tax monthly payment facility to make their payroll tax payments online. RevNet has also been enhanced to facilitate electronic funds transfer (EFT) payments. Ninety nine per cent of payroll tax taxpayers lodged their annual reconciliation statement online.

Over 95 per cent of new payroll tax taxpayers now register online.

As part of an Australian Tax and Revenue Office initiative, payroll tax online registration functionality was enhanced to include an automatic online interface with the Australian Business Register to validate the ABN of a newly registered organisation. This will result in cleaner data and better compliance data matching capability.

Following a successful pilot to allow the provision, payment and stamping of Stamp Duty Opinion assessments via RevNet, over 60 lodging parties have registered to use this functionality.

Over 370 agents are also approved to use the Land Tax and Emergency Services Certificate component of RevNet.

Approximately \$1.3 billion of all revenue receipts were collected via RevNet.

## **Payroll tax harmonisation**

The *Payroll Tax Act 2009* (the “Act”), which rewrites and repeals the *Pay-roll Tax Act 1971*, was enacted to take effect from 1 July 2009. The Act provides harmonised legislation with New South Wales, Victoria, Tasmania and the Northern Territory. The Queensland legislation, although it uses different words, has the same outcomes.

The new Act has included several new provisions for South Australia and has also provided for some jurisdiction-specific provisions, to allow the retention of South Australia’s approach in certain areas to minimise impact on the payroll tax base.

RevenueSA has issued 32 harmonised revenue rulings consistent with New South Wales, Victoria and Tasmania.

In line with the commitment to harmonisation, an inter-jurisdictional Payroll Tax Harmonisation Committee (PTHC) was established on behalf of Commissioners to oversee the design, implementation and maintenance of an administrative framework to reduce red tape and compliance costs for taxpayers.

The PTHC has formulated a work-plan to further harmonise 17 areas of administration including: information sharing; revenue rulings; exemptions and exclusion applications; objections; appeals; customer education training; compliance; web content; application of interest and penalty tax; assessment notices; registration and information updates; e-business; contractors; employment agents returns; and annual reconciliations and managing future changes of law and practice.

The workplan is expected to be completed by late 2010. Consultation will occur with taxpayers and other stakeholders to prioritise areas flagged for harmonisation.

## **Red tape reduction**

The Competitiveness Council has requested government agencies develop and implement plans that reduce the impact of red tape on business. Red tape refers to unnecessary or burdensome paperwork or compliance costs to business.

The Commissioner of State Taxation has been responsible for coordinating and developing the department’s Red Tape Reduction Plan. The focus has been an overhaul of state taxation laws and greater use of electronic systems to assess and pay taxes.

Significant progress has been made by RevenueSA in implementing initiatives. Legislation which simplifies taxation laws through the removal of redundant provisions, consolidation of provisions relating to taxation reciprocal powers and alignment of administrative processes.

RevenueSA finalised implementation of further initiatives enabling online provision, online stamping and payment of Stamp Duty Opinion Assessments and functionality to facilitate payment of payroll tax by EFT.

## Standard business reporting

In conjunction with other State Revenue Offices, RevenueSA has continued to support the multi-agency Commonwealth initiative to simplify business to government reporting for payroll tax. RevenueSA has developed a high level design and specification to determine how the business to government channel will be built and included in the new RevenueSA Information System To Enable Compliance (RISTEC) system. Where possible, RevenueSA has conducted various low level information analyses to be utilised in the Standard Business Reporting (SBR) channel.

RevenueSA will endeavour to continue to meet SBR milestones with the objective of achieving the targeted SBR go-live date of July 2010.

## Improved client service

RevenueSA is committed to progressing *South Australia's Strategic Plan* Target 1.7 to increase the satisfaction of South Australians with government services by 10 per cent by 2010, and maintaining or exceeding that level of satisfaction thereafter. A number of strategies as identified in the implementation plan have already been completed.

Designed to obtain feedback from taxpayers in the areas of general service, information provided and education channels, the 2008 RevenueSA Taxpayer Survey showed that 93 per cent of respondents got what they required. In addition, the eight core questions to enable measurement against *South Australia's Strategic Plan* Target 1.7 were included with an overall satisfaction rating of 87 per cent for the Department of Treasury and Finance.

RevenueSA has service standards in place and is committed to exercising high levels of professionalism and integrity. The service standards can be found at [www.revenuesa.sa.gov.au](http://www.revenuesa.sa.gov.au).

## Taxpayer information sessions

RevenueSA regularly holds seminars throughout the state for taxpayers, tax practitioners or industry representatives covering a broad range of subjects.

Five taxpayer information sessions were held during the 2008-09 financial year, including two regional sessions.

Evaluation results of the sessions indicated that 91 percent of respondents would attend future sessions.

## Consultation

RevenueSA actively seeks and receives contributions and feedback from taxpayer and tax practitioner representative associations in the improvement of administrative processes, and in policy and legislation development. The South Australian State Taxes Liaison Group meets quarterly with representatives from the Taxation Institute of Australia, Law Society of South Australia, Law Council of Australia, Australian Society of Certified Practising Accountants, National Institute of Accountants, Taxpayers Australia and Institute of Chartered Accountants. A separate group also meets quarterly with representatives from financial institutions and the Institute of Conveyancers.

## Managing staff competency

RevenueSA recognises the importance of developing staff to ensure they are knowledgeable and capable of offering a high level of service to all taxpayers. During 2008-09, RevenueSA staff received, on an average, 2.7 days of formal training.

## Legislative reform

During 2008-09, RevenueSA managed legislative amendments culminating in the enactment of the *Statutes Amendment and Repeal (Taxation Administration) Act 2008*, the *Stamp Duties (Tax Reform) Amendment Act 2009* and the *Payroll Tax Act 2009*.

The *Statutes Amendment and Repeal (Taxation Administration) Act 2008*:

- amended the *Stamp Duties Act 1923*, the *Payroll Tax Act 1971* and the *Land Tax Act 1936* (and related regulations) to remove redundant provisions and regulations;
- amended the *Emergency Services Funding Act 1998* (the “ESL Act”) to align the administrative processes under the ESL Act with those contained in the *Taxation Administration Act 1996* (the “TAA”) in the areas of:
  - administrative responsibility for the legislation;
  - secrecy provisions;
  - mechanisms for setting interest rates;
  - debt recovery and penalty provisions; and
  - powers of investigation.

and,

- amended the TAA to include provisions to enable taxation investigations to be undertaken beyond state borders and to provide for the repeal of the *Taxation (Reciprocal Powers) Act 1989* (the “TRPA”).

The *Stamp Duties (Tax Reform) Amendment Act 2009*:

- in relation to rental duty gives effect to the phase out provisions requested by industry by ensuring that no rental duty is payable on rental contracts on or after 1 July 2009; and
- in relation to mortgage duty provides that a mortgage executed after 1 July 2009 will be free from stamp duty and that mortgages executed prior to 1 July 2009 will only be liable for stamp duty where an advance is made under such a mortgage prior to 1 July 2009 and will be chargeable at the rate in force, as at the date that the advance was made

The *Pay-roll Tax Act 2009*:

- rewrites and repeals the *Pay-roll Tax Act 1971*; and
- harmonises legislation with New South Wales, Victoria, Tasmania and the Northern Territory. The Queensland legislation, although worded differently, has the same outcomes.

## Land tax aggregation provisions

Effective from midnight on 30 June 2008, land tax aggregation provisions, which ignore minor interests in land that are five per cent or less, will apply unless the Commissioner of State Taxation is satisfied that the interest was not created to avoid tax, came into operation.

Where a minor interest is greater than five per cent but less than 50 per cent, the interest is ignored if the Commissioner forms the opinion that the purpose, or one of the purposes for which the interest was created, was to reduce land tax.

RevenueSA has processed applications from approximately 600 landowners who have requested that the relevant minor interest not be ignored for land tax purposes, and that no aggregation of land holdings should occur. With very few exceptions, aggregation has taken place because the Commissioner was not able to be satisfied that the discretion not to aggregate should be exercised.

The introduction of the minor interest provisions has resulted in an additional \$20.1 million in revenue being assessed in 2008-09, with approximately 2500 land tax accounts impacted.

RevenueSA has initiated enquiries with owners where ownership structures have recently changed by either increasing a pre-existing minor interest to greater than five per cent, and/or introducing a new minor interest holder with an interest exceeding five per cent.

## Information technology services

During 2008-09 RevenueSA completed the procurement phase of the RISTEC project and commenced the design stage for the replacement taxation information technology system.

### *The year ahead*

- Complete the full design of the replacement taxation information technology system and build the first release covering payroll tax functionality.
- Further harmonisation and standardisation of legislation and administrative procedures, particularly in relation to Payroll Tax Harmonisation.
- Continue to develop Red Tape Reduction Initiatives.
- Coordinate whole of government initiatives such as Standard Business Reporting.
- Continue to provide taxpayer education through information seminars in both regional and metropolitan areas.
- Increased compliance activity through targeted compliance programs (\$69 million).



## SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY

The South Australian Government Financing Authority (SAFA) is a statutory authority constituted under the *Government Financing Authority Act 1982* and resourced by Department of Treasury and Finance staff.

SAFA played an important role in supporting the department's priorities of:

- strengthening state finances; and
- improving service delivery.

SAFA functions as the central financing authority for, and captive insurer of, the state, its businesses and agencies, and plays an integral role in the overall management of the state's finances and risks. SAFA harnesses economies of scale and relevant expertise in wholesale financial markets and insurance markets. The Treasurer guarantees SAFA's borrowings and general financial obligations.

SAFA is South Australia's primary face to the domestic and international financial markets for the management of the state's funding and investment flows and for transacting in derivative products for risk management purposes.

SAFA is also South Australia's primary face to the domestic and international insurance markets for providing whole-of-government catastrophe reinsurance, and providing insurance cover, risk management advice and assistance to government agencies.

In addition to SAFA's role as the central financing authority for and captive insurer of the Government of South Australia, SAFA is also responsible for corporate governance, transaction management and support services for the electricity entities and for administration on behalf of the Treasurer of contracts associated with a number of industry assistance schemes.

Full details of SAFA's operations can be found in its annual report for 2008-09.

### *Performance*

SAFA's major activities for the year focussed on issues flowing from the global financial crisis and on achieving the key priorities contained in its business plan for 2008-09. The primary objectives of the plan being to improve and extend services to current clients, diversify and expand its client base and business activities, maintain a culture of continuous improvement in business operations, systems and processes and provide an environment that values and supports our staff.

## *Key achievements*

- Met the government's funding requirements.
- Successfully renewed the government's reinsurance program.
- Managed the implications of the global financial crisis on SAFA's operations.
- Issued a new select line with a maturity of August 2010.
- Managed the early termination of the US Cross Border Lease over the state's electricity transmission network.
- Assumed responsibility for the administration of two additional industry assistance funds.

## *The year ahead*

SAFA will continue to meet the challenges of the ongoing global financial crisis that is characterised by ongoing volatility in world capital markets, recessionary global economies and weakening government finances.

The government's announcement of significant capital expenditure over the next few years to fund water security initiatives and public transport infrastructure will significantly increase the funding demands of government entities on SAFA.

As a consequence of these developments, SAFA needs to ensure it has infrastructure frameworks in place to meet its ongoing requirements in a difficult funding environment.

The key high-level priorities to be pursued by SAFA over the course of 2009-10 include:

- Raising \$4.6 billion to meet the government's total funding requirements.
- Activating new offshore multi-currency debt issuance programs to ensure access to diversified funding sources.
- Reviewing debt and asset management arrangements to ensure that the government's objectives are met.
- Actively promoting SAFA's lending, investment, advisory, and treasury administration support services to clients.
- Reviewing and upgrading IT systems.
- Continuing to manage the government's insurance and risk management activities.
- Integrating Fleet SA activities into those of SAFA.
- Continuing to effectively monitor and manage contracts associated with the electricity entities and industry assistance programs.

## SUPER SA

The State Superannuation Office plays a role in supporting the department's priority of:

- improving service delivery.

The State Superannuation Office administers the major superannuation schemes for public sector employees, on behalf of the South Australian Superannuation Board (Board). The Office also administers the SA Ambulance Service Superannuation Scheme for the Board which acts as Trustee. In this role, it adopts the Board's trading name of Super SA. The State Superannuation Office also provides superannuation arrangements for parliamentarians, judges and governors. The office, through the department, also provides advice to the government on superannuation policy.

In line with the strategy to consolidate the administration of smaller superannuation funds, on 1 July 2008 the State Superannuation Office finalised the closure of the Police Lump Sum Superannuation Scheme and transferred Police Pension Scheme members' voluntary accounts to the Triple S Scheme.

From 1 July 2008, the SA Ambulance Service Superannuation Scheme was also closed to new members. All new employees of the SA Ambulance Service automatically become members of the Triple S Scheme. Existing members of the SA Ambulance Service Superannuation Scheme have the option to transfer to Triple S during the period 1 July 2008 to 31 December 2009.

Full details of the State Superannuation Office's role in fulfilling its requirements for the Board can be found in the Board's Annual Report for 2008-09.

### *Key objectives*

The State Superannuation Office manages the administration of all Schemes in line with the Super SA Board's key objectives. The key objectives for the 2008-09 financial year were:

- **Adequacy** — to increase the number of members contributing for their retirement and encourage members to have an appropriate level of insurance;
- **Services and Communications** — meet member and stakeholder expectations of continually improving services, products and communication; and
- **Sustainable Fund** — ensure that strategies are implemented to maintain Super SA as a sustainable public sector fund.

### *Performance*

#### **Adequacy**

This year the Office had a target of encouraging 6568 active Triple S members to commence making personal contributions. This target was not met, with a total of 2853 new contributors in Triple S. The negative investment returns and ongoing market volatility have had an impact on Super SA's ability to achieve this objective.

New Regulations under the *Southern State Superannuation Act 1994* provided a majority of Triple S members with an additional unit of standard Death and Total and Permanent Disability (TPD) Insurance effective from 18 January 2009.

Further enhancements to the insurance offered by the Triple S scheme are due to be introduced early in 2009-10.

This year's target of encouraging 1700 active Triple S members to apply for additional Death and TPD Insurance was exceeded, as 2064 members applied to increase their cover. A substantial increase in the number of applications was received following a communication campaign in January 2009, which highlighted the importance of insurance cover.

## **Services and communications**

This year the State Superannuation Office focused on communicating the importance of a member having appropriate levels of insurance and, given recent market volatility, on educating members about investment. In June 2009, the State Superannuation Office distributed a tailored investment communication to members over 50, as well as a retirement checklist, to assist those members approaching retirement.

Following the government's announcement that targeted voluntary separation packages (TVSPs) would be offered to employees, the State Superannuation Office created TVSP information kits for those members considering taking a TVSP. A TVSP worksite and seminar education program was developed and actively promoted to all agencies.

During the 2008-09 financial year, the Super SA Information Team made a total of 728 worksite visits and ran 410 scheduled seminars. A total of 20 503 members experienced face-to-face contact with an Information Officer, either at their workplace or at a Super SA seminar venue. This met the Board's target of reaching 11 per cent of the total membership (or 20 000).

## **Sustainable Fund**

On 1 March 2009 a new investment option, the socially responsible option was introduced. Members wanting to have their superannuation invested in a way that takes into account ethical and environmental considerations and excludes investment in areas of high social impact such as tobacco, alcohol and gambling can now invest in the socially responsible option. As at 30 June 2009, 77 members had invested their super in the socially responsible option, with a total of \$7.1 million being transferred into the new option during the year.

## Retirement Products

During the year, the Allocated Pension product continued to experience growth with an increase in members leading to \$175.1 million funds under management at 30 June 2009. The Flexible Rollover Product also experienced strong growth with \$163.2 million funds under management at the end of June 2009.

### Membership across government schemes

Scheme	Contributory Members	Non-Contributory Members	Preserved	Superannuants	Flexible Rollover Product	Allocated Pension	Total
Triple S Scheme (open) <sup>(a)</sup>	31 963	76 067	56 849	—	1 530	994	167 403
Pension Scheme (closed)	3 269	n.a.	1 163	15 115	—	—	19 547
Lump Sum Scheme (closed) <sup>(a)</sup>	5 826	n.a.	1 984	—	—	—	7 810
Parliamentary Superannuation Scheme <sup>(b)</sup>	69	—	3	109	—	—	181
Judges Pension Scheme	n.a.	n.a.	—	55	—	—	55
Governor's Pension Scheme	n.a.	n.a.	—	3	—	—	3
SA Ambulance Scheme <sup>(a)</sup>	1 038	56	45	—	—	—	1 139
<b>Total</b>	<b>42 165</b>	<b>76 123</b>	<b>60 044</b>	<b>15 282</b>	<b>1 530</b>	<b>994</b>	<b>196 138</b>

(a) These schemes are accumulation schemes and provide lump sums on retirement not pensions.

(b) All Members of Parliament must contribute.

## Legislative changes

The *Southern State Superannuation Act 2009* was passed by Parliament and received assent on 11 June 2008. This Act replaces the *Southern State Superannuation Act 1994* as the governing legislation for the Triple S Scheme and is expected to operate from 1 August 2009. New regulations containing the detailed scheme rules will be made consequent to the new Act.

Full details of other regulations made during the year can be found in Appendix 3.

## The year ahead

- Continue to promote the importance of making voluntary contributions and the importance of having appropriate levels of insurance.
- Provision of more online services and tools for members. This includes providing online access for Allocated Pension and Flexible Rollover Product members. The intention is also to improve online calculators and projectors.
- Development and implementation of a Customer Care Strategy Plan to improve the quality and effectiveness of the planning for retirement experience for those members nearing retirement.
- Selecting a new Administrative System for Triple S and Flexible Rollover Product for implementation in early 2011, and purchase and implement a new reporting system.

# ***CORPORATE AND SHARED SERVICES***

## **CORPORATE SERVICES**

Corporate Services played an important role in supporting the department's priorities of:

- improving service delivery;
- managing our people; and
- managing our resources.

Corporate Services provides:

- support services including financial, human resources, information and communications technology, procurement, facilities management, administration, communications, audit and risk management, and records management services to the department, the Treasurer's Office and agencies within the Treasurer's portfolio;
- information and communications technology, procurement, facilities management and records management services to the Department of the Premier and Cabinet; and
- information technology services to several agencies that were formerly supported by the Department of Administrative and Information Services.

## ***Performance***

This year Corporate Services has continued to be heavily involved with the review of business units that transferred from the former Department of Administrative and Information Services to the Department of Treasury and Finance. The branch also completed several significant projects to improve the department's financial management, administrative and business processes in 2008-09. These included projects relating to financial systems, information technology, human resources, training and development, procurement and occupational health and safety.

## **Major projects**

### ***Corporate Induction Program***

Introduced in April to induct new staff to the department. The program is tailored to the needs of recruits who are new to the public sector and those who are simply new to the department. This program is run quarterly.

### ***ICT Services***

A new standard operating environment was deployed across the department. This was a major undertaking to upgrade desktop computer software to current standards.

Corporate ICT Services provided technical assistance with data cleansing and migration, determining business rules and establishing the infrastructure for the test and production environments for the Revenue Information System to Enable Compliance (RISTEC) project.

### *Members of Parliament Support Services*

An independent consultant was engaged to conduct a work value assessment and review of the classification of Assistants to Members of the South Australian Parliament, as required by the 2007 Enterprise Agreement.

### *Recognition of Carers*

A new intranet page has been created promoting the *Carers Recognition Act* and the Carers Charter that provides useful links and information to managers and carers across the department. Information about the *Carers Recognition Act* and Carers Charter has been included in the Corporate Induction Program. Data collection and reporting is currently not compulsory for the department as a 'non reporting agency'. The department continues to be represented on the Whole of Government Carers Implementation Group.

### *Contract Services Review*

Contract Services supports the State Procurement Board, created under the State Procurement Act 2004, in developing the strategic direction for procurement operations across government, focussing on policy and guidelines and development and facilitating procurement across government. A review of the activities and resources of Contract Services was undertaken in order to achieve an efficient, better aligned and more flexible organisational model. Corporate Services assisted in the successful implementation of the new organisational structure and staffing arrangements, including the management of excess employees.

### *Procurement Services*

Considerable work was undertaken to develop and implement an electronic database to effectively plan, manage and report on departmental procurement and contract activity for projects with a value of greater than \$110 000. Other procurement tools and templates were comprehensively reviewed and placed on the intranet to improve access.

## **Significant operational programs**

### *Departmental training*

The branch developed and conducted a number of corporate training programs that included:

- **Disability Awareness Training** — this program supports the government's strategy *Promoting Independence — Disability Action Plans for South Australia* and the department's commitment to creating a workplace that is inclusive and supports equity and diversity. The program also provides managers and staff with an understanding of their roles and responsibilities under legislation, an awareness of the rights of people with disabilities in the areas of access to services, employment in the workplace and how to improve interactions with people with a disability.
- **Performance Management Program (PMP)** — is an integral part of our business within the department. Training undertaken prior to commence of the Program emphasised communication is a two way process, requiring both managers and staff to give and receive frank and honest feedback. This communication process ensures that everyone has a clear understanding of performance expectations.
- **Selection Panel Training** — the program covered the importance and benefits of effective staff selection, conducting an effective selection process and building selection panel members' confidence in understanding their roles and the legislative obligations.

- **Mandatory Occupational Health, Safety and Welfare (OHS&W) Update Training** — a program complying with three-yearly mandatory training obligations was delivered to increase employee awareness of the legislation, departmental policy requirements and OHS&W responsibilities.
- **Office Ergonomics** — sessions were provided to a number of employees covering the general principles of office ergonomics to support a safe work environment.

### *Workforce Participation/Diversity*

The department supports its diverse workforce in contributing to the government's commitment to social inclusion. A number of initiatives were undertaken during the year including:

- **Cultural Inclusion and Reconciliation** — reporting was improved this year with the implementation of the CHRIS data integrity project. Increased employment opportunities for Aboriginal people were actively promoted through the Corporate Induction Program and the Aboriginal Employment Program within the Department of Further Education, Employment, Science and Technology.
- **Women in Treasury (WiT)** — a work plan was developed for 2008-09 which included lunchtime forums and a proposal to develop a WiT sponsored mentoring program for women at classification levels ASO1 to ASO6.
- **Youth** — participation is encouraged at local and whole of government forums and the department targets staff members under the age of 35 years for a range of information and activities. The department hosted a table of 'under 35s' to attend the Ripple Effect Conference held by the Institute of Public Administration Australia. The department's youth representative actively participates in the Corporate Induction Program and Human Resources Committee.
- **Disability (Promoting Independence)** — the department's Disability Action Plan 2007-09 was further refined and includes actions that the department is taking to continue to ensure that its services and products are accessible to people with disabilities. The plan aligns with the six outcome areas in the Promoting Independence framework for public sector agencies to improve access for people with disabilities.

### *Occupational Health, Safety, Welfare and Injury Management (OHSW&IM)*

Corporate Services coordinated a number of OHSW&IM initiatives during the year, including:

- enhancement of the OHSW&IM system through a widespread review of programs, policies and procedures, resulting from two gap analyses against the WorkCover Performance Standards for Self-Insurers;
- development of a formal Wellbeing Program, which includes sponsoring onsite influenza vaccinations, coordination of a number of lunchtime events and health promotion initiatives, and the ongoing provision of an Employee Assistance Program for employees;
- delivery of change management information sessions to management and staff. The sessions covered the dimensions of change, key factors contributing to lowered motivation and morale and strategies for monitoring and increasing self-motivation and team morale; and



- significant improvements were made to reporting formats, including regular reporting against action items in the Safety Management Plan.

### *The year ahead*

- **Corporate Induction Program** — will continue to build a quality corporate induction experience for new recruits, with the inclusion of an on-line framework.
- **OHSW&IM Audit and Inspection Program** — implementation of this recently developed program will enable ongoing measurement and evaluation of various OHSW&IM programs and processes, and further improvements will be developed where required.
- **WorkCover Evaluation** — continue to integrate elements of the improved OHSW&IM system into relevant business operations, in preparation for the WorkCover Evaluation.
- **Redesigned Intranet** — a redesigned intranet will be released in the coming year, improving the flow of information within the department.
- **Security Plan** — finalising a review and implementing a departmental security plan to protect departmental physical assets, information and staff will be a priority.
- **Electronic Document Management** — a cost benefit analysis and system enhancement will be undertaken during the coming year.
- **Energy Saving Initiatives** — initiatives aimed at reducing overall energy consumption, including more efficient office lighting, will be evaluated.
- **Organisational Reviews:**
  - Fleet SA — this review focuses on the realignment of Fleet SA's organisational structure to support the new business model implemented during 2008-09. In 2009 Corporate Services will continue to assist the implementation of a new organisational structure in line with the department's Restructure and Filling of Vacancies Policy.
  - Super SA — during 2009-10 the Super SA Functional Business Analysis report will be finalised. Its aim is to review the organisational structure and the roles and responsibilities of Member Solutions, Member Contact Centre and Account Services. Human Resources assisted the review with the engagement of a consultant and the provision of advice on organisational structure and classification of staff.
  - The ICT Reform Project is focusing on reforming the Corporate ICT Services business model to create an efficient, responsive and integrated ICT services.

## SHARED SERVICES SA

Shared Services SA is responsible for the department's priority of:

- progress shared services transitions and commence reform activity and savings realisation.

The 2008-09 year saw the completion of the transition of tranche 1 services (Payroll, Accounts Payable and Accounts Receivable) with tranche 2 (Financial Services) Group 1 Agencies (Department of the Premier and Cabinet, Department of Education and Children's Services, Department for Environment and Heritage, Department for Families and Communities and Department of Primary Industries and Resources SA) transitioning on 9 June 2009.

Services transition to Shared Services SA on an 'as is' basis and are then stabilised, standardised, consolidated and subsequently reformed to achieve efficiencies and improve service delivery outcomes.

Shared Service SA operates on a full cost recovery basis, with its pricing reflecting the full cost of service provision.

As at 30 June 2009, Shared Services SA comprised 865 employees, providing services to 51 client agencies across the South Australian public sector.

## *Performance*

### **Service Delivery**

During 2008-09, Shared Services SA established a discrete service delivery function, which included making a number of key senior appointments to focus on service delivery to agencies.

Shared Services SA introduced quarterly aggregated performance reporting for all services provided, including the customer support function. Individual agency clients also receive performance reports across each line of business, along with commentary about any issues that may have affected performance (eg system outages, changes in processing volumes, etc).

These reports provide both a qualitative and quantitative overview of how each service is performing. The aggregate reports provide month-by-month data for the previous three month period and are building to ultimately show data over a rolling 13 month period. Shared Services SA currently provides services to 51 client agencies across government. By the end of the reporting period, Shared Services SA was achieving the following average volume throughputs and performance:

- 190 000 accounts payable invoices processed per month, with 99.95 per cent accuracy.
- 54 000 accounts receivable invoices raised per month, with 99.72 per cent accuracy.
- 193 000 employee pays processed per month, with 99.29 per cent of base pays paid on time and 99.65 per cent paid accurately.

## Transition

### *Tranche 1*

The first tranche of services (Accounts Payable, Accounts Receivable and Payroll) successfully transitioned between March 2008 and early February 2009. Some smaller agency's services are still to be transitioned and will transition together with their tranche 2 and 3 services at a later date.

State Procurement and Support Operations, ICT Support Services also transitioned management responsibility to Shared Services SA on 1 July 2008, from the department's Corporate Services Branch.

### *Tranche 2*

In December 2008 Cabinet approved the transition of tranche 2 services. Tranche 2 comprises of Finance and Accounting Services (excluding SA Health units) and Strategic Contract Services.

Finance and Accounting Services includes general accounting; cash management; fixed asset accounting; taxation compliance; system generated reporting; and purchase cards. Group 1 Agencies for Finance and Accounting Services transitioned to Shared Services SA on 9 June 2009.

The plan also sought to accelerate major reform projects, such as e-procurement.

### *Tranche 3*

Initial investigation of potential in-scope tranche 3 Human Resource (HR) Administration Services was undertaken and a proposed scope was developed for consideration and approval.

## Reform

Given savings realisation is a key objective for Shared Services SA, reform projects are focussed on investigating cost reduction through simplifying and standardising processes and rationalising the resources and systems used to improve service quality and consistency.

In the Procure to Pay line of business, an across government e-procurement solution has been investigated and a submission has been approved by Cabinet.

In Financial Services, the reform activity during 2008-09 focused on Accounts Receivable, in particular the automation of invoice raising and the standardisation of payment options and reporting.

Employee Services progressed investigation of Payroll/HRMS initiatives, including database rationalisation, employee/manager self-service and the automation of time and attendance records.

ICT Services reform has focused on planning for across government server virtualisation and consolidation prior to the transition of ICT infrastructure services to Shared Services SA.

## Corporate Initiatives

### *Workforce Relations and Strategy*

A number of corporate initiatives, designed to enhance Shared Services SA's human resources were introduced during 2008-09, including an audit of the skills base of all employees, deployment of an enhanced Performance Management System and the roll out and promotion of the corporate values — Honesty, Team Spirit, Boldness, Respect and Trust — that underpin its operational business. In addition, work is well progressed in the procurement of an extensive online learning and development catalogue.

The Shared Services SA Workforce Consultative Committee was established in February 2009 to consider operational issues raised by employees, or their representatives. The committee comprises senior executives from Shared Services SA, Public Service Association (PSA) officers and employee representatives nominated by the PSA and Shared Services SA respectively.

To promote good practice, Shared Services SA appointed two senior OHS&W consultants in April 2009. Processes are in place to ensure the early identification and management of OHS&W issues associated with each transition of services and employees to Shared Services SA.

### *Accommodation Requirements*

Following the revision of in-scope Tranche 2 and 3 services, it was determined the previously identified third site for Shared Services SA was not required at this time. The Shared Services SA long-term accommodation strategy is now proposed to be based on consolidation within the current locations of Westpac House and Wakefield House. An additional site will be considered as needs dictate.

### *Continuous Improvement*

Shared Services SA has implemented a number of continuous improvement practices including training the Senior Leadership Group and a number of first-line managers in Lean/Six Sigma methodologies; development and implementation of a best practice change management framework; a change control process; and a continuous improvement program.

During the 2008-09 period, a Program Office was established to coordinate, monitor and report on the progress of reform projects in relation to meeting savings targets. The Program Office oversees a range of projects varying from relatively small 'simplification/rationalisation' initiatives to larger 'transformational' activities, such as the development of an across government e-procurement system.

### *Compliance and Risk Management*

Shared Services SA's internal audit plan for 2008-09 to 2010-11 was approved in June 2009 and utilises a co-sourced audit model. An external service provider was appointed and has commenced internal audit activity.

A risk and issue management framework was adopted with an implementation strategy currently under development.

### *The year ahead*

- Complete transition of Tranche 2 services from agencies to Shared Services SA.
- Reform of transitioned services.
- Commence activity to transition Tranche 3 services, including HR Administration Services and ICT Services, from agencies to Shared Services SA.
- Promote and develop a continuous improvement ethos through the training and development of all employees.
- Continue roll out of the new Performance Management Program for all Shared Services SA employees.
- Pilot the e-procurement solution for implementation across government.
- Development and deployment of an operations performance management methodology.

## STATE PROCUREMENT AND FLEET OPERATIONS

State Procurement and Fleet Operations Branch (SPFO) played an important role in supporting the department's priorities of:

- achieving performance improvements in the South Australian public sector;
- improving service delivery; and
- managing our people.

SPFO consists of Contract Services and Fleet SA.

The branch provides a range of services to other government agencies including contract and procurement management and light vehicle fleet management.

Specifically it provides:

- services and advice that promote the delivery of effective and efficient procurement processes across the public sector;
- support and advisory services to the State Procurement Board in the delivery of its key objectives under the *State Procurement Act 2004*;
- comprehensive fleet management to government for its passenger and light commercial motor vehicle fleet;
- a chauffeur service for Ministers and approved Members of Parliament, and for visiting dignitaries and VIPs; and
- auction services (transferred from Contract Services to Fleet SA from 1 July 2008).

## *Performance*

### Major projects

#### *State Procurement Board Website*

The new State Procurement Board website was launched in March 2009.

#### *State Procurement Board Review and Audit Function*

The Board commenced its program of reviews of agency procurement operations. As at 30 June 2009, one agency review was finalised and three more were in progress.

#### *Fleet SA Review*

As part of the Fleet SA Reform Project (see commentary for Policy Analysis and Government Enterprises Branch) an organisational review of Fleet SA was undertaken with the aim to create an efficient, responsive and integrated organisational structure that aligns with refocussed service delivery and policy arrangements following the implementation of recommendations from an external consultancy group. Implementation of the outcomes from the organisational review is ongoing.

### *Fleet SA Environmental Projects*

With the release of the *Tackling Climate Change — South Australia's Greenhouse Strategy*, Fleet SA continued to support the achievement of the Government's target of ensuring 50 per cent of the state's vehicle fleet are using environmentally friendly fuels by 2010.

Vehicles counted towards this target are those fitted with LPG, all hybrid vehicles, vehicles being fuelled with bio fuels and vehicles fitted with common rail (high efficiency) diesel. Forty eight per cent of vehicles are now equipped to use environmentally friendly fuels, meeting the 'lower emission fuels' criteria.

## **Whole of Government Programs**

### *Strategic Contracts*

Thirteen across government contracts for commonly used goods and services continued to be managed. Bids were invited from the market for the supply of travel services, fuel, and stationery.

### *Development of Government Procurement Staff*

New recruitment programs were developed for procurement cadets and graduates. Generic job descriptions were developed for ASO2 to ASO5 classification level procurement roles and were distributed for use across government.

### *State Procurement Board Policy Framework*

The State Procurement Board reviewed several of its existing policies and guidelines and developed the Life Cycle Costing Guideline and the Standard Tender and Contract Documents Policy and Guideline.

As a statutory authority, the State Procurement Board produces its own annual report in which more detail is provided.

### *Across Agency Support*

Fleet SA continued to provide expert advice and support to government agencies to assist them to target measures to reduce their operational costs. This included the provision of advice on the running of their fleet vehicles, fleet mix decisions, and fit for purpose choices for their operations.

## ***The year ahead***

- State Procurement and Fleet Operations was abolished on 30 June 2009 and sections were moved to other branches of the Department of Treasury and Finance:
  - Strategic Contracts section to Shared Services SA;
  - Procurement Policy and Governance section to Government Accounting, Reporting and Procurement Branch;
  - Fleet SA to SA Government Financing Authority; and
  - Ministerial Chauffeurs to Corporate Services Branch.

## OUR PEOPLE

### EMPLOYEE NUMBERS, GENDER AND STATUS

#### Employee numbers

	Persons	FTEs
Total number of employees as at 30 June 2009	1623	1549.12
Female %	52.99	50.97
Male %	47.01	49.03

#### Recruitment and separations during 2008-09

	Persons
* Number of employees recruited to agency	800
Number of employees separated from agency	168
* Recruitment was higher in the reporting period due to the transitioning of 554.42 FTE's into Shared Services SA.	

#### Leave without pay

	Persons
Number of persons on leave without pay as at 30 June 2009	46

#### Number of employees by salary bracket (as at 30 June 2009)

	Male	Female	Total
\$0 – \$43 999	172	319	491
\$44 000 – \$56 999	188	290	478
\$57 000 – \$72 999	200	160	360
\$73 000 – \$91 999	157	79	236
\$92 000 +	46	12	58
<b>Total</b>	<b>763</b>	<b>860</b>	<b>1623</b>

#### Employee status by FTE (as at 30 June 2009)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	643.72	85.3	59.84	0.66	789.52
Male	610.5	66.8	81.00	1.3	759.6
<b>Total</b>	<b>1254.22</b>	<b>152.1</b>	<b>140.84</b>	<b>1.96</b>	<b>1549.12</b>



### Employee status by number of persons (as at 30 June 2009)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	702	93	64	1	860
Male	612	67	81	3	763
<b>Total</b>	<b>1314</b>	<b>160</b>	<b>145</b>	<b>4</b>	<b>1623</b>

### Number of Executives by status in current position, gender and classification (as at 30 June 2009)

Classification	Ongoing		Contract tenured		Contract untenured		Total		
	F	M	F	M	F	M	F	M	Total
EXEOA	—	—	—	—	—	3	—	3	3
EXECOB	—	—	—	—	—	1	—	1	1
EXECOC	—	1	—	—	—	—	—	1	1
EXECOD	—	—	—	—	—	—	—	—	—
EXECOF	—	—	—	—	—	1	—	1	1
SAES1	—	—	—	—	12	32	12	32	44
SAES2	—	—	—	—	1	9	1	9	10
<b>Total</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>13</b>	<b>46</b>	<b>13</b>	<b>47</b>	<b>60</b>

### Leave management (not including recreational leave)

	2005–06	2006–07	2007–08	2008–09
Average number of sick leave days taken per FTE <sup>(a)</sup>	8.4	8.1	8.7	6.6
Average number of family carer's leave days taken per FTE	0.8	0.9	0.9	0.8
Average number of special leave with pay days taken per FTE for individual needs and responsibilities (as outlined on page 42 of Commissioner's Standard 3.4)	0.4	0.6	0.4	0.4
<b>Total average leave per FTE</b>	<b>9.6</b>	<b>9.6</b>	<b>10.0</b>	<b>7.8</b>

(a) Sick leave is lower due to increased FTE in the past 12 months from transitioning employees into Shared Services SA from other agencies. Sick leave balances taken was not transferred.

## WORKFORCE DIVERSITY

### Age profile (as at 30 June 2009)

Age	Female	Male	Total	% of all employees	% of SA workforce <sup>(a)</sup>
15 – 19	3	2	5	0.31	6.5
20 – 24	46	38	84	5.18	10.3
25 – 29	103	75	178	10.97	11.1
30 – 34	107	113	220	13.56	10.7
35 – 39	140	98	238	14.66	11.7
40 – 44	115	84	199	12.26	11.4
45 – 49	112	85	197	12.14	11.9
50 – 54	96	113	209	12.88	10.3
55 – 59	93	110	203	12.51	8.2
60 – 64	40	38	78	4.81	5.3
65 +	5	7	12	0.75	2.6
<b>Total</b>	<b>860</b>	<b>763</b>	<b>1 623</b>	<b>100</b>	<b>100</b>

(a) Source: Australian Bureau of Statistics Australian Demographic Statistics, Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at March 2007.

### Aboriginal and Torres Strait Islander Employees (as at 30 June 2009)

	Aboriginal Staff	Total Staff	% of agency employees <sup>(a)</sup>
\$0 – \$43 999	4	491	0.81
\$44 000 – \$56 999	3	478	0.63
\$57 000 – \$72 999	—	360	—
\$73 000 – \$91 999	—	236	—
\$92 000 +	—	58	—
<b>Total</b>	<b>7</b>	<b>1 623</b>	<b>1.44</b>

(a) South Australia's Strategic Plan target is 2 per cent.

### Cultural and linguistic diversity (as at 30 June 2009)

	Female	Male	Total	% of agency employees	SA Community <sup>(a)</sup>
Number of employees born overseas	116	79	195	12.0	20.3
Number of employees who speak language(s) other than English at home	96	51	147	9.1	16.6

(a) Benchmarks from Australian Bureau of Statistics — Publication Basic Community Profile (SA) Cat No. 2001.0

## Disability

	Female	Male	Total	% of agency employees
Number of employees with disabilities (according to Commonwealth DDA definition)	n.a.	n.a.	55	3.38
Number of employees with ongoing disabilities requiring workplace adaptation	19	11	30	1.84

## Disability types

	Female	Male	Total	% of agency employees
Physical	n.a.	n.a.	33	2.03
Intellectual	n.a.	n.a.	2	0.12
Sensory	n.a.	n.a.	16	0.98
Psychological/Psychiatric	n.a.	n.a.	9	0.55
Other	n.a.	n.a.	9	0.55
<b>Total</b>	<b>n.a.</b>	<b>n.a.</b>	<b>69</b>	<b>4.25</b>

## Number of employees using voluntary flexible working arrangements

	Female	Male	Total
Purchased Leave	5	11	16
Flexitime	787	655	1442
Compressed Weeks	1	2	3
Part-time Job Share	35	3	38
Working from Home	1	6	7

## Documented review of individual performance management<sup>(a)</sup>

	% workforce
Employees with a plan reviewed within the past 12 months	100
Employees with a plan older than 12 months	—
Employees with no plan	—

## MANAGEMENT (OHSW&IM) STATISTICS

### OHSW&IM Notices and corrective action taken

Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	—
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	—
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	—

### Agency gross<sup>(a)</sup> workers compensation expenditure for 2008-09 compared with 2007-08<sup>(b)</sup>

Expenditure	2008-09 \$'000	2007-08 \$'000	Variation +(-) \$'000	% Change +(-)
Income maintenance	29	26	+3	-11.5
Lump sum settlements redemptions — Sect 42	99	—	+99	—
Lump sum settlements permanent disability — Sect 43	26	53	-27	-50.9
Medical/Hospital costs combined	62	56	+6	+10.7
Other	20	27	+7	+25.9
<b>Total claims expenditure</b>	<b>236</b>	<b>162</b>	<b>+78</b>	<b>—</b>

(a) Before third party recovery

(b) Information available from IDEAS RS/SIMS (for detailed advice on data extraction contact PSWD)

Meeting safety performance targets<sup>(a)</sup>

	Base: 2005-06	Performance — 12 months to end of June 2009 <sup>(b)</sup>			Final target
	No. or %	Actual	Notional quarterly target <sup>(c)</sup>	Variation	No. or %
1. Workplace fatalities	—	—	—	—	—
2. New workplace injury claims	16	13	14	-1	13
3. New workplace injury claims frequency rate	9.3 <sup>(e)</sup>	5.1	7.9	-2.8	7.5
4. Lost time injury frequency rate <sup>(d)</sup>	4.2 <sup>(e)</sup>	3.1	3.5	-0.4	3.4
5. New psychological injury claims	1	1	1	—	1
6. Rehabilitation and return to work:					
a. Early assessment within 2 days	37.5%	46.15%	80%	-33.85%	80%
b. Early intervention within 5 days	100%	100%	80%	20%	80%
c. RTW within 5 business days	100%	73.33%	75%	-1.67%	75%
7. Claim determination:					
a. Claims determined in 10 business days	50%	57.14%	75%	-17.86%	75%
b. Claims still to be determined after 3 months	25%	0%	3%	-3%	3%
8. Income maintenance payments for recent injuries:					
a. 2007-08 injuries (at 24 months development)	—	28 425.10	15 488.00	12 937.11	< prev. 2 yrs avg.
b. 2008-09 injuries (at 12 months development)	—	13 419.45	16 316.12	-2 896.67	< prev. 2 yrs avg.

(a) Information available from IDEAS RS/SIMS (SIPS target report)

(b) Except for target 8, which is YTD, targets 5, 6c, 7a and 7b, performance is measured up to the previous quarter to allow reporting lag.

(c) Based on cumulative reduction from base at a constant quarterly figure.

(d) Lost Time Injury Frequency Rate Injury frequency rate for new lost-time injury/disease for each one million hours worked. This frequency rate is calculated for benchmarking and is used by the WorkCover Corporation. Lost Time Injury frequency rate (new claims): Number of new cases of lost-time injury/disease for year x 1 000 000 number of hours worked in the year

(e) Based on figures for DTF Portfolio

## DISABILITY ACTION PLAN

This appendix details the performance of the department against the six outcome areas of the whole of government policy *Promoting Independence — Disability Action Plans for South Australia*:

### Outcome 1 — Access to services

**Portfolios and their agencies are to ensure access to their services and facilities to people with disabilities.**

As part of the department's accommodation strategy, tenancies are being modified in line with Government Office Accommodation Guidelines and Occupational Health, Safety and Welfare requirements. This is an ongoing process and includes the provision of suitable facilities for people with disabilities.

As a tenant of leased accommodation, the department relies on the Department for Transport, Energy and Infrastructure to conduct access audits of all existing and new tenancies. The department has additionally undertaken an extensive review of all departmental sites in relation to the *Disability Discrimination Act 1992* and the *Disability Services Act 1993*.

Disability access is incorporated in the department's strategic accommodation planning.

Upgrade initiatives undertaken in 2008-09 include the following:

- workstation modifications to allow wheelchair access;
- adjusting door closers on various floors for easier access;
- repositioning security card readers on various floors;
- installing tactile ground surface indicators to steps leading to the loading bay and mezzanine level; and
- installing automatic doors on Level 4, State Administration Centre, and at 12 Victoria Place, Adelaide.

Specific workplace modifications continue to be undertaken to allow people with disabilities to access and work in the department.

In addition, the department actively invites disability groups to working party meetings, seeking feedback on specific accessibility issues and areas for improvement.

### Outcome 2 — Information is inclusive

**Portfolios and their agencies ensure that information and communication about services and programs is inclusive of people with disabilities.**

The department's Disability Action Plan incorporates the requirement for publications to be accessible to people with disabilities. The department has adopted the whole of government branding guidelines for publications to ensure accessibility to services. Developed by the Worldwide Web Consortium (W3C), the Web Content Accessibility Guidelines (WCAG1.0)

has been used for over nine years as the main international benchmark for website accessibility for people with disability.

In 2008 an audit was undertaken for web accessibility and minimum government requirements of DTF's internet site. A report identified levels of compliance with standards and provided suggestions for further improvement. The standard met by DTF was assessed as typical to good. The department is committed to implementing all suggestions for improvement in the 2009-10 year.

The departmental strategy on managing the website content (internet/intranet) is through a content management system with rigid templates that ensures accessibility is maintained. Recent upgrades to the department's external website have included accessibility information for users. The Disability Awareness site on the intranet provides useful links and information that can assist staff in relation to locating services, news items and publications, including the department's Disability Action Plan.

The department's Client Service Charter and Client Service Strategy, which is available to internal and external clients, incorporate a feedback process in relation to services provided.

Human Resources continues to work closely with branches in recruiting people with disabilities for vacancies at all levels in the department.

### Outcome 3 — Disability awareness

**Portfolios and their agencies deliver advice or services to people with disabilities with awareness and understanding of issues effecting people with disabilities.**

The Disability Awareness Training program, aimed at increasing general awareness and understanding of people with disabilities, has continued to deliver information to staff and managers throughout the department. The program will continue each year to ensure that all staff have the opportunity to participate and provide feedback on issues relevant to their workplace.

The government's *Promoting Independence: Disability Action Plans for South Australia* seventh progress report is promoted to senior management and staff via the intranet and the internal working party, to facilitate further understanding of the issues, progress and achievements to date.

The disability working party continues to invite various external disability groups to meetings, to encourage better understanding of services available and establish/improve our consultative processes to ensure appropriate consultation/considerations in policy development, planning and systems to meet the needs of people with disabilities.

### Outcome 4 — Consultation and complaints process

**Portfolios and their agencies provide opportunities for consultation with people with disabilities on service delivery and in the implementation of complaints and grievance mechanisms.**

The department has a Grievance Resolution Policy that is available to all staff via the intranet.

In conjunction with the department's Client Service Charter and Client Service Strategy there are established mechanisms for clients to provide direct feedback to service areas of the

department. The department's service areas also regularly survey clients on service delivery issues.

## Outcome 5 — Compliance with relevant Acts

**Each Portfolio Chief Executive will ensure that their portfolio has met the requirements of the Disability Discrimination Act 1992 and the Equal Opportunity Act 1994.**

The department's Disability Action Plan 2007-09 is based on the six outcomes areas and is framed to ensure that it meets the requirements of *Commonwealth Disability Discrimination Act 1992* and the *SA Equal Opportunity Act 1984*. The Plan has been registered on the Human Rights and Equal Opportunity Commission, Disability Rights Section and is transparent in terms of what the department has committed itself to achieving, and its implementation approach. The plan is provided in a format suitable for access on the site.

## Outcome 6 — Increase employment rates (SASP Target T6:22)

The department's Disability Action Plan/Policy outlines its strategy and actions, which contribute to the SASP target and the department, will monitor its performance accordingly. Supporting this, the department adopts the processes outlined in Commissioner's Standard 2 — Quality Staffing with regards to employment considerations — Public Sector Special Employment Programs — Disability Employment Register.

The department also works collaboratively with disability groups in assisting with work experience placements for young people with disabilities, which contributes to possible longer term employment prospects.

Human resource procedures and processes for filling vacancies are discussed with managers and their support administrative staff, to ensure full consideration is given to the employment of people with disabilities, when vacancies for either short or long term duration occurs.

Selection panel training is provided to directors, managers, supervisors and nominated staff involved with the filling of positions within the department and included a session on employing people with disabilities.

A departmental survey to all staff to capture data on the number of staff with disabilities was conducted in 2008. The definition of disability in the survey was based on the *Commonwealth Disability Act 1992* (Cwlth s4).

Forty four per cent of employees responded to the survey. Over five (5.3) per cent of those respondents identified as having a disability in accordance with the definition provided. This represents a 3.3 per cent increase in the number of employees previously identified through the requirement for workplace modification.



## CARERS RECOGNITION

The Department of Treasury and Finance is part of the Whole of Government Carers Implementation Group that is led by the Department of Families and Communities (DFC). The department's intranet carers page provides a link through to the DFC internet carers page, which in turn provides a variety of information and links to organisations that support carers.

**Legislated Obligation 1 — there is a system to ensure officers, employees and agents have an awareness and understanding of the Carers Charter**

<b>Self rating against Legislated Obligation 1</b>	<b>Green ✓</b>	<b>Amber</b>	<b>Red</b>
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### 1.1 The system is documented

Are there guiding documents to ensure all officers, employees and agents are aware of the rights of employees in relation to the Carers Charter?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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#### Evidence relating to this part of the system for Obligation 1

The department provides information relating to the rights of employees in relation to the Carers Charter to all the department's employees via the carers intranet page and intranet news items. The induction program has a specific component dedicated to raising awareness for carers. The 2008-09 Corporate Human resources (HR) Plan specifically targets raising the awareness of the Carers Charter across the department.

### 1.2 The system is implemented

Is responsibility delegated for raising awareness of the Carers Recognition Act 2005 as it relates to carers as employees?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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#### Evidence relating to this part of the system for Obligation 1

Corporate HR is responsible for raising awareness of the *Carers Recognition Act 2005* and has an identified Senior HR Practitioner responsible for promoting carers recognition.

### 1.3 The system is communicated

Does the human resource division systematically communicate information regarding the Carers Charter and associated policies to employees?

Yes ✓

Preparing

No

#### Evidence relating to this part of the system for Obligation 1

Links are established via the department's carers intranet page and the Corporate Induction Program. During 2009 information has also been disseminated as news items on the department's intranet page.

Information is also presented to the Human Resource Committee (HRC). Its role is to provide leadership and a strategic overview of HRM matters which includes the development of a positive culture ensuring employee commitment in an environment of well managed and equitable employee relations.

### 1.4 The system is monitored and evaluated

Does the human resource division have a mechanism to monitor and evaluate employee awareness and understanding of the Carers Charter?

Yes ✓

Preparing

No

#### Evidence relating to this part of the system for Obligation 1

Corporate HR monitors applications for Special Leave With or Without Pay and/or Voluntary Flexible Working Provisions to ensure that the applications are equitable and consistent with appropriate policy and legislation including *Carers Recognition Act*.

#### Areas identified for improvement to the system for Legislated Obligation 1

Nil

#### Activities the department's human resource division has implemented in this reporting period that demonstrates good practice against Legislated Obligation 1

The creation of a carers intranet page providing access to information regarding the Carers Recognition Act, Carers Charter and SA Carers Policy. The intranet page provides information regarding flexible working provisions that are available to carers and information about the Employee Assistance Program. The carers intranet page provides a link to the Department of Families and Communities Carers Internet page that is regularly updated and provides access to a variety of support services and information for the department's employees with caring responsibilities.

The department has incorporated the Carers Recognition Act and recognition of carers into its whole of agency induction program enabling the targeting of all new employees.

**Legislated Obligation 2 — there is a system to ensure consultation with carers, or persons or bodies that represent carers, in the development of strategic and business plans and policies and procedures**

<b>Self rating against Legislated Obligation 2</b>	<b>Green ✓</b>	<b>Amber</b>	<b>Red</b>
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## 2.1 The system is documented

Does the human resource division have a documented system to include employees who are also carers, in planning and policy development?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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### Evidence relating to this part of the system for Obligation 2

Carers recognition is documented in the 2008-09 Corporate HR plan. The HRC is the consultative body responsible for reviewing all human resource planning and policy development in accordance with their terms of reference.

## 2.2 The system is implemented

Has the human resource division delegated responsibility to ensure employees as carers are involved in developing plans and policies?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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### Evidence relating to this part of the system for Obligation 2

Human resource plans and policies are created by Corporate HR and require the review of the HRC. The HRC is consulted on all human resource planning and policy decisions and makes recommendations based on business and employee needs.

### 2.3 The system is communicated

Does the human resource division inform and support employees to participate in consultation processes around carers in the workplace?

Yes ✓

Preparing

No

#### Evidence relating to this part of the system for Obligation 2

Human Resources is a key participant on the HRC which is the consultative body responsible for reviewing all new or modified human resource procedures in accordance with their terms of reference.

### 2.4 The system is monitored and evaluated

Does the human resource division monitor and evaluate the effectiveness of its system for consultation with employees as carers?

Yes ✓

Preparing

No

#### Evidence relating to this part of the system for Obligation 2

Human Resources is a key participant on the HRC which is the consultative body responsible for reviewing all new or modified human resource procedures in accordance with their terms of reference. The HRC terms of reference are evaluated at regular intervals to ensure effectiveness and are revised accordingly.

#### Areas identified for improvement to the system for Legislated Obligation 2

Nil

#### Activities the department's human resource division has implemented in this reporting period that demonstrates good practice against Legislated Obligation 2

Carers recognition was documented as part of the 2008-09 Corporate HR plan. All carers recognition initiatives implemented during 2008-09 (outlined in Legislated Obligation 1) were recommended by the HRC.

### Legislated Obligation 3 — there is a system to ensure the principles of the Carers Charter are reflected in human resource practices

<b>Self rating against Legislated Obligation 3</b>	<b>Green ✓</b>	<b>Amber</b>	<b>Red</b>
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#### 3.1 The system is documented

Does the division reflect the seven principles of the Carers Charter in human resource policies and procedures?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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#### Evidence relating to this part of the system for Obligation 3

Carers have access to a variety of information and support services via the carers intranet page.

Carers have access to an extensive variety of voluntary flexible working provisions allowing them flexibility and choices to balance their dual roles.

Carers have access to a confidential counselling service via the Employee Assistance Program.

Carers have access to a variety of health and wellbeing initiatives that are overseen by the OHS&W Committee.

#### 3.2 The system is implemented

Has the human resource division clearly delegated responsibility to ensure the principles of the Carers Charter are included in human resource practices?	<b>Yes ✓</b>	<b>Preparing</b>	<b>No</b>
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#### Evidence relating to this part of the system for Obligation 3

Responsibility for HR practices that affect carers have been delegated to branch and section heads across the department. Branch and section heads are kept up to date on HR practices that effect employees via an identified HR Account Manager and the HRC.

### 3.3 The system is communicated

Does the human resource division communicate the principles of the Carers Charter as part of human resource practices?	Yes ✓	Preparing	No
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#### Evidence relating to this part of the system for Obligation 3

Corporate HR communicates the Principles of the Carers Charter as part of human resource practices via the intranet page, intranet news items, as part of the Induction Program and via the HRC.

### 3.4 The system is monitored and evaluated

Does the human resource division monitor and evaluate the effectiveness of its human resource practices against the Carers Charter?	Yes ✓	Preparing	No
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#### Evidence relating to this part of the system for Obligation 3

Carers recognition as defined by the Carers Charter is a documented priority outlined in the Corporate HR plan. All new or modified human resource practices are evaluated against the Carers Charter with further review by the HRC.

### 3.5 Evidence and actions in this reporting period against each of the principles within the Carers Charter

	Action	Plan for action	No action and no plans
1. Carers have a choice in their caring role	✓		
2. Carers health and well being is critical to the community	✓		
3. Carers play a critical role in maintaining the fabric of the community	✓		
4. Service providers work in partnership with carers			✓
5. Carers in Aboriginal and Torres Strait Islander communities need specific consideration	✓		
6. All children and young people have the right to enjoy life and reach their potential			✓
7. Resources are available to provide timely, appropriate and adequate assistance to carers	✓		

continued

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**Evidence relating to this part of the system for each of the seven principles of the Carers Charter**

1. Carers have access to an extensive variety of voluntary flexible working provisions allowing them flexibility and choices to balance their dual roles. Carers have access to a variety of information and support services via the Carers intranet page.
  2. Carers have access to a variety of health and wellbeing initiatives that are overseen by the OHS&W Committee.
  3. The critical role that carers play in the community has been promoted across the department as a part of the induction program and the promotion of the *Carers Recognition Act* via the intranet.
  4. Not applicable — The department does not provide services direct to carers in the community.
  5. The unique needs of carers in Aboriginal and Torres Strait Islander communities are promoted across the agency via the Carers intranet page.
  6. Not applicable — The department does not provide services to children in the community.
  7. Carers have access to a variety of information and support services via the carers intranet page. Carers have access to a confidential counselling service via the Employee Assistance Program. Corporate HR provides an advice and consultancy service to employees who are carers.
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**Areas identified for improvement to the system for Legislated Obligation 3**

Nil

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**Activities the department's human resource division has implemented in this reporting period that demonstrates good practice against Legislated Obligation 3**

Documenting carers recognition in the 2008-09 Corporate HR plan. Nominating a HR consultant to ensure the Principles of the Carers Charter are reflected in human resource practices. Promoting carers recognition across DTF as part of the Corporate Induction Program and via the DTF carers intranet page.

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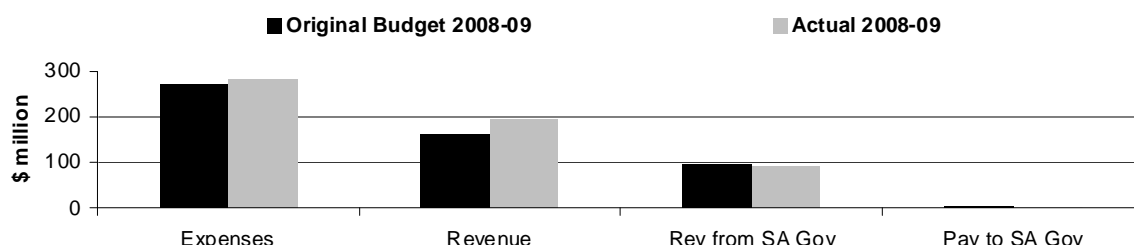
# PERFORMANCE

## FINANCIAL OVERVIEW

This section of the report provides an analysis of the financial performance of the department. The tables below summarise the Income Statement, Balance Sheet and Cash Flow Statement and include a comparison of the original budget for 2008–09, the results for 2008–09 and the results for 2007–08. The detailed Financial Statements for 2008–09 are presented later in this report.

### Summary income statement

	Original Budget 2008–09 \$'000	Actual 2008–09 \$'000	Actual 2007–08 \$'000
Expenses	254 932	280 611	245 464
Revenues	161 576	195 562	169 670
<b>Net cost of providing services</b>	<b>(93 356)</b>	<b>(85 049)</b>	<b>(75 794)</b>
Revenues from SA Government	97 881	94 184	83 196
Payments to SA Government	6 428	455	6 466
<b>Net result before restructure</b>	<b>(1 903)</b>	<b>8 680</b>	<b>936</b>
Net revenue from administrative restructure	—	—	—
<b>Net result after restructure</b>	<b>(1 903)</b>	<b>8 680</b>	<b>936</b>
Income tax equivalents	112	346	450
<b>Net result after restructure and tax</b>	<b>(2 015)</b>	<b>8 334</b>	<b>486</b>



As reflected in the table, the 2008-09 Net Result After Restructure and Tax of \$8.3 million represents a favourable variation of \$10.3 million from the original budget. This variation is summarised as follows:

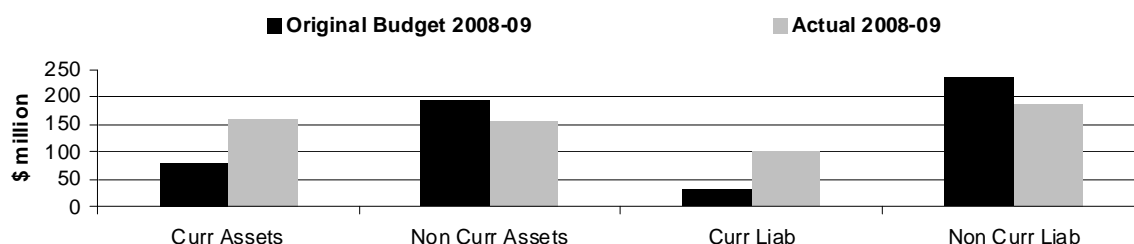
- Expenses were \$25.7 million higher than the original budget primarily due to the effect of agencies transitioning to Shared Services through out the year and additional expenses relating to a volume adjustment for Fleet SA. This was offset by a reduction in expenses for the Shared Services Reform Office due to adjustments to the timing of additional agencies transitioning to Shared Services.
- Revenues increased by \$34.0 million compared to the original budget primarily due to the effect of agencies transitioning to Shared Services through out the year and additional revenues relating to a volume adjustment for Fleet SA.



- Revenues from the Government of South Australia were \$3.7 million lower than budget. This was due to a decrease in funding of \$15.9 million primarily relating to the deferred implementation of Shared Services and the replacement taxation revenue system (RISTEC). This was partly offset by an additional working capital contribution of \$10.0 million.
- Payments to the Government of South Australia were \$6.0 million less than original budget due to the return of surplus cash pursuant to the Cash Alignment Policy.

### Summary balance sheet

	Original Budget 2008-09 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000
Current assets	81 199	159 412	136 964
Non current assets	195 347	154 975	154 548
<b>Total assets</b>	<b>276 546</b>	<b>314 387</b>	<b>291 512</b>
Current liabilities	31 013	101 291	85 617
Non current liabilities	235 805	185 986	187 540
<b>Total liabilities</b>	<b>266 818</b>	<b>287 277</b>	<b>273 157</b>
Net assets	9 728	27 110	18 355
<b>Equity</b>	<b>9 728</b>	<b>27 110</b>	<b>18 355</b>



Current assets were \$78.2 million more than original budget due to the impact of the government fleet replacement program and a higher than anticipated cash balance due to departmental under spend in 2008-09.

Non current assets were \$40.4 million less than original budget due to the government fleet replacement program.

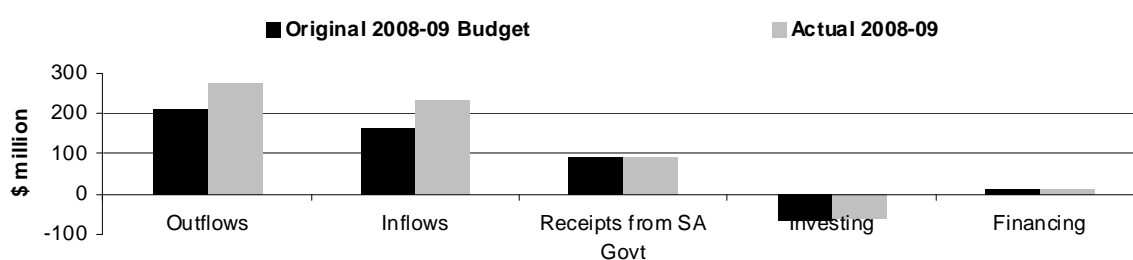
Current liabilities were \$70.3 million more than original budget due to higher short term borrowings associated with the government fleet replacement program and an increase in employee liabilities following the transition of staff into Shared Services.

Non current liabilities were \$49.8 million less than original budget primarily due to the impact of the government fleet replacement program. This was offset by an increase in employee liabilities following the transition of staff into Shared Services.

## Summary cash flow statement

	Original Budget 2008–09 \$'000	Actual 2008–09 \$'000	Actual 2007–08 \$'000
Cash flows from operating activities			
Cash outflows	(208 755)	(272 845)	(242 467)
Cash inflows	161 291	233 229	205 643
Cash flows from SA Government	91 341	92 878	76 730
<b>Net cash provided by operating activities</b>	<b>43 877</b>	<b>53 262</b>	<b>39 906</b>
Cash flows from investing activities			
Cash outflows	(115 600)	(108 596)	(81 218)
Cash inflows	49 000	47 161	44 214
<b>Net cash used by investing activities</b>	<b>(66 600)</b>	<b>(61 435)</b>	<b>(37 004)</b>
Cash flows from financing activities			
Cash outflows	(31 163)	(96 150)	(59 993)
Cash inflows	43 454	108 524	84 276
<b>Net cash used in financing activities</b>	<b>12 291</b>	<b>12 374</b>	<b>24 283</b>
<b>Net increase in cash and cash equivalents</b>	<b>(10 432)</b>	<b>4 201</b>	<b>27 185</b>
Cash and cash equivalents at the beginning of the financial year	27 817	58 775	31 590
<b>Cash and cash equivalents at the end of the financial year</b>	<b>17 385</b>	<b>62 976</b>	<b>58 775</b>

**Note:** The cash outflows/inflows from operating activities original budget does not include a GST component. However, they are represented on a gross basis from an actuals perspective to represent the payment to and receipts from the Australian Taxation Office.



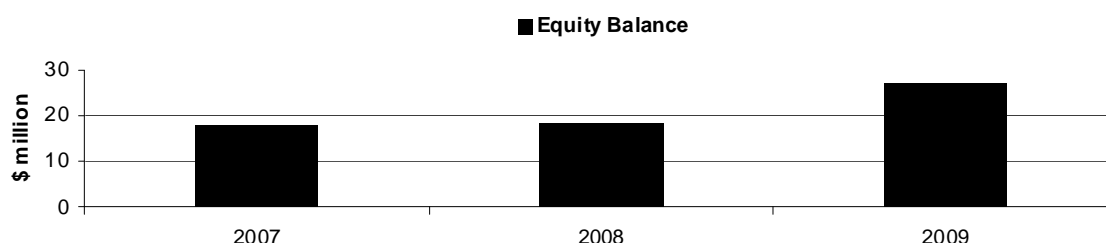
The operating activities result in the Cash Flow Statement is consistent with the details outlined for the Income Statement and the Balance Sheet taking into account the impacts of GST.

The net cash flows from investing activities were \$5.2 million less than budget mainly due to the impact of the purchase and sale of motor vehicles for the government fleet replacement program.

The net cash flows from financing activities were consistent with the budget.

## Summary statement of changes in equity

	Actual \$'000
Balance as at 30 June 2007	17 869
Balance as at 30 June 2008	18 355
Balance as at 30 June 2009	27 110



The changes in equity from year to year reflect the net result as reported in the income statement and adjustments to the balance sheet.

## Trends

The table provided below shows the trends in key financial performance measures of the department over the last three years.

## Key performance indicators

	2008–09 \$'000	2007–08 \$'000	2006–07 \$'000
Net Cost of Providing Services	85 049	75 794	61 733
Revenues from Government as total Source of funding	32.51%	32.90%	37.82%
Average Employee Cost	81	81	80
Operating Expenses per Employee	211	234	205
Consultants as percentage of Operating Expenses	0.47%	0.59%	1.04%
Cash Balance	62 976	58 775	31 590
Net Assets	27 110	18 355	17 869
Increase/(Decrease) in Net Assets	8 755	486	11 031
Current Assets/Current Liabilities	1.57	1.6	3.39
% of Creditors paid within 30 days	93%	93%	88%

The Net Cost of Providing Services increased from the previous year due predominantly to a net loss on the disposal of assets, increased accommodation costs and expenses relating to Public Private Partnership (PPP) projects.

The proportion of revenue sourced from the government and average cost per employee are consistent with the previous year.

The consultancy costs as a percentage of operating costs decreased primarily as a result of the transfer of agencies to Shared Services and the subsequent increase in operating expenses.

The increase in the cash balance is primarily due to a build up of cash within Shared Services, which includes the receipt of cash from agencies that have transferred to Shared Services to cover employee liabilities and departmental under spend in 2008-09. This was partially offset by Fleet SA repayment of loans being \$5.4 million more than proceeds from new borrowings.

The increase in net assets is consistent with the departmental under spend for 2008-09.

The ratio of current assets to liabilities is consistent with the prior year.

## *Account payment performance*

All agencies are required to report monthly the number and value of creditors' accounts paid and the extent to which the accounts have been paid in accordance with Treasurer's Instruction 11. This instruction requires all undisputed accounts to be paid within 30 days of the date of the invoice or claim unless there is a discount or a written agreement between the agency and the creditor.

The following table demonstrates that the department paid 93 per cent of all invoices for the portfolio by the due date. The number of accounts paid result is above the government benchmark of 90 per cent.

### **Account payment performance**

	<b>Number paid</b>	<b>%</b>	<b>Amount paid \$'000</b>	<b>%</b>
Paid by the due date	<b>50 517</b>	<b>93%</b>	276 444	93%
Paid less than 30 days after the due date	<b>3 286</b>	<b>6%</b>	13 400	5%
Paid more than 30 days after the due date	<b>728</b>	<b>1%</b>	7 031	2%
<b>Total</b>	<b>54 531</b>		<b>296 875</b>	

## *Major contracts*

There are seven contractual arrangements with a total value of over \$4 million managed by the department.

In 2008-09 the department entered into a contract with Fujitsu Australia Limited for software implementation services for the replacement of the RevenueSA tax system at an estimated cost of \$17.9million. The contract was executed on 18 December 2008 for a period of 5 years comprising 2 years for implementation, 1 additional year for warranty and the option for additional professional services for a further 2 years following the expiry of the initial warranty period.

There are three whole of government contracts for banking and related services: transaction banking services (Westpac Banking Corporation), purchase cards (ANZ) and merchant facilities (ANZ). These contracts were established on 29 November 2002 for an initial period of three years, and were extended for a further two years.

In February 2007, approval was granted to extend the transaction banking and purchase cards contracts for an additional period of two years each, with the option to extend for a further two years, which came into effect on 29 November 2007. The merchant facilities contract was re-tendered and contract approval granted to ANZ for an initial term of two

years, with extension options not exceeding eight years, which came into effect in January 2008.

The transactional banking services contract has an estimated value of \$12.9 million over a total of nine years. It is anticipated that the purchase cards contract will generate a rebate to government of around \$540 000 over a total of nine years (\$60 000 per annum). The value of the merchant facilities contract is commercial in confidence.

In October and November 2005 the department entered into contracts with Australia Post, Commonwealth Bank of Australia and Bill Express Limited for Over the Counter Collection Services. All three contracts are for an initial three year period with options to extend for a further four years. The contracts have an estimated total value of \$12.0 million over a potential seven year period.

In November 2004 the department contracted with SSA Global Technology Australia Pty Ltd for a Financial Transactional Processing System. The contract is for an initial five year period with an option to extend for a further year.

The management of the contract for Metropolitan Crash Repair Network Services with a panel of twenty suppliers transferred to the department following the dissolution of DAIS. The contract, which was executed in July 2006, was for an initial period of one year with an option to extend for a further three periods of one year each. An extension was approved on 25 June 2008 and came into effect on 1 July 2008. The contract has an estimated total value of \$8.0 million over a total potential period of four years.

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**Certification of the Financial Statements**

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We certify that the attached general purpose financial statement for the Department of Treasury and Finance:

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the department; and
- presents a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2009 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Department of Treasury and Finance for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Jim Wright  
UNDER TREASURER  
22 September 2009



Paul Williams  
DIRECTOR, FINANCIAL SERVICES  
21<sup>st</sup> September 2009

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$'000	2008 \$'000
<b>EXPENSES</b>			
Employee benefit expenses	5	107 815	85 036
Supplies and services	6	103 631	99 255
Depreciation and amortisation expense	7	49 641	45 467
Borrowing costs	8	15 287	13 625
Other expenses	9	4 237	2 081
<b>Total Expenses</b>		<b>280 611</b>	<b>245 464</b>
<b>INCOME</b>			
Revenues from fees and charges	11	195 501	166 309
Interest revenues	12	173	129
Net gain (loss) from disposal of non-current assets	13	(1 015)	2 746
Other revenues	14	903	486
<b>Total Income</b>		<b>195 562</b>	<b>169 670</b>
<b>NET COST OF PROVIDING SERVICES</b>		<b>(85 049)</b>	<b>(75 794)</b>
<b>REVENUES FROM / PAYMENTS TO SA GOVERNMENT</b>			
Revenues from SA Government	15	94 184	83 196
Payments to SA Government	15	( 455)	(6 466)
Income tax equivalent paid	15	( 346)	( 450)
<b>NET RESULT</b>		<b>8 334</b>	<b>486</b>
<b>Other Comprehensive Income</b>		<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>8 334</b>	<b>486</b>

**THE NET RESULT AND COMPREHENSIVE RESULT ARE ATTRIBUTABLE TO THE SA GOVERNMENT  
AS OWNER**

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Note	2009 \$'000	2008 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	16	62 976	58 775
Receivables	17	29 972	18 937
Property, plant and equipment	19	59 755	55 119
		<u>152 703</u>	<u>132 831</u>
Non-current assets classified as held for sale	18	6 911	4 133
<b>Total Current Assets</b>		<u>159 614</u>	<u>136 964</u>
<b>NON-CURRENT ASSETS</b>			
Receivables	17	21	—
Property, plant and equipment	19	146 055	149 896
Intangible assets	20	8 899	4 651
<b>Total Non-Current Assets</b>		<u>154 975</u>	<u>154 547</u>
<b>TOTAL ASSETS</b>		<u>314 589</u>	<u>291 511</u>
<b>CURRENT LIABILITIES</b>			
Payables	21	11 373	11 974
Borrowings	22	73 054	62 462
Employee benefits	23	12 186	7 901
Provisions	24	1 159	616
Other current liabilities	25	770	896
		<u>98 542</u>	<u>83 849</u>
Liabilities directly associated with non-current assets held for sale		2 951	1 768
<b>Total Current Liabilities</b>		<u>101 493</u>	<u>85 617</u>
<b>NON-CURRENT LIABILITIES</b>			
Payables	21	2 244	1 571
Borrowings	22	158 962	165 823
Employee benefits	23	22 654	17 375
Provisions	24	452	410
Other non-current liabilities	25	1 674	2 360
<b>Total Non-Current Liabilities</b>		<u>185 986</u>	<u>187 539</u>
<b>TOTAL LIABILITIES</b>		<u>287 479</u>	<u>273 156</u>
<b>NET ASSETS</b>		<u>27 110</u>	<u>18 355</u>
<b>EQUITY</b>			
Contributed capital	26	547	—
Retained earnings	26	26 455	18 247
Asset revaluation reserve	26	108	108
<b>TOTAL EQUITY</b>		<u>27 110</u>	<u>18 355</u>
<b>THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER</b>			
Unrecognised Contractual Commitments	27		
Contingent Assets and Liabilities	28		

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



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Note	Contributed Capital	Asset Revaluation Reserve	Retained Total Earnings	
		\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2007</b>		—	108	18 749	<b>18 857</b>
Error Correction		—	—	( 988)	<b>( 988)</b>
Restated balance at 30 June 2007		—	108	17 761	<b>17 869</b>
Net result for 2007-08		—	—	( 223)	<b>( 223)</b>
Total comprehensive result for 2007-08		—	—	( 223)	<b>( 223)</b>
<b>Balance at 30 June 2008</b>	26	—	108	17 538	<b>17 646</b>
Error Correction		—	—	709	<b>709</b>
Restated balance at 30 June 2008		—	108	18 247	<b>18 355</b>
Net result for 2008-09		—	—	8 334	<b>8 334</b>
Total comprehensive result for 2008-09		—	—	8 334	<b>8 334</b>
<b>Transactions with SA Government as owner</b>					
Equity contribution received		5 087	—	—	<b>5 087</b>
Equity contribution repaid		(4 540)	—	—	<b>(4 540)</b>
Net assets transferred as a result of an administrative restructure	32	—	—	( 126)	<b>( 126)</b>
<b>Balance at 30 June 2009</b>	26	<b>547</b>	<b>108</b>	<b>26 455</b>	<b>27 110</b>

**ALL CHANGES IN EQUITY ARE ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER**

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

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$'000	2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(104 908)	(82 893)
Payments for supplies and services		(107 513)	(103 376)
Interest paid		(15 287)	(13 625)
GST payments on purchases		(21 826)	(19 587)
GST remitted to Australian Taxation Office		(23 311)	(22 986)
<b>Cash used in operations</b>		<b>(272 845)</b>	<b>(242 467)</b>
<b>Cash Inflows</b>			
Fees and charges		188 568	162 192
Interest received		152	123
GST receipts on receivables		22 291	22 297
GST recovered from Australian Taxation Office		21 867	20 738
Other receipts		351	293
<b>Cash generated from operations</b>		<b>233 229</b>	<b>205 643</b>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		94 184	83 196
Payments to SA Government		( 455)	(6 466)
Income tax equivalent paid		( 851)	—
<b>Cash generated from SA Government</b>		<b>92 878</b>	<b>76 730</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	30(b)	<b>53 262</b>	<b>39 906</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		(102 281)	(80 411)
Purchase of intangible assets		(6 316)	( 807)
<b>Cash used in investing activities</b>		<b>(108 597)</b>	<b>(81 218)</b>
<b>Cash Inflows</b>			
Proceeds from sale of property, plant and equipment		47 162	44 214
<b>Cash generated from investing activities</b>		<b>47 162</b>	<b>44 214</b>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<b>(61 435)</b>	<b>(37 004)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash outflows</b>			
Repayment of borrowings		(95 801)	(59 644)
Repayment of finance leases		( 349)	( 349)
Repayment of Capital Contribution to SA Government		(4 540)	—
<b>Cash used in financing activities</b>		<b>(100 690)</b>	<b>(59 993)</b>
<b>Cash inflows</b>			
Cash received as a result of restructuring activities		6 855	—
Proceeds from borrowings		101 122	84 276
Capital Contribution from SA Government		5 087	—
<b>Cash generated from financing activities</b>		<b>113 064</b>	<b>84 276</b>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>12 374</b>	<b>24 283</b>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4 201</b>	27 185
Cash and cash equivalents at the beginning of the period	<b>58 775</b>	31 590
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b> 30(a)	<b><u>62 976</u></b>	<b><u>58 775</u></b>

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

## DISAGGREGATED DISCLOSURE - EXPENSES AND INCOME FOR THE YEAR ENDED 30 JUNE 2009

	Activity 1		Activity 2		Activity 3		Activity 4	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>								
Employee benefit expenses	17 515	14 305	37 284	32 539	35 942	10 729	16 715	27 192
Supplies and services	7 395	4 730	23 235	20 145	19 782	7 893	53 164	66 469
Depreciation and amortisation expense	834	718	1 532	1 873	680	118	46 592	42 757
Borrowing costs	—	—	—	—	—	—	15 287	13 625
Other expenses	79	—	163	—	—	—	3 994	2 081
<b>Total Expenses</b>	<b>25 823</b>	<b>19 753</b>	<b>62 214</b>	<b>54 557</b>	<b>56 404</b>	<b>18 740</b>	<b>135 752</b>	<b>152 124</b>
<b>INCOME</b>								
Revenues from fees and charges	3 353	1 643	33 811	29 944	34 720	1 118	123 517	133 603
Interest revenues	—	—	—	—	166	22	7	107
Net gain (loss) from disposal of non-current assets	—	—	—	—	—	—	(1 015)	2 746
Other revenues	223	86	259	342	25	13	396	45
<b>Total Income</b>	<b>3 576</b>	<b>1 729</b>	<b>34 070</b>	<b>30 286</b>	<b>34 911</b>	<b>1 153</b>	<b>122 905</b>	<b>136 501</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>(22 247)</b>	<b>(18 024)</b>	<b>(28 144)</b>	<b>(24 271)</b>	<b>(21 493)</b>	<b>(17 587)</b>	<b>(12 847)</b>	<b>(15 623)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>								
Revenues from SA Government	21 164	20 434	27 135	27 404	33 360	19 898	12 223	15 133
Payments to SA Government	—	(1 941)	—	(2 604)	—	(1 890)	(455)	—
Income tax equivalent paid	—	—	—	—	—	—	(346)	(450)
<b>NET RESULT</b>	<b>(1 083)</b>	<b>469</b>	<b>(1 009)</b>	<b>529</b>	<b>11 867</b>	<b>421</b>	<b>(1 425)</b>	<b>(940)</b>

The Programs are listed below and descriptions are contained in Note 4:

- (1) Accountability for Public Sector Resources
- (2) Financial Services Provision
- (3) Shared Services
- (4) State Procurement and Fleet Operations
- (5) Gambling Policy

The allocations to programs are indicative and are based on broad costing methodologies.

## DISAGGREGATED DISCLOSURE - EXPENSES AND INCOME FOR THE YEAR ENDED 30 JUNE 2009 continued

	Activity 5		Activity Total	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>				
Employee benefit expenses	359	271	107 815	85 036
Supplies and services	55	18	103 631	99 255
Depreciation and amortisation expense	3	1	49 641	45 467
Borrowing costs	—	—	15 287	13 625
Other expenses	1	—	4 237	2 081
<b>Total Expenses</b>	<b>418</b>	<b>290</b>	<b>280 611</b>	<b>245 464</b>
<b>INCOME</b>				
Revenues from fees and charges	100	1	195 501	166 309
Interest revenues	—	—	173	129
Net gain (loss) from disposal of non-current assets	—	—	(1 015)	2 746
Other revenues	—	—	903	486
<b>Total Income</b>	<b>100</b>	<b>1</b>	<b>195 562</b>	<b>169 670</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>( 318)</b>	<b>( 289)</b>	<b>(85 049)</b>	<b>(75 794)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>				
Revenues from SA Government	302	327	94 184	83 196
Payments to SA Government	—	( 31)	( 455)	(6 466)
Income tax equivalent paid	—	—	( 346)	( 450)
<b>NET RESULT</b>	<b>( 16)</b>	<b>7</b>	<b>8 334</b>	<b>486</b>

The Programs are listed below and descriptions are contained in Note 4:

- (1) Accountability for Public Sector Resources
- (2) Financial Services Provision
- (3) Shared Services
- (4) State Procurement and Fleet Operations
- (5) Gambling Policy

The allocations to programs are indicative and are based on broad costing methodologies.

## DISAGGREGATED DISCLOSURE - ASSETS AND LIABILITIES FOR THE YEAR ENDED 30 JUNE 2009

	Activity 1		Activity 2		Activity 3		Activity 4	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
Cash and cash equivalents	—	—	—	—	—	—	—	—
Receivables	452	483	1 860	1 184	12 108	621	14 809	16 379
Property, plant and equipment	94	91	1 420	826	2 871	939	200 716	200 092
Intangible assets	1 223	1 840	6 448	1 491	24	53	295	677
Non-current assets classified as held for sale	—	—	—	—	—	—	6 911	4 133
<b>Total Assets</b>	<b>1 769</b>	<b>2 414</b>	<b>9 728</b>	<b>3 501</b>	<b>15 003</b>	<b>1 613</b>	<b>222 731</b>	<b>221 281</b>
<b>Liabilities</b>								
Payables	692	911	1 976	1 567	4 450	2 072	5 075	7 407
Borrowings	—	—	—	—	—	—	232 016	228 285
Employee benefits	4 584	4 173	7 544	7 101	13 529	4 584	3 922	4 864
Provisions	62	54	161	138	234	55	1 072	726
Other liabilities	—	—	—	45	2 343	3 013	76	108
Liabilities directly associated with non-current assets held for sale	—	—	—	—	—	—	2 951	1 768
<b>Total Liabilities</b>	<b>5 338</b>	<b>5 138</b>	<b>9 681</b>	<b>8 851</b>	<b>20 556</b>	<b>9 724</b>	<b>245 112</b>	<b>243 158</b>

The Programs are listed below and descriptions are contained in Note 4:

- (1) Accountability for Public Sector Resources
- (2) Financial Services Provision
- (3) Shared Services
- (4) State Procurement and Fleet Operations
- (5) Gambling Policy

## DISAGGREGATED DISCLOSURE - ASSETS AND LIABILITIES FOR THE YEAR ENDED 30 JUNE 2009 continued

	Activity 5		General/ Not Attributable		Activity Total	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	—	—	62 976	58 775	62 976	58 775
Receivables	—	—	764	270	29 993	18 937
Property, plant and equipment	—	—	709	3 067	205 810	205 015
Intangible assets	—	—	909	590	8 899	4 651
Non-current assets classified as held for sale	—	—	—	—	6 911	4 133
<b>Total Assets</b>	<b>—</b>	<b>—</b>	<b>65 358</b>	<b>62 702</b>	<b>314 589</b>	<b>291 511</b>
<b>Liabilities</b>						
Payables	1	26	1 423	1 562	13 617	13 545
Borrowings	—	—	—	—	232 016	228 285
Employee benefits	4	5	5 257	4 549	34 840	25 276
Provisions	—	—	82	53	1 611	1 026
Other liabilities	—	—	25	90	2 444	3 256
Liabilities directly associated with non-current assets held for sale	—	—	—	—	2 951	1 768
<b>Total Liabilities</b>	<b>5</b>	<b>31</b>	<b>6 787</b>	<b>6 254</b>	<b>287 479</b>	<b>273 156</b>

The Programs are listed below and descriptions are contained in Note 4:

- (1) Accountability for Public Sector Resources
- (2) Financial Services Provision
- (3) Shared Services
- (4) State Procurement and Fleet Operations
- (5) Gambling Policy

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## 1 Objectives of the Department of Treasury and Finance

The Department of Treasury and Finance (the department) provides policy advice and financial management services to the Government of South Australia in order to strengthen state finances and contribute to community well being through supporting the objectives of South Australia's Strategic Plan (SASP). This is achieved by promoting policy accountability in the public sector based on objective and comprehensive analysis of options, by managing the whole of government financial processes and by providing financial services.

The department is the lead agency supporting the government's key economic, social and financial policy outcomes through the provision of advice and coordination of resource allocation for government programs. The department also provides financial services to the government and the community, covering asset and liability management, collection of state taxes, insurance and superannuation.

The department also supports the government's target for improved administrative efficiency within the public sector through implementation and provision of shared services and provision of procurement and fleet management further across the South Australian Government.

The department provides the government with policy and financial advice on achieving the SASP through the following departmental priorities:

### **Strengthen state finances including maintaining the AAA credit rating**

*Related SASP Objective: Growing Prosperity*

*Target Area: Credit rating; Strategic Infrastructure*

### **Achieve performance improvements in the South Australian public sector**

*Related SASP Objective: Growing Prosperity*

*Target Area: Performance in the public sector – administrative efficiency; Government decision-making*

### **Improve budget and financial management processes**

*Related SASP Objective: Growing Prosperity*

*Target Area: Performance in the public sector – Government Decision Making; Strategic Infrastructure*

### **Improve service delivery**

*Related SASP Objective: Growing Prosperity*

*Target Area: Performance in the public sector – Customer and client satisfaction with government services; Government decision making.*

### **Effective industry regulation**

*Related SASP Objective: Growing Prosperity*

*Target Area: Performance in the public sector – Government decision making*

### **Corporate priorities**

*Related SASP Objective: Growing Prosperity*

*Target Area: Performance in the public sector – Productivity; Government decision making*

To achieve these objectives, the department delivers a number of activities for the government. The activity information is summarised in Note 4.

## 2 Summary of Significant Accounting Policies

### 2.1 Statement of Compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Except for the amendments to AASB 101 Presentation of Financial Statements (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), which the department has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2009. These are outlined in Note 3.

### *Basis of Preparation*

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in these financial statements:
  - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
  - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
  - c) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;
  - d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented.

## **2.2 Reporting Entity**

The department is a government department of the State of South Australia, established pursuant to the *Public Sector Management Act 1995*. The department is an administrative unit acting on behalf of the Crown.

The financial statements include all the controlled activities of the Department of Treasury and Finance. Transactions and balances relating to administered resources are not recognised as departmental income, expense, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements at the back of the controlled General Purpose Financial Report. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

## **2.3 Administrative Restructure**

### Supply SA

On 1 July 2008, SA Health assumed the responsibility of Supply SA Camden Park site. This resulted in the transfer of 21 FTEs, employee liabilities, lease for the premises and associated assets of the Camden Park warehouse. Refer to note 32.

### Shared Services SA

Certain business services of South Australian Government Agencies transferred in to Shared Services SA in a series of transition programs known as Tranches during 2008-09. In most cases, these services transition in their current state with the current employees, who have been providing these services within the agencies. Cabinet approved Tranche 1 services on 15 October 2007, which comprised Accounts Payable, Accounts Receivable and Payroll services.

The next Tranche of services to transition was approved by Cabinet on 8 December 2008 and comprised of certain financial services, ICT services and Support, Contract Services and Purchase card administration. The first group of Tranche 2 transferred into Shared Services SA in June 2009. Refer to note 32.

## **2.4 Comparative Information**

The presentation and classification of items in the financial statements are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 *Presentation of Financial Statements* and specific revised accounting standards and accounting policy statements.

## 2.5 Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

## 2.6 Taxation

In accordance with Treasurer's Instruction 22 *Tax Equivalent Payments*, Fleet SA is required to pay to the State Government income tax equivalents. The income tax liability is based on the Treasurer's accounting profit method, which requires the corporate tax rate be applied to the net profit. The current income tax liability relates to the income tax expense outstanding for the current period.

The department is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Tax Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and creditors are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

## 2.7 Events after the end of the reporting date

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the result of subsequent years.

## 2.8 Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the department will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities and Non SA Government entities are classified according to their nature.

The following are specific recognition criteria:

### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to clients or by reference to the stage of completion.

### *Contributions received*

Contributions are recognised as an asset and income when the department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the department has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the department has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

#### *Revenues from SA Government*

Appropriations for program funding are recognised as revenues when the department obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity.

#### *Net gain on disposal of non-current assets*

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation reserve is transferred to retained earnings.

## **2.9 Expenses**

Expense are recognised to the extent that it is probable that the flow of economic benefits from the Department will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:

#### *Employee benefit expenses*

Employee benefit expenses include all cost related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

#### *Superannuation*

The amount charged to the Statement of Comprehensive Income represents the contributions made by the department to the superannuation plan in respect of current services of current departmental staff. The superannuation liability of the government is recognised in the whole-of-government general purpose financial statements.

#### *Depreciation and Amortisation*

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

The assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by change to the time period or method, as appropriate, which is a change in accounting estimate.

The value of fitouts for leased buildings is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land and non-current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful Life (Years)</b>
Buildings	Straight Line	20 - 40
Fitouts - owned buildings	Straight Line	3 - 10
Fitouts - leased buildings	Straight Line	Remaining life of lease
Furniture	Straight Line	10
Information Technology Equipment	Straight Line	3 - 5
Intangibles	Straight Line	3 - 10
Motor Vehicles	Straight Line	1 - 5
Office Equipment	Straight Line	3 - 5
Plant and Equipment	Straight Line	5 - 10

#### *Grants and Contributions*

For contributions payable, the contribution is recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

#### *Borrowing costs*

All borrowing costs are recognised as expenses.

#### *Payments to SA Government*

Payments to the SA Government represent the return of surplus cash pursuant to the cash alignment policy and is paid directly to the Consolidated Account.

## **2.10 Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

## **2.11 Assets**

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

#### *Cash and Cash Equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash on hand and deposits at call that are readily converted to cash and which are subject to insignificant risk of changes in value.

Cash is measured at nominal value.

#### *Receivables*

Receivables include amounts receivable from goods and services provided, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the department will not be able to collect the debt. Bad debts are written off when identified.

#### *Other Financial Assets*

The department measures financial assets and debt at historical cost, except for interest free loans (measured at the present value of expected repayments).

#### *Non-Current Assets (or disposal groups) Held for Sale*

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

#### *Non-Current Assets - Acquisition and Recognition*

Non-current assets are initially recorded at cost or at the value of any assets assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value, less accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at book value ie the amount recorded by the transferor public department immediately prior to the restructure.

All non-current tangible assets with a value of \$10,000 or greater are capitalised.

#### *Revaluation of Non-Current Assets*

All non-current tangible assets are valued at written down current cost (a proxy for fair value) and revaluation of non-current assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every three years, the Department revalues its land, buildings and fitouts over \$1 million. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation reserve relating to that asset is transferred to retained earnings.

#### *Impairment*

All non-current tangible and intangible assets are reviewed for indication of impairment through stocktaking processes or at the reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the asset revaluation reserve.

#### *Intangible Assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of software or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.



All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

Subsequent expenditure on intangible assets that includes upgrades or enhancements to existing software systems that result in additional functionality or performance is capitalised. Other expenditure for modifications that merely maintain the existing level of performance or system functionality is expensed.

## 2.12 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

### *Payables*

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the department.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, annual leave and long service leave.

The department makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the schemes.

### *Borrowings/ Financial Liabilities*

The Department measures financial liabilities including borrowings/debt at historical cost.

Borrowings are recognised when issued at the amount of the net proceeds received and carried at cost less any repayments until the loan is settled.

### Light Motor Vehicles - Loan Arrangements with SAFA

Arrangements for the ongoing acquisition of motor vehicles have existed with the South Australian Government Financing Authority since 2003. Funding has been provided through a loan facility direct to Fleet SA. The vehicle purchases are financed on a credit foncier basis of three year fixed periods. As at 30 June 2009 loans outstanding represent those settled in July 2006 onwards. During the reporting period an amount of \$101,091,000 was borrowed.

### *Leases*

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The department has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Department has entered into finance leases and operating leases.

### Finance Leases

Finance leases, which transfer to the department substantially all the risks and benefits/rewards incidental to ownership of the leased assets, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated between borrowing costs and reduction of the lease liability, to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities are classified as both current and non-current.

Where there is no reasonable assurance that the department will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

### Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term. The straight line basis is representative of the pattern of benefits derived from the leased assets.

### Lease Incentives

All incentives for the agreement of new or renewed operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and amortised over the remaining term of the lease or estimated useful life of the improvement whichever is shorter.

### Employee Benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

### Salaries and wages, annual leave and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salaries and wages and annual leave are payable later than twelve months, the liability will be measured at present value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

### Long service leave

The liability for long service leave is recognised after an employee has completed 6.5 years of service. An actuarial assessment of long service leave based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the department's experience of employee retention and leave taken.

The current/non current classification of department's long service leave liabilities has been calculated based on historical usage patterns consistent with paragraph 5.15 of the Accounting Policy Framework IV *Financial Asset and Liability Framework*.

### Provisions

Provisions are recognised when the department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

When the department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

### Workers Compensation

The department is responsible for Workers Compensation with an actuarial estimate of the outstanding liability as at June 2009 provided by a consulting actuary through the Department of the Premier and Cabinet.

### Procurement of Testing Services - Removal of Underground Fuel Tanks and Site Remediation

A provision is recognised for the procurement of testing services (relating to the costs associated with the removal of underground fuel tanks previously owned by Mobil Australia including the remediation of sites). The provision specifically includes the procurement of assessment, drilling and analytical services.

### 2.13 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include those operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

## 3 New and revised accounting standards and policies

The Department has early adopted the September 2007 version of AASB 101 *Presentation of Financial Statements* including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

### Issued or amended but not yet effective

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the Department has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2009. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

## 4 Activities of the department

In achieving its objectives, the department provides a range of services classified into the following activities:

### *Activity 1: Accountability for Public Sector Resources*

The department has the role of ensuring accountability for public sector resources through providing policy, economic and financial advice to the government and coordinating resource allocations for government programs and priorities at the whole of government level.

### *Activity 2: Financial Services Provision*

The department has a role of providing a range of whole of government services including liability management, collection of taxes, and insurance and superannuation administration.

### *Activity 3: Shared Services*

Design, development and implementation of shared services across government.

### *Activity 4: State Procurement and Fleet Operations*

The department has a role of providing a range of services (in addition to those provided by Shared Services SA) to other government agencies including contract and procurement management, fleet management and a range of corporate services.

### *Activity 5: Gambling Policy*

The department provides policy advice to the government on economic, social and regulatory issues associated with gambling.

**5 Employee Benefit Expenses**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	<b>78 364</b>	59 978
Long service leave	<b>2 924</b>	3 396
Annual leave	<b>7 493</b>	5 676
Employment on-costs - superannuation	<b>10 477</b>	8 444
Employment on-costs - other	<b>5 296</b>	4 304
Board fees	<b>292</b>	206
Other employee related expenses	<b>2 969</b>	3 032
<b>Total Employee Benefit Expenses</b>	<b>107 815</b>	85 036

**Remuneration of Employees**

	<b>2009</b>	<b>2008</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Employees</b>	<b>Employees</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	<b>54</b>	34
\$110 000 - \$119 999	<b>14</b>	10
\$120 000 - \$129 999	<b>5</b>	8
\$130 000 - \$139 999	<b>6</b>	11
\$140 000 - \$149 999	<b>9</b>	9
\$150 000 - \$159 999	<b>15</b>	13
\$160 000 - \$169 999	<b>4</b>	7
\$170 000 - \$179 999	<b>7</b>	3
\$180 000 - \$189 999	<b>5</b>	1
\$190 000 - \$199 999	<b>4</b>	4
\$200 000 - \$209 999	<b>2</b>	2
\$210 000 - \$219 999	<b>2</b>	1
\$220 000 - \$229 999	<b>2</b>	—
\$230 000 - \$239 999	<b>1</b>	4
\$240 000 - \$249 999	<b>1</b>	1
\$250 000 - \$259 999	<b>1</b>	—
\$260 000 - \$269 999	<b>2</b>	—
\$280 000 - \$289 999	<b>1</b>	1
\$290 000 - \$299 999	<b>1</b>	—
\$370 000 - \$379 999	<b>—</b>	1
\$380 000 - \$389 999	<b>1</b>	—
<b>Total Number of Employees</b>	<b>137</b>	110

The table includes all employees who received remuneration of \$100,000 or more during the year, of which 61 (55) are executive and 76 (55) staff. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$19,329,000 (\$15,559,000).

<b>6 Supplies and Services</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Accommodation and telecommunication	12 309	8 955
Information technology expenses	5 569	3 379
Cost of goods	3 238	3 474
Motor vehicle expenses	2 822	3 072
Minor works, maintenance and equipment	66	1 756
Legal costs	563	1 053
Valuation fees	4 406	4 180
General administration and consumables	97	87
Other	6 447	3 170
<b>Total Supplies and Services - SA Government Entities</b>	<b>35 517</b>	<b>29 126</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Accommodation and telecommunication	395	357
Information technology expenses	15 287	13 675
Cost of goods	11	9 846
Motor vehicle expenses	27 999	27 381
Minor works, maintenance and equipment	1 701	727
Legal costs	54	52
Consultants	1 312	1 442
Contractors	9 190	7 673
General administration and consumables	4 716	4 381
Other	7 449	4 595
<b>Total Supplies and Services - Non SA Government Entities</b>	<b>68 114</b>	<b>70 129</b>
<b>Total Supplies and Services</b>	<b>103 631</b>	<b>99 255</b>

The total supplies and services amount disclosed includes GST amounts not-recoverable from the Australian Taxation Office due to the department not holding a valid tax invoice for payment.

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10,000	13	19	46	64
Between \$10,000 and \$50,000	16	15	430	442
Above \$50,000	8	9	836	936
<b>Total Paid / Payable to the Consultants engaged</b>	<b>37</b>	<b>43</b>	<b>1 312</b>	<b>1 442</b>

<b>7 Depreciation and Amortisation Expense</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings	—	10
Plant and equipment	10	11
Motor vehicles	45 354	41 056
Furniture	20	16
Information technology equipment	551	606
Office equipment	225	128
<b>Total Depreciation</b>	<b>46 160</b>	<b>41 827</b>

**Amortisation**

Intangible assets	2 133	2 328
Building fitouts	1 085	998
Leased plant and equipment	263	314
<b>Total Amortisation</b>	<b>3 481</b>	<b>3 640</b>

<b>Total Depreciation and Amortisation Expense</b>	<b>49 641</b>	<b>45 467</b>
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<b>8 Borrowing costs</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>

**Borrowing costs paid / payable to entities within the SA Government**

Interest paid/payable on short term and long term borrowings	15 287	13 623
<b>Total Borrowing Costs - SA Government Entities</b>	<b>15 287</b>	<b>13 623</b>

**Borrowing costs paid / payable to entities external to the SA Government**

Finance lease costs	—	2
<b>Total Borrowing Costs - Non SA Government Entities</b>	<b>—</b>	<b>2</b>

<b>Total Borrowing Costs</b>	<b>15 287</b>	<b>13 625</b>
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<b>9 Other Expenses</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>

**Other expenses paid/payable to entities external to the SA Government**

Inventories write-offs	—	597
Derecognition of assets	160	—
Bad and doubtful debts expenses	173	40
Impairment loss	3 904	1 444
<b>Total Other Expenses - Non SA Government Entities</b>	<b>4 237</b>	<b>2 081</b>

<b>Total Other Expenses</b>	<b>4 237</b>	<b>2 081</b>
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<b>10 Auditor's Remuneration</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>

Audit Fees paid / payable to the Auditor-General's Department	537	512
<b>Total Audit Fees</b>	<b>537</b>	<b>512</b>

No other services were provided by the Auditor-General's Department.

<b>11 Revenue from Fees and Charges</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>

**Fees and Charges received/receivable from entities within the SA Government:**

Agencies for the provision of corporate services	2 247	2 398
South Australian Government Financing Authority	8 058	7 942
Community Emergency Services Fund	5 348	5 884
Land tax certificates	459	511
Shared Services SA	33 794	928
Service provision	25 583	25 276
Fleet management	100 659	92 100
Sale of goods	77	10 514
Other recoveries	1 042	1 549
<b>Total Fees and Charges - SA Government Entities</b>	<b>177 267</b>	<b>147 102</b>

**Fees and Charges received/receivable from entities external to the SA Government:**

South Australian Superannuation Board	13 099	12 140
Land tax certificates	278	238
Regulatory fees	137	167
Service provision	1 990	1 836
Fleet management	1 854	1 029
Sale of goods	258	3 181
Other recoveries	618	616
<b>Total Fees and Charges - Non SA Government Entities</b>	<b>18 234</b>	<b>19 207</b>
<b>Total Fees and Charges</b>	<b>195 501</b>	<b>166 309</b>

**Correction of errors**

During 2007-08, accounting adjustments were made to reflect the closure of the Supply SA Warehouse. These adjustments included an error for the sale of goods resulting in sale of goods in fees and charges and receivables both being understated by \$678,000 in 2007-08.

These errors have been corrected by restating each of the affected financial statement line items for the prior year.

**12 Interest Revenues**

	2009	2008
	\$'000	\$'000
Interest from entities within the SA Government	173	129
<b>Total Interest Revenues</b>	<b>173</b>	<b>129</b>

**13 Net Gain (Loss) from Disposal of non-current assets**

	2009	2008
	\$'000	\$'000
Property, Plant and Equipment		
Proceeds from disposal	47 162	44 214
Net book value of assets disposed	(48 177)	(41 468)
<b>Total Net Gain (Loss) from Disposal of Non-current assets</b>	<b>(1 015)</b>	<b>2 746</b>

**14 Other Revenues**

	2009	2008
	\$'000	\$'000
<b>Other Revenues received/receivable from entities within the SA Government:</b>		
Other reimbursements	116	156
<b>Total Other Revenues - SA Government Entities</b>	<b>116</b>	<b>156</b>
<b>Other Revenues received/receivable from entities external to the SA Government:</b>		
Commissions	157	149
Banking recoveries	84	67
Other revenue	168	114
Derecognition of liabilities	378	—
<b>Total Other Revenues - Non SA Government Entities</b>	<b>787</b>	<b>330</b>
<b>Total Other Revenues</b>	<b>903</b>	<b>486</b>

<b>15 Revenues from/Payments to SA Government</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	<b>94 184</b>	83 196
<b>Total Revenues from SA Government</b>	<b>94 184</b>	<b>83 196</b>
<b>Payments to SA Government</b>		
Return of surplus cash pursuant to Cash Alignment Policy	<b>455</b>	6 466
<b>Total Payments to SA Government</b>	<b>455</b>	<b>6 466</b>
<b>Income Tax Equivalent</b>		
Income tax equivalent payment - Fleet SA	<b>346</b>	450
<b>Total Income Tax Equivalent</b>	<b>346</b>	<b>450</b>

Appropriation from SA Government consists of \$75,515,000 for operational funding, \$10,000,000 of working capital for Shared Services SA and \$8,669,000 for capital projects. For details on the expenditure associated with the operational funding and capital funding received refer to Note 5 to 10 and 32. There was no material variations between the amount appropriated and the expenditure associated with this appropriation.

The original amount appropriated to the department under the annual Appropriation Act was decreased by \$15,921,000 mainly due to reduced acquisitions for the Taxation Revenue Replacement System (RISTEC) project, funding requirements for Shared Services SA's accommodation and delayed expenditure for Shared Services reform.

<b>16 Cash and Cash Equivalents</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	<b>62 969</b>	58 654
Cash on hand	<b>7</b>	121
<b>Total Cash and Cash Equivalents</b>	<b>62 976</b>	<b>58 775</b>

#### **Deposits with the Treasurer**

Includes funds held in the Accrual Appropriation Excess Funds Account. The balance of this fund is not available for general use.

#### **Interest rate risk**

From 1 April 2008, the Shared Services SA component of Deposits with the Treasurer earned a floating interest rate based on daily bank deposit rates. The Shared Services SA balance at 30 June 2009 was \$15,063,000. Other Deposits with the Treasurer were non interest bearing. Cash on hand is non-interest bearing. The carrying amount of cash approximates net fair value.

<b>17 Receivables</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	<b>20 589</b>	16 444
Allowance for doubtful debts	<b>( 222)</b>	( 49)
Accrued revenues	<b>7 917</b>	1 469
Prepayments	<b>1 688</b>	1 016
GST input tax recoverable	<b>—</b>	57
<b>Total Current Receivables</b>	<b>29 972</b>	<b>18 937</b>
<b>Non -Current</b>		
Receivables	<b>19</b>	—
Prepayments	<b>2</b>	—
<b>Total Non-Current Receivables</b>	<b>21</b>	—
<b>Total Receivables</b>	<b>29 993</b>	<b>18 937</b>



<b>SA Government / Non SA Government entities Receivables</b>	<b>2009</b>	<b>2008</b>
<b>Receivables from SA Government Entities</b>	<b>\$'000</b>	<b>\$'000</b>
Receivables	18 912	15 212
Accrued revenues	7 775	918
Prepayments	11	45
<b>Total Receivables</b>	<b>26 698</b>	<b>16 175</b>
<b>Receivables from Non SA Government Entities</b>		
Receivables	1 474	1 183
Accrued revenues	142	551
Prepayments	1 679	971
GST receivable	—	57
<b>Total Receivables</b>	<b>3 295</b>	<b>2 762</b>
<b>Total Receivables</b>	<b>29 993</b>	<b>18 937</b>

#### **Movement in the Allowance for Doubtful Debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income or specific debtors and debtors assessed on a collective basis for which such evidence exists.

The following table shows the movements in the allowance for doubtful debts (impairment loss):

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	49	72
Increase/ (decrease) in provision	173	( 23)
<b>Carrying amount at the end of the period</b>	<b>222</b>	<b>49</b>

#### **Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Other than recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

**Maturity Analysis of Receivables** - refer to Table 31.3 in note 31.

**Categorisation of financial instruments and risk exposure information** - refer to note 31.

<b>18 Non-current Assets classified as held for sale</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Motor Vehicles	6 911	3 898
Buildings	—	190
Land	—	45
<b>Total Non-Current Assets Classified as Held for Sale</b>	<b>6 911</b>	<b>4 133</b>

Non-current assets classified as held for sale comprise Fleet SA motor vehicles which are available for sale.

**19 Property, Plant and Equipment**

	2009 \$'000	2008 \$'000
<b>Current:</b>		
Motor Vehicles		
At cost	99 831	86 779
Accumulated Depreciation	(36 281)	(28 804)
Impairment loss	(3 795)	(2 856)
<b>Total Current Property, Plant and Equipment</b>	<b>59 755</b>	<b>55 119</b>
<b>Non-Current:</b>		
Buildings		
At valuation	—	75
Accumulated depreciation	—	( 11)
<b>Total Buildings</b>	<b>—</b>	<b>64</b>
Building Fitouts		
At valuation	9 001	9 629
Accumulated amortisation	(5 219)	(4 575)
<b>Total Building Fitouts</b>	<b>3 782</b>	<b>5 054</b>
Assets under Finance Lease		
At valuation	2 446	3 475
Accumulated amortisation	(2 446)	(3 169)
<b>Total Assets under Finance Lease</b>	<b>—</b>	<b>306</b>
Plant and Equipment		
At cost	151	287
Accumulated depreciation	( 105)	( 95)
<b>Total Plant and Equipment</b>	<b>46</b>	<b>192</b>
Motor Vehicles		
At cost	151 727	153 484
Accumulated depreciation	(9 385)	(8 367)
Impairment loss	(2 806)	(2 478)
<b>Total Motor Vehicles</b>	<b>139 536</b>	<b>142 639</b>
Furniture		
At cost (deemed fair value)	276	168
Accumulated depreciation	( 130)	( 110)
<b>Total Furniture</b>	<b>146</b>	<b>58</b>
Information Technology Equipment		
At cost (deemed fair value)	3 956	3 235
Accumulated depreciation	(1 884)	(2 103)
<b>Total Information Technology Equipment</b>	<b>2 072</b>	<b>1 132</b>
Office Equipment		
At cost (deemed fair value)	1 127	949
Accumulated depreciation	( 654)	( 498)
<b>Total Office Equipment</b>	<b>473</b>	<b>451</b>
<b>Total Non Current Property, Plant and Equipment</b>	<b>146 055</b>	<b>149 896</b>
<b>Total Property, Plant and Equipment</b>	<b>205 810</b>	<b>205 015</b>

### Correction of errors

During 2007-08 current motor vehicle's at cost were incorrectly overstated by \$31,660,000 (the total of accumulated depreciation and impairment loss ) and non-current motor vehicle's at cost was understated by the same amount.

During 2007-08, information technology costs of \$85,000 were incorrectly recorded as information technology equipment at cost instead of information technology expenses under supplies and services.

During 2007-08, information technology costs of \$11,000 were incorrectly recorded as supplies and services, instead of information technology equipment at cost.

These errors have been corrected by restating each of the affected financial statement line items for the prior year.

### Valuation

The valuation of Supply SA Warehouse was performed by an independent valuer from CWM Market Line Pty Ltd as at 7 August 2008. The valuer arrived at fair value based on recent market transactions for similar buildings in the area taking into account zoning and restricted use.

### Impairment

There were indications of impairment of motor vehicles at 30 June 2009. The value by which the asset's carrying amount exceeded the recoverable amount has been recorded as an impairment loss in the Statement of Comprehensive Income.

There were no indications of impairment for the remaining property, plant and equipment at 30 June 2009.

### Resources received Free of Charge

There were no resources received free of charge.

### Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2008-09:

	<b>Buildings</b>	<b>Building Fitouts</b>	<b>Assets Under Finance Lease</b>	<b>Plant and Equipment</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	64	5 054	306	192
Additions	—	158	—	—
Assets classified as held for sale	—	—	—	—
Disposals through administrative restructure	( 64)	( 321)	—	—
Other - Disposals	—	( 24)	( 43)	( 136)
Impairment loss	—	—	—	—
Depreciation expense	—	(1 085)	( 263)	( 10)
<b>Carrying amount at the end of the period</b>	<b>—</b>	<b>3 782</b>	<b>—</b>	<b>46</b>

	<b>Motor Vehicles</b>	<b>Furniture</b>	<b>Information Technology Equipment</b>	<b>Office Equipment</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	197 758	58	1 132	451
Additions	102 430	108	1 491	247
Assets classified as held for sale	(3 013)	—	—	—
Disposals through administrative restructure	—	—	—	—
Other - Disposals	(48 626)	—	—	—
Impairment loss	(3 904)	—	—	—
Depreciation expense	(45 354)	( 20)	( 551)	( 225)
<b>Carrying amount at the end of the period</b>	<b>199 291</b>	<b>146</b>	<b>2 072</b>	<b>473</b>

Carrying amount at the beginning of the period	205 015
Additions	104 434
Assets classified as held for sale	(3 013)
Disposals through administrative restructure	( 385)
Other - Disposals	(48 829)
Impairment loss	(3 904)
Depreciation expense	(47 508)
<b>Carrying amount at the end of the period</b>	<b>205 810</b>

20 Intangible Assets	2009	2008
	\$'000	\$'000
Internally developed computer software	16 397	10 809
Accumulated amortisation	(10 228)	(9 124)
Other Computer software	7 417	6 675
Accumulated amortisation	(4 687)	(3 709)
<b>Total Intangible Assets</b>	<b>8 899</b>	<b>4 651</b>

### Correction of errors

The Pension System Software was incorrectly amortised four months in advance in 2007-08, resulting in a \$37,000 overstatement of amortisation expense and accumulated amortisation.

Nine software items were incorrectly amortised in 2007-08 due to incorrect details in the Fixed Asset Register. This resulted in a \$60,000 overstatement of amortisation expense and accumulation amortisation.

During 2007-08, amortisation of \$10,000 was incorrectly recognised for a software project still in progress, resulting in an overstatement of amortisation expense and accumulated amortisation.

These errors have been corrected by restating each of the affected financial statement line items for the prior year.

### Reconciliation of Intangible Assets

The following table shows the movement of intangible assets during 2008-09:

	\$'000
Carrying amount at the beginning of the financial year	4 651
Additions	6 381
Amortisation expense	(2 133)
<b>Carrying amount at the end of the financial year</b>	<b>8 899</b>

The internally developed computer software primarily relates to the department's RevenueSA databases and Super SA's projects, one of which is operational from 1 July 2009, i.e. Enhancements to Capital Pension Payroll System.

There are contractual arrangements for the RISTEC project but expenditure commitments are not measurable.

<b>21 Payables</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	220	3 161
Accrued expenses	8 460	6 468
Employment on-costs	2 591	1 789
Income tax equivalents	—	506
GST Payable	102	—
Funds held in trust	—	50
<b>Total Current Payables</b>	<b>11 373</b>	<b>11 974</b>
<b>Non-Current</b>		
Employment on-costs	2 244	1 571
<b>Total Non-Current Payables</b>	<b>2 244</b>	<b>1 571</b>
<b>Total Payables</b>	<b>13 617</b>	<b>13 545</b>
<b>SA Government / Non SA Government Entities Payables</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payables to SA Government Entities</b>		
Creditors	216	400
Accrued expenses	5 399	2 817
Employment on-costs	1 898	1 693
Income tax equivalents	—	506
<b>Total Payables to SA Government Entities</b>	<b>7 513</b>	<b>5 416</b>
<b>Payables to Non SA Government Entities</b>		
Creditors	4	2 811
Accrued expenses	3 061	3 651
Employment on-costs	2 937	1 667
GST Payable	102	—
<b>Total Payables to Non SA Government Entities</b>	<b>6 104</b>	<b>8 129</b>
<b>Total Payables</b>	<b>13 617</b>	<b>13 545</b>

As a result of an actuarial assessment performed by the Department, the percentage of the proportion of long service leave taken as leave has changed from the 2008 rate 35% to 45% and the average factor for the calculation of employer superannuation cost has changed from the 2008 rate 11% to 10.5%.

The employer superannuation cost for salaries and wages and annual leave changed from the 2008 rate of 12.5% to 10.5% as this rate is determined using the same basis for calculation as for each pay period in respect of salaries and wages.

Under the *Payroll Tax Act 2009*, the payroll tax rate reduced on 1 July 2009 from 5% to 4.95%. The reduced rate is used in the payroll tax cost calculation for long service leave and annual leave.

The net financial effect of the changes for the employer superannuation costs and payroll tax in the current financial year is an increase in the employment on-cost of \$26,000.

#### **Interest rate and credit risk**

Creditors are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days of the invoice date provided the goods and services have been received. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand. In addition, there is no concentration of credit risk.

**Maturity Analysis of Payables** - refer to table 31.3 in note 31.

**Categorisation of financial instruments and risk exposure information** - refer to note 31.

<b>22 Borrowings</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Finance Leases <sup>(1)</sup>	—	375
Borrowings from SAFA <sup>(2)</sup>	<b>73 054</b>	62 087
<b>Total Current Borrowings</b>	<b>73 054</b>	62 462
<b>Non-Current</b>		
Finance Leases <sup>(1)</sup>	—	32
Borrowings from SAFA <sup>(2)</sup>	<b>158 962</b>	165 791
<b>Total Non-Current Borrowings</b>	<b>158 962</b>	165 823
<b>Total Borrowings</b>	<b>232 016</b>	228 285

<sup>(1)</sup> Secured by the asset leased.

<sup>(2)</sup> These are unsecured loans which bear interest. The terms of the loan are agreed by the department at the time the loan was provided.

Borrowings are recognised at cost in accordance with Accounting Policy Framework IV *Financial Assets and Liability Framework* paragraph APS 2.1 and have a maturity date. The interest rate was 6.39% in 2009 (6.62% in 2008). The interest rates reported are average interest rates for loans outstanding as at 30 June 2009 and 2008.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**Maturity Analysis of Borrowings** - refer to table 31.3 in note 31.

**Categorisation of financial instruments and risk exposure information** - refer to note 31.

**Defaults and breaches** - there were no defaults or breaches on any of the above liabilities throughout the year.

<b>23 Employee Benefits</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	<b>2 437</b>	1 449
Annual leave	<b>8 144</b>	5 175
Long service leave	<b>1 605</b>	1 277
<b>Total Current Employee Benefits</b>	<b>12 186</b>	7 901
<b>Non-Current</b>		
Long service leave	<b>22 654</b>	17 375
<b>Total Non-Current Employee Benefits</b>	<b>22 654</b>	17 375
<b>Total Employee Benefits</b>	<b>34 840</b>	25 276

The total current and non-current employee benefit plus related on costs for 2009 is \$14,777,000 and \$24,898,000 respectively.

The actuarial assessment performed by the Department revised the salary inflation rate down by 0.5% from the 2008 rate 4.5%. The net financial effect of the changes in the current financial year is a decrease in the annual leave liability and employee benefit expense of \$39,000.

The actuarial assessment did not change the benchmark for the measurement of the long service leave liability from the 2008 benchmark (6.5 years).

<b>24 Provisions</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	155	152
Procurement of testing services for underground fuel tanks and site remediation	1 004	464
<b>Total Current Provisions</b>	<b>1 159</b>	<b>616</b>
<b>Non-Current</b>		
Provision for workers compensation	452	410
<b>Total Non-Current Provisions</b>	<b>452</b>	<b>410</b>
<b>Total Provisions</b>	<b>1 611</b>	<b>1 026</b>

<b>Reconciliation of Provisions</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>1 026</b>	<b>1 053</b>
Payments/other sacrifices of future economic benefits	( 301)	( 362)
Additional provisions recognised	886	335
<b>Carrying amount at the end of the period</b>	<b>1 611</b>	<b>1 026</b>

A liability has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

<b>25 Other liabilities</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	100	226
Lease incentives	670	670
<b>Total Current Other liabilities</b>	<b>770</b>	<b>896</b>
<b>Non-Current</b>		
Unearned revenue	—	17
Lease incentives	1 674	2 343
<b>Total Non-Current Other liabilities</b>	<b>1 674</b>	<b>2 360</b>
<b>Total Other Liabilities</b>	<b>2 444</b>	<b>3 256</b>

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

<b>26 Equity</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital contribution	547	—
Asset revaluation reserve	108	108
Retained earnings	26 455	18 247
<b>Total Equity</b>	<b>27 110</b>	<b>18 355</b>

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

## 27 Unrecognised and Contractual Commitments

### (a) Remuneration Commitments

Commitments for the payment of salaries and other remuneration under employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2009	2008
	\$'000	\$'000
Not later than one year	12 139	11 296
Later than one year but not later than five years	25 116	29 071
Later than five years	-	106
<b>Total Remuneration Commitments</b>	<b>37 255</b>	<b>40 473</b>

Amounts disclosed include commitments arising from executive and other employment contracts.

### (b) Operating Lease Commitments

#### The department as Lessee

At the reporting date, the department has operating leases for office accommodation.

Office accommodation is leased from the Department of Transport, Energy and Infrastructure. The leases are non-cancellable with terms ranging up to 6 years with some leases having right of renewal. Rental is payable in arrears.

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

	2009	2008
	\$'000	\$'000
Not later than one year	10 281	10 421
Later than one year but not later than five years	16 082	22 935
Later than five years	2 141	—
<b>Total Non-Cancellable Operating Lease Commitments</b>	<b>28 504</b>	<b>33 356</b>

#### The department as Lessor

Leases receivable contracted for at the reporting date but not recognised as assets:

Motor Vehicle Hire:

Not later than one year	61 469	58 419
Later than one year but not later than five years	49 120	42 154
<b>Total Non-Cancellable Operating Lease Receivables</b>	<b>110 589</b>	<b>100 573</b>

### (c) Other Commitments

The department's other commitments are primarily agreements for software licence and development. The department also has commitments to provide advisory and planning services to Super SA members.

	2009	2008
	\$'000	\$'000
Not later than one year	1 926	1 724
Later than one year and not later than five years	2 347	3 544
<b>Total Other Commitments</b>	<b>4 273</b>	<b>5 268</b>



**(d) Finance Lease Commitments****The department as Lessee**

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and Equipment		
Not later than one year	—	403
Later than one year and not later than five years	—	32
	—	435
Future finance charges and contingent rentals		( 28)
<b>Total Lease Liabilities</b>	<b>—</b>	<b>407</b>
Present value of finance leases payable as follows		
Not later than one year	—	375
Later than one year but not later than five years	—	32
<b>Total Non-Cancellable Finance Lease Commitments</b>	<b>—</b>	<b>407</b>
Included in the financial statements as:		
Current borrowings (Note 22)	—	375
Non-current borrowings (Note 22)	—	32
	—	407

**28 Contingent Assets and Liabilities**

The department is not aware of any contingent assets or liabilities in relation to the department's operations. In addition, the department has made no guarantees.

**29 Remuneration of Board and Committee Members**

Members that were entitled to receive remuneration for membership during 2008-09 financial year were:

**South Australian Government Financing Advisory Board**

Mr J Wright (Presiding Member)\*  
 Mr B Brownjohn  
 Mr L Foster  
 Ms A Howe \*  
 Mr C Long  
 Ms Y Sneddon  
 Ms J Brown

**South Australian Government Financing Authority Audit Committee**

Ms Y Sneddon  
 Mr L Foster  
 Mr P Mendo\*

**South Australian Superannuation Board**

Mr H Bachmann  
 Mr K Cantley\*  
 Ms V Deegan  
 Ms J McMahon  
 Ms R Sumner  
 Ms L York\*\*

\* In accordance with the Department of Premier and Cabinet Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

\*\*Ms L York is a deputy for Jan McMahon and was eligible for sitting fees for attending meetings during the year.

	2009	2008
The number of members whose remuneration received or receivable falls within the following bands:		
\$0	4	7
\$1 - \$9,999	1	1
\$20,000 - \$29,999	2	4
\$30,000 - \$39,999	5	3
\$40,000 - \$49,999	2	-
<b>Total Number of Members</b>	<b>14</b>	<b>15</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$312,000 (\$218,000).

Amounts paid to a superannuation plan for board/committee members was \$24,000 (\$17,000).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

### 30 Cash Flow Reconciliation

	2009	2008
	\$'000	\$'000
(a) <b>Reconciliation of Cash and Cash Equivalents at the end of the reporting period</b>		
Statement of Cash Flows	62 976	58 775
Statement of Financial Position	62 976	58 775

#### (b) Reconciliation of Net Cash provided by Operating Activities to Net Cost of providing Services

<b>Net cash provided by operating activities</b>	<b>53 262</b>	39 906
Add revenues from SA Government	(94 184)	(83 196)
Add payments to SA Government	455	6 466
Add income tax equivalent	346	—
Add cash on restructure	6 855	—
<b>Add Non cash items</b>		
Depreciation and amortisation expense	(49 641)	(45 467)
Inventories write-offs	—	( 597)
Derecognition of assets	( 160)	—
Bad and doubtful debts expenses	( 173)	( 40)
Derecognition of liabilities	378	—
Building Fitouts recognised through lease incentive	—	2 442
Non-current assets accrual in payables	1 397	965
Non-current assets classified as held for sale	—	1 034
Net assets on restructure impacting operating cashflows	( 312)	—
Gain / (loss) on disposal of non-current assets	(1 015)	2 854
Impairment loss of non-current assets	(3 904)	(1 444)
<b>Changes in Assets / Liabilities</b>		
Increase (decrease) in receivables	11 056	2 057
(Increase) decrease in payables	( 72)	5 805
(Increase) decrease in employee benefits	(9 564)	(1 726)
(Increase) decrease in provisions	( 585)	27
(Increase) decrease in other liabilities	812	(2 480)
Increase (decrease) in inventories	—	(2 400)
<b>Net Cost of Providing Services</b>	<b>(85 049)</b>	<b>(75 794)</b>

### 31 Financial instruments/Financial risk management

**Table 31.1 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2009 \$'000	Fair value 2009 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	16, 30	62 976	62 976
Loans and receivables	Receivables <sup>(1)</sup>	17	29 993	29 993
	Total Financial Assets		92 969	92 969
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	21	13 515	13 515
	Borrowings	22	232 016	232 016
	Finance Lease	22	—	—
	Other financial liabilities	25	2 444	2 444
	Total Financial Liabilities		247 975	247 975

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2008 \$'000	Fair value 2008 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	16, 30	58 775	58 775
Loans and receivables	Receivables <sup>(1)</sup>	17	18 880	18 880
	Total Financial Assets		77 655	77 655
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	21	13 039	13 039
	Borrowings	22	227 878	227 878
	Finance Lease	22	407	407
	Other financial liabilities	25	3 256	3 256
	Total Financial Liabilities		244 580	244 580

<sup>(1)</sup> Receivable and payment amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc they would be excluded from the disclosure. The standard defines contract as "enforceable by law." All amounts recorded are carried at cost (not materially different from amortised cost) except for employee on cost which are determined via reference to the employee benefit liability to which they relate.

### Credit risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The department has minimal concentration of credit risk. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 17 for information on the allowance for impairment in relation to receivables.

The following table discloses the ageing of financial assets, past due, including impaired assets past due.

**Table 31.2 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days	Overdue for 30 – 60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000
<b>2009</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	26 094	2 816	1 305	30 215
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	( 222)	( 222)
<b>2008</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	17 926	592	411	18 929
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	( 49)	( 49)

<sup>(1)</sup> Receivable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc they would be excluded from the disclosure. The standard defines contract as "enforceable by law." They are carried at cost.

The following table discloses the maturity analysis of financial assets and financial liabilities.

**Table 31.3: Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2009</b>				
<b>Financial assets</b>				
Cash & cash equivalents	62 976	62 976	—	—
Receivables	29 993	29 993	—	—
<b>Total financial assets</b>	<b>92 969</b>	<b>92 969</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	13 515	10 734	452	2 329
Borrowings	232 016	73 054	158 962	—
Finance lease liability	—	—	—	—
Other financial liabilities	2 444	770	1 674	—
<b>Total financial liabilities</b>	<b>247 975</b>	<b>84 558</b>	<b>161 088</b>	<b>2 329</b>

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2008</b>				
<b>Financial assets</b>				
Cash & cash equivalents	58 775	58 775	—	—
Receivables	18 880	18 880	—	—
<b>Total financial assets</b>	<b>77 655</b>	<b>77 655</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	13 039	11 468	452	1 119
Borrowings	227 878	62 087	165 791	—
Finance lease liability	407	375	32	—
Other financial liabilities	3 256	424	2 832	—
<b>Total financial liabilities</b>	<b>244 580</b>	<b>74 354</b>	<b>169 107</b>	<b>1 119</b>

#### Liquidity risk

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The continued existence of the department is dependent on State Government policy and on continuing appropriations by Parliament for the department's administration and programs. The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Table 31.3 represent the department's maximum exposure to financial liabilities.

### Market risk

Market risk for the department is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The department's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

### Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

## 32 Net Revenue from Administrative Restructure

### Transferred Out

On 1 July 2008, SA Health assumed the responsibility of Supply SA Camden Park site. This resulted in the transfer of 21 FTEs, employee liabilities, lease for the premises and associated assets of the Camden Park warehouse.

On transfer of the Supply SA facilities to SA Health, the department recognised the following assets and liabilities:

	2009
	\$'000
Property, plant and equipment	385
<b>Total assets</b>	<b>385</b>
Payables	30
Employee benefits	229
<b>Total liabilities</b>	<b>259</b>
<b>Net Assets</b>	<b>126</b>

### Transferred In

In September 2006 the South Australian Government announced a shared services initiative to streamline and simplify internal corporate and business support services to deliver savings. In late 2007 State Cabinet approved the shared services model developed by the Shared Services Reform Office for the creation of Shared Services SA in the Department of Treasury and Finance.

The business services of South Australian Government Agencies are transferring to Shared Services SA in a series of transition programs known as Tranches. In most cases, these services transition in their current state with the current employees.

As part of Tranche 1, the accounts payable, accounts receivable and payroll services from the following agencies were transitioned to Shared Services SA over the period from 14 July 2008 to 16 February 2009. This resulted in the transfer of 586.1 FTEs.

Name of the Agency

South Australian Certificate Education of Australian Board - SACE Board  
 Attorney-General's Department - AGD  
 Department of Correctional Services - DCS  
 Department for Environment and Heritage - DEH  
 Department of the Premier and Cabinet - DPC  
 Department of Primary Industries and Resources of South Australia - PIRSA  
 Department for Transport, Energy and Infrastructure - DTEI  
 Department for Families and Communities - DFC  
 South Australian Tourism Commission - SATC  
 Auditor General's Department - Aud Gen  
 South Australia Police - SAPOL  
 South Australian Fire and Emergency Services Commission - SAFECOM  
 Department of Further Education, Employment and Science - DFEEST  
 Department of Education and Children's Services - DECS  
 Southern Adelaide Health Services - SAHS  
 Children, Youth and Women's Health Services - CYWHS  
 Country Health SA  
 Central Northern Adelaide Health Services - CNAHS  
 South Australian Ambulance Services - SAAS

From 9 June 2009, financial services and purchase card administration from the following agencies were transitioned to Shared Services SA as part of Tranche 2. This resulted in the transfer of 56.7 FTEs.

Name of the Agency

Department for Environment and Heritage - DEH  
 Department of the Premier and Cabinet - DPC  
 Department of Primary Industries and Resources of South Australia - PIRSA  
 Department for Families and Communities - DFC  
 Department of Education and Children's Services - DECS  
 South Australian Housing Trust - SAHT

The following table shows income and expenses associated with the functions transferred as part of Tranche 1 and 2 for 2008-2009. The income and expense in the Transferor agencies column were supplied by the respective transferor entities and as such have been relied upon by the Department.

	<b>SACE BOARD</b>	<b>AGD</b>	<b>DCS</b>	<b>DEH</b>	<b>DPC</b>	<b>PIRSA</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Appropriation	—	—	—	—	854	487
Interest	—	—	—	—	—	—
Revenue from services	—	—	—	126	46	115
Other income	—	9	—	—	1	—
<b>Total income</b>	—	9	—	126	901	602
Employee benefit expenses	33	72	116	1 547	898	563
Supplies and services	6	30	30	415	135	39
Depreciation and Amortisation	—	—	—	—	—	—
Other expenses	—	—	—	213	—	—
<b>Total expenses</b>	39	102	146	2 175	1 033	602
<b>Net result</b>	( 39)	( 93)	( 146)	( 2 049)	( 132)	—

	<b>DTEI</b>	<b>DFC</b>	<b>SATC</b>	<b>AUD GEN</b>	<b>SAPOL</b>	<b>SAFECOM</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Appropriation	—	—	—	—	214	177
Interest	—	—	—	—	—	—
Revenue from services	—	937	—	—	—	—
Other income	—	28	—	—	—	—
<b>Total income</b>	—	965	—	—	214	177
Employee benefit expenses	69	1 557	21	15	207	88
Supplies and services	84	1 127	—	4	7	20
Depreciation and Amortisation	—	15	—	—	—	—
Other expenses	45	5	—	—	—	—
<b>Total expenses</b>	198	2 704	21	19	214	108
<b>Net result</b>	( 198)	( 1 739)	( 21)	( 19)	—	69



	DFEEST	DECS	SAHT	SAHS	CHSA	CYWHS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Appropriation	578	—	—	1 520	1 977	797
Interest	—	—	—	—	—	—
Revenue from services	—	—	—	—	—	—
Other income	—	—	101	—	—	—
<b>Total income</b>	578	—	101	1 520	1 977	797
Employee benefit expenses	358	1 419	95	1 217	1 754	614
Supplies and services	220	54	6	303	223	183
Depreciation and Amortisation	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—
<b>Total expenses</b>	578	1 473	101	1 520	1 977	797
<b>Net result</b>	—	( 1 473)	—	—	—	—

			CNAHS	SAAS	SHARED SERVICES SA	TOTAL
			\$'000	\$'000	\$'000	\$'000
Appropriation			3 287	418	—	10 309
Interest			—	—	166	166
Revenue from services			—	—	35 073	36 297
Other income			—	—	23	162
<b>Total income</b>			3 287	418	35 262	46 934
Employee benefit expenses			2 859	363	22 937	36 802
Supplies and services			428	55	11 197	14 566
Depreciation and Amortisation			—	—	—	15
Other expenses			—	—	59	322
<b>Total expenses</b>			3 287	418	34 193	51 705
<b>Net result</b>			—	—	1 069	( 4 771)

The following assets and liabilities were transferred to Shared Services SA as part of Tranche 1 and 2.

	<b>SACE BOARD</b>	<b>AGD</b>	<b>DCS</b>	<b>DEH</b>	<b>DPC</b>	<b>PIRSA</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	16	118	129	401	361	519
<b>Total assets</b>	16	118	129	401	361	519
Payables	2	12	13	38	36	50
Employee benefits	14	106	116	363	325	469
<b>Total liabilities</b>	16	118	129	401	361	519
<b>Total net assets transferred</b>	—	—	—	—	—	—

	<b>DTEI</b>	<b>DFC</b>	<b>SATC</b>	<b>AUD GEN</b>	<b>SAPOL</b>	<b>SAFECOM</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	124	1 547	31	14	172	89
<b>Total assets</b>	124	1 547	31	14	172	89
Payables	12	150	3	1	17	8
Employee benefits	112	1 397	28	13	155	81
<b>Total liabilities</b>	124	1 547	31	14	172	89
<b>Total net assets transferred</b>	—	—	—	—	—	—

	DFEEST	DECS	SAHT	SAHS	CHSA	CYWHS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	462	1 308	84	501	227	341
<b>Total assets</b>	462	1 308	84	501	227	341
Payables	47	128	7	27	13	20
Employee benefits	415	1 180	77	474	214	321
<b>Total liabilities</b>	462	1 308	84	501	227	341
<b>Total net assets transferred</b>	—	—	—	—	—	—

				CNAHS	SAAS	TOTAL
				\$'000	\$'000	\$'000
Cash				1 512	122	8 078
<b>Total assets</b>				1 512	122	8 078
Payables				95	10	689
Employee benefits				1 417	112	7 389
<b>Total liabilities</b>				1 512	122	8 078
<b>Total net assets transferred</b>				—	—	—

Transfers of assets and liabilities to Shared Services SA were to be fully funded by cash. Cash of \$1,223,000 was not transferred from agencies to Shared Services SA for employee benefits and associated payables as at the reporting date, but reflected in receivables in the department's Statement of Financial Position.

Net assets assumed by the department as a result of the administrative restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. For details of assets and liabilities transferred by agencies, please refer to the financial statements of the transferor agency. The net assets transferred were treated as a contribution by the Government as owner.

### 33 Events after the end of the reporting period

#### Fleet SA

The department advises that since the end of the reporting period there has been one matter arise which will affect the operations of the department and the reported results from the department in the future financial years. It was announced in the 2008-09 Mid Year Budget Review that Fleet SA would transfer to SAFA. As a consequence of the Administrative Arrangements (Transfer of Assets, Rights and Liabilities to South Australian Government Financing Authority) Proclamation 2009, Fleet SA's assets, rights and liabilities transferred to SAFA on 1 July 2009.

#### Shared Services SA

The Shared Services reform program continues in 2009-10 with the current focus on the migration of financial services including general accounting, external reporting, tax compliance, fixed assets accounting, cash management, system generated reporting and financial systems support. The second tranche of services is structured around 3 transition groups comprising a mixture of agencies with the first group transferring in June 2009 and the subsequent groups transferring in October and November 2009.

As part of the transition of employees to Shared Services SA, the Statement of Financial Position liabilities for accrued employee entitlements as at the date of transition, together with a corresponding amount of cash to support that entitlement will transfer from the transferor agency to Shared Services SA.

There were no further events occurring after the end of the reporting period that had material financial implications on these financial statements.

## STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$'000	2008 \$'000
<b>INCOME</b>			
Taxation	35	3 120 152	3 288 437
Commonwealth revenues	36	4 918 557	3 959 666
Dividends	37	253 154	278 408
Interest revenues	38	136 978	174 525
Revenues from SA Government	39	1 609 430	1 203 859
Grants and contributions	40	165 657	190 190
Revenues from fees and charges	41	42 594	45 409
Other revenues	42	379 109	450 858
<b>Total Income</b>		<b>10 625 631</b>	<b>9 591 352</b>
<b>EXPENSES</b>			
Payments to SA Government	39	7 778 893	8 134 245
Employee benefit expenses	43	304 858	247 963
Supplies and services	44	73 373	75 672
Borrowing costs	45	197 304	234 448
Grants, subsidies and transfers	46	1 803 639	748 990
Depreciation expense	47	159	185
Other expenses	48	210 464	125 529
<b>Total Expenses</b>		<b>10 368 690</b>	<b>9 567 032</b>
<b>NET RESULT</b>		<b>256 941</b>	<b>24 320</b>
<b>Other Comprehensive Income</b>		<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>256 941</b>	<b>24 320</b>

**THE NET RESULT AND COMPREHENSIVE RESULT ARE ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER**

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

## STATEMENT OF ADMINISTERED FINANCIAL POSITION AS AT 30 JUNE 2009

	Notes	2009 \$'000	2008 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	49	1 157 994	1 119 103
Receivables	50	55 164	18 787
Other financial assets	51	1 537	411
<b>Total Current Assets</b>		<b>1 214 695</b>	<b>1 138 301</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	50	2	—
Other financial assets	51	3 585	499
Property, plant and equipment	52	690	849
<b>Total Non-Current Assets</b>		<b>4 277</b>	<b>1 348</b>
<b>TOTAL ASSETS</b>		<b>1 218 972</b>	<b>1 139 649</b>
<b>CURRENT LIABILITIES</b>			
Payables	53	850 469	1 024 308
Employee benefits	54	1 115	1 078
Provisions	55	14	12
Other current liabilities	56	3 351	4 040
<b>Total Current Liabilities</b>		<b>854 949</b>	<b>1 029 438</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	53	490 585	493 938
Employee benefits	54	521	281
Provisions	55	42	33
Other non-current liabilities	56	830	855
<b>Total Non-Current Liabilities</b>		<b>491 978</b>	<b>495 107</b>
<b>TOTAL LIABILITIES</b>		<b>1 346 927</b>	<b>1 524 545</b>
<b>NET ASSETS</b>		<b>( 127 955)</b>	<b>( 384 896)</b>
<b>EQUITY</b>			
Accumulated deficit		( 127 955)	( 384 896)
<b>TOTAL EQUITY</b>		<b>( 127 955)</b>	<b>( 384 896)</b>

### THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER

Unrecognised and Contractual Commitments 57

Contingent Assets and Liabilities 59

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

## STATEMENT OF ADMINISTERED CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Accumulated Deficit \$'000
<b>Balance at 30 June 2007</b>		<b>( 412 648)</b>
Net result for 2007-08		24 320
Total comprehensive result for 2007-08		<b>24 320</b>
<b>Transactions with SA Government as owner</b>		
Net assets transferred as a result of an administrative restructure	<b>58</b>	3 432
<b>Balance at 30 June 2008</b>		<b>( 384 896)</b>
Net result for 2008-09		256 941
Total comprehensive result for 2008-09		<b>256 941</b>
<b>Balance at 30 June 2009</b>		<b>( 127 955)</b>

### ALL CHANGES IN EQUITY ARE ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER

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

# STATEMENT OF ADMINISTERED CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$'000	2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Taxation received		3 120 153	3 288 437
Receipts from Commonwealth		4 919 390	3 959 666
Dividends		253 154	278 408
Interest received		137 124	174 184
Receipts from SA Government		1 609 430	1 203 859
Grants and contributions		167 016	195 308
Fees and charges		62 591	45 741
GST receipts on receivables		5 220	13 910
GST recovered from Australian Taxation Office		3 287	3 235
Other receipts		375 013	447 281
<b>Cash generated from operating activities</b>		<b>10 652 378</b>	<b>9 610 029</b>
<b>Cash Outflows</b>			
Payments to SA Government		(8 019 195)	(8 072 378)
Employee benefit payments		( 304 553)	( 247 754)
Payments for supplies and services		( 94 910)	( 75 318)
Interest payments		( 166 292)	( 276 746)
Grants, subsidies and transfers		(1 806 032)	( 759 460)
GST payments on purchases		( 3 970)	( 4 629)
GST remitted to Australian Taxation Office		( 4 530)	( 4 069)
Other payments		( 210 827)	( 130 321)
<b>Cash used in operating activities</b>		<b>(10 610 309)</b>	<b>(9 570 675)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	61(b)	<b>42 069</b>	<b>39 354</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		—	( 64)
<b>Cash used in investing activities</b>		<b>—</b>	<b>( 64)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>—</b>	<b>( 64)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from other financial assets		476	6 584
Proceeds from restructure activities		—	2 799
<b>Cash generated from financing activities</b>		<b>476</b>	<b>9 383</b>



**Cash Outflows**

Other financial assets granted	( 3 644)	( 6)
Repayment of interest bearing liabilities	( 10)	( 29)
<b>Cash used in financing activities</b>	<b>( 3 654)</b>	<b>( 35)</b>

<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>( 3 178)</b>	9 348
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<b>NET INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>	<b>38 891</b>	48 638
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Cash and cash equivalents at the beginning of the period	<b>1 119 103</b>	1 070 465
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>61(a) 1 157 994</b>	<b>1 119 103</b>
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The above Statement should be read in conjunction with the accompanying notes.

## SCHEDULE OF INCOME AND EXPENSES ATTRIBUTABLE TO ADMINISTERED ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2009

	Admin Items on behalf of the Consolidated Account	Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	Community Development Fund	Community Emergency Services Fund	ETSA Sales/Lease Proceeds Account	Hospitals Fund	Industry Financial Assistance Account	Inter- gov. Agreement on Federal Relations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>								
Taxation	3 033 439	—	—	86 713	—	—	—	—
Commonwealth revenues	3 936 609	20 901	—	—	—	—	—	961 047
Dividends	253 154	—	—	—	—	—	—	—
Interest revenues	133 853	—	—	129	—	—	169	—
Revenues from SA Government	87 847	—	—	—	—	—	—	—
Grants and Contributions	—	—	20 000	90 502	—	—	33 827	—
Fees and charges	20 183	—	—	373	—	—	—	—
Other revenues	220 631	—	—	—	3 076	146 229	999	—
<b>Total Income</b>	<b>7 685 716</b>	<b>20 901</b>	<b>20 000</b>	<b>177 717</b>	<b>3 076</b>	<b>146 229</b>	<b>34 995</b>	<b>961 047</b>
<b>EXPENSES</b>								
Payments to SA Government	7 597 870	20 901	—	—	—	146 229	—	—
Employee benefit expenses	271	—	—	—	—	—	—	—
Supplies and services	—	—	—	—	—	—	—	—
Borrowing costs	—	—	—	—	—	—	—	—
Grants, subsidies and transfers	87 575	—	20 000	177 628	—	—	9 521	737 292
Depreciation	—	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	8	—
<b>Total Expenses</b>	<b>7 685 716</b>	<b>20 901</b>	<b>20 000</b>	<b>177 628</b>	<b>—</b>	<b>146 229</b>	<b>9 529</b>	<b>737 292</b>
<b>NET RESULT</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>89</b>	<b>3 076</b>	<b>—</b>	<b>25 466</b>	<b>223 755</b>

<sup>(1)</sup> Includes Country Equalisation Scheme Account, Local Government Concessions  
Senior Card Holders and Responsible Gambling Working Party.

# **SCHEDULE OF INCOME AND EXPENSES ATTRIBUTABLE TO ADMINISTERED ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2009** continued

	Local Government Disaster Fund	State Government Auctions	State Supply Board - Gaming Machines	Support Services to Parliamen- tarians	Treasury and Finance Administered Items Account	Treasurer's Interest in the National Wine Centre Account	Treasury Working Account	Other <sup>(1)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>								
Taxation	—	—	—	—	—	—	—	—
Commonwealth revenues	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—
Interest revenues	2 113	—	58	—	—	—	—	656
Revenues from SA Government	—	—	—	—	1 521 583	—	—	—
Grants and Contributions	—	—	—	18 457	—	—	—	2 871
Fees and charges	—	4 178	16 341	1 519	—	—	—	—
Other revenues	—	—	—	7	—	25	8 142	—
<b>Total Income</b>	<b>2 113</b>	<b>4 178</b>	<b>16 399</b>	<b>19 983</b>	<b>1 521 583</b>	<b>25</b>	<b>8 142</b>	<b>3 527</b>
<b>EXPENSES</b>								
Payments to SA Government	—	—	—	—	13 893	—	—	—
Employee benefit expenses	—	—	—	12 965	291 622	—	—	—
Supplies and services	40	4 178	16 399	5 247	47 482	27	—	—
Borrowing costs	—	—	—	—	197 304	—	—	—
Grants, subsidies and transfers	535	—	—	—	768 968	—	—	2 120
Depreciation	—	—	—	146	—	13	—	—
Other expenses	—	—	—	—	202 314	—	8 142	—
<b>Total Expenses</b>	<b>575</b>	<b>4 178</b>	<b>16 399</b>	<b>18 358</b>	<b>1 521 583</b>	<b>40</b>	<b>8 142</b>	<b>2 120</b>
<b>NET RESULT</b>	<b>1 538</b>	<b>—</b>	<b>—</b>	<b>1 625</b>	<b>—</b>	<b>( 15)</b>	<b>—</b>	<b>1 407</b>

<sup>(1)</sup> Includes Country Equalisation Scheme Account, Local Government Concessions Senior Card Holders and Responsible Gambling Working Party.

## SCHEDULE OF INCOME AND EXPENSES ATTRIBUTABLE TO ADMINISTERED ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2009 *continued*

	Total
	\$'000
<b>INCOME</b>	
Taxation	3 120 152
Commonwealth revenues	4 918 557
Dividends	253 154
Interest revenues	136 978
Revenues from SA Government	1 609 430
Grants and Contributions	165 657
Fees and charges	42 594
Other revenues	379 109
<b>Total Income</b>	<u>10 625 631</u>
<b>EXPENSES</b>	
Payments to SA Government	7 778 893
Employee benefit expenses	304 858
Supplies and services	73 373
Borrowing costs	197 304
Grants, subsidies and transfers	1 803 639
Depreciation	159
Other expenses	210 464
<b>Total Expenses</b>	<u>10 368 690</u>
<b>NET RESULT</b>	<u>256 941</u>

<sup>(1)</sup> Includes Country Equalisation Scheme Account, Local Government Concessions Senior Card Holders and Responsible Gambling Working Party.

## ADMINISTERED FINANCIAL STATEMENTS

The Administered financial statements include the revenues, expenses, assets and liabilities which the department administers on behalf of the SA Government but does not control.

These financial statements include a number of revenue and expense transactions on behalf of the South Australian Government for the Consolidated Account. Such transactions include collection of revenues from taxations, revenues from the Commonwealth Government, dividends and interest. The expense transactions include transfers to agencies for employee entitlements and supplies and services, grants and subsidies to public sector agencies, the private sector, and the community and the transfer of revenues to the Consolidated Account. The associated Statement of Financial Position items for the Consolidated Account such as loans and borrowings are recognised in the whole-of-government general purpose financial report.

From 1 January 2009, the Administered financial statements include the Intergovernmental Agreement on Federal Financial Relations Account. The purpose of the account is to receive monies from the Commonwealth Government and disburse the monies to agencies pursuant to the Intergovernmental Agreement on Federal Financial Relations for the National SPP purposes listed in Schedule F of that Agreement and for the NPP payments for the purposes listed in Schedule G of that Agreement. Prior to 1 January 2009, the Commonwealth monies were paid directly to agencies.

The Administered financial statements also include the fixed property component of the Emergency Services Levy collected by Revenue SA and transferred to the Community Emergency Services Fund and all the transactions for the special deposit accounts established under Section 8 of the *Public Finance and Audit Act 1987* that are administered by the department listed below:

- Community Development Fund
- Commonwealth Mirror Taxes on Commonwealth Places Revenue Account
- Country Equalisation Scheme Account
- ETSA Sales/Lease Proceeds Account
- Home Purchases Assistance Account
- Hospitals Fund
- Industry Financial Assistance Account
- Intergovernmental Agreement on Federal Financial Relations (from 1 January 2009)
- Local Government Concessions Senior Card Holders
- Local Government Disaster Fund
- Responsible Gambling Working Party (from 16 June 2009)
- Treasurer's Interest in the National Wine Centre Account
- Treasury Working Account
- Treasury and Finance Administered Items Account
- Support Services to Parliamentarians
- State Procurement Board - Gaming Machines Account
- State Government Auctions Account

### 34 Summary of Significant Accounting Policies

The department's significant accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the department and administered financial statements.

The following policies are only applicable to the Administered financial statements.

#### 34.1 Administrative Restructure

The responsibility for the administration of contracts arising from the Regional Development Infrastructure Fund, the Upper Spencer Gulf & Outback Enterprise Zone fund and the Rural Towns Development Fund were transferred from the Department of Trade and Economic Development to the Department of Treasury and Finance effective 1 November 2007 (refer to note 58). These transferred functions form part of the Industry Financial Assistance Account.

<b>35 Taxation</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Taxation received/receivable from entities within the SA Government</b>		
Stamp duties	3 717	3 766
Payroll tax	193 235	195 965
Land tax	170 307	153 799
Emergency Services levy	2 447	2 384
Local Government rate equivalents	3 880	2 232
Income tax equivalents	128 225	159 378
Contributions from Lotteries Commission	81 425	81 820
<b>Total Taxation - SA Government Entities</b>	<b>583 236</b>	<b>599 344</b>
<b>Taxation received/receivable from entities external to the SA Government</b>		
Stamp duties	1 214 129	1 466 350
Commonwealth Places Mirror - stamp duties	545	606
Payroll tax	896 116	889 938
Commonwealth Places Mirror - payroll tax	19 059	19 004
Land tax	296 275	212 091
Commonwealth Places Mirror - land tax	1 296	1 013
Emergency Services levy	84 266	74 682
Local Government rate equivalents	1 744	3 373
Save the River Murray levy	23 306	22 003
Hindmarsh Island Bridge levy	180	33
<b>Total Taxation - Non SA Government Entities</b>	<b>2 536 916</b>	<b>2 689 093</b>
<b>Total Taxation</b>	<b>3 120 152</b>	<b>3 288 437</b>
<b>36 Commonwealth Revenues</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commonwealth General Purpose Grants</b>		
GST revenue grants	3 786 481	3 913 622
Competition grants	—	3 024
Transitional assistance	36 711	—
Commonwealth Places Mirror taxes	20 901	20 623
<b>Total Commonwealth General Purpose Grants</b>	<b>3 844 093</b>	<b>3 937 269</b>
<b>Commonwealth Specific Purpose Grants</b>		
Concessions to pensioners and others	10 867	20 378
Council of Australian Governments Funding arrangements	36 834	—
Inter-governmental Agreement on Federal Financial Relations - Recurrent	956 846	—
Inter-governmental Agreement on Federal Financial Relations - Capital	4 201	—
First Home Owners Boost	65 716	—
National Relief and Recovery Arrangements	—	2 019
<b>Total Commonwealth Specific Purpose Grants</b>	<b>1 074 464</b>	<b>22 397</b>
<b>Total Commonwealth Revenues</b>	<b>4 918 557</b>	<b>3 959 666</b>

<b>37 Dividends</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Forestry SA	15 231	22 671
Generation Lessor Corporation	227	—
Homestart	5 311	2 240
Land Management Corporation	47 410	61 355
Public Trustee Office	541	1 290
SA Water Corporation	161 296	186 054
South Australian Asset Management Corporation	4 000	4 000
South Australian Government Employee Residential Property	1 156	—
South Australian Government Financing Authority	10 738	—
Transmission Lessor Corporation	6 880	—
Transport SA	364	798
<b>Total Dividends</b>	<b>253 154</b>	<b>278 408</b>

<b>38 Interest Revenues</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from entities within the SA Government	131 060	168 353
Other	5 918	6 172
<b>Total Interest Revenues</b>	<b>136 978</b>	<b>174 525</b>

<b>39 Revenues from/Payments to SA Government</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 521 583	1 135 231
Appropriations under other Acts	87 847	68 628
<b>Total Revenues from SA Government</b>	<b>1 609 430</b>	<b>1 203 859</b>
<b>Payments to SA Government</b>		
Transfer of revenue received on behalf of Consolidated Account	7 611 763	7 928 239
Other payments to the Consolidated Account	167 130	206 006
<b>Total Payments to SA Government</b>	<b>7 778 893</b>	<b>8 134 245</b>

<b>40 Grants and Contributions</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
SA Government entities	162 016	153 902
Non SA Government entities	3 641	36 288
<b>Total Grants and Contributions</b>	<b>165 657</b>	<b>190 190</b>

<b>41 Revenues from fees and charges</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fees and charges received/receivable from entities within the SA Government</b>		
Guarantee fees	20 183	19 254
Support Services to Parliamentarians	1 402	1 193
<b>Total Fees and Charges - SA Government Entities</b>	<b>21 585</b>	<b>20 447</b>
<b>Fees and charges received/receivable from entities external to the SA Government</b>		
State Government Auctions	4 178	5 098
State Procurement Board - Gaming Machines	16 341	19 037
Support Services to Parliamentarians	117	132
Other	373	695
<b>Total Fees and Charges - Non SA Government Entities</b>	<b>21 009</b>	<b>24 962</b>
<b>Total Fees and Charges</b>	<b>42 594</b>	<b>45 409</b>
<b>42 Other Revenues</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other revenues received/receivable from entities within the SA Government</b>		
Contribution towards public hospital costs	146 229	150 381
Repayment of advances	34 919	70 546
Return of cash to Consolidated Account - cash alignment policy	80 102	74 475
Return of capital	—	35 604
Return of deposit account balances	247	22 430
Essential Services Commission of SA	6 838	6 881
Support Services to Parliamentarians	3	—
Other	5 907	10 682
<b>Total Other Revenues - SA Government Entities</b>	<b>274 245</b>	<b>370 999</b>
<b>Other revenues received/receivable from entities external to the SA Government</b>		
Repayment of advances	210	10
Return of deposit account balances	91 500	30 000
Mitsubishi Limited Grant Repayment	—	35 000
Hindmarsh Site Recoveries	—	3 725
Support Services to Parliamentarians	4	1
Discounted cash flow valuations for financial assistance loans	999	233
Other	12 151	10 890
<b>Total Other Revenues - Non SA Government Entities</b>	<b>104 864</b>	<b>79 859</b>
<b>Total Other Revenues</b>	<b>379 109</b>	<b>450 858</b>



<b>43 Employee benefit expenses</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation contributions to various schemes	<b>291 622</b>	235 098
Salaries and wages	<b>10 114</b>	9 927
Long service leave	<b>297</b>	217
Annual leave	<b>774</b>	747
Employment on-costs - superannuation	<b>1 012</b>	986
Employment on-costs - other	<b>617</b>	626
Minister's salary, electorate and expense allowance	<b>271</b>	272
Other employee related expenses	<b>151</b>	90
<b>Total Employee Benefit expenses</b>	<b>304 858</b>	247 963

<b>Remuneration of Employees</b>	<b>2009</b>	<b>2008</b>
	<b>Number of Employees</b>	<b>Number of Employees</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$101 000 - \$109 999	<b>1</b>	1
\$110 000 - \$119 999	<b>1</b>	2
\$130 000 - \$139 999	<b>1</b>	2
\$140 000 - \$149 999	<b>1</b>	—
	<b>4</b>	5

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$496,000 (\$605,000).

<b>44 Supplies and Services</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Support Services to Parliamentarians	<b>2 769</b>	3 391
Gaming machines	<b>133</b>	202
State Government auctions	<b>3 158</b>	5 375
Unclaimed monies	<b>94</b>	13
General administration	<b>67</b>	68
<b>Total Supplies and Services - SA Government Entities</b>	<b>6 221</b>	9 049
<b>Supplies and services provided by entities external to the SA Government</b>		
State's share of GST administration	<b>46 962</b>	45 103
Support Services to Parliamentarians	<b>2 477</b>	2 293
Gaming machines	<b>16 266</b>	18 933
State Government auctions	<b>1 020</b>	50
Unclaimed monies	<b>425</b>	243
Consultants	<b>1</b>	—
General administration	<b>1</b>	1
<b>Total Supplies and Services - Non SA Government</b>	<b>67 152</b>	66 623
<b>Total Supplies and Services</b>	<b>73 373</b>	75 672

The number and dollar amount of Consultancies paid/payable that fell within the following bands:

	2009 \$'000	2008 \$'000
Below \$10,000	1	—
<b>Total Paid / Payable to the Consultants engaged</b>	<b>1</b>	<b>—</b>

	2009 Number	2008 Number
Below \$10,000	2	—
<b>Total Paid / Payable to the Consultants engaged</b>	<b>2</b>	<b>—</b>

<b>45 Borrowing costs</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>
<b>Interest paid/payable to entities within the SA Government</b>		
Interest on borrowings	157 877	184 574
Interest paid on deposit accounts and other monies	36 214	46 964
<b>Total Borrowing Costs - SA Government entities</b>	<b>194 091</b>	<b>231 538</b>
<b>Interest paid/payable to entities external to the SA Government</b>		
Interest paid on deposit accounts and other monies	3 213	2 910
<b>Total Borrowing Costs - Non SA Government entities</b>	<b>3 213</b>	<b>2 910</b>
<b>Total Borrowing Costs</b>	<b>197 304</b>	<b>234 448</b>

<b>46 Grants, Subsidies and Transfers</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>
<b>Grants, subsidies and transfers paid to entities within the SA Government</b>		
Recurrent grants, subsidies and transfers	1 571 962	643 540
Capital grants, subsidies and transfers	4 201	—
<b>Total Grants, Subsidies and Transfers - SA Government Entities</b>	<b>1 576 163</b>	<b>643 540</b>
<b>Grants, subsidies and transfers paid to entities external to the SA Government</b>		
Recurrent grants, subsidies and transfers	227 476	105 450
<b>Total Grants, Subsidies and Transfers - Non SA Government Entities</b>	<b>227 476</b>	<b>105 450</b>
<b>Total Grants, Subsidies and Transfers</b>	<b>1 803 639</b>	<b>748 990</b>

<b>47 Depreciation Expense</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	13	13
Building fit-outs	142	172
Office equipment	4	—
<b>Total Depreciation Expense</b>	<b>159</b>	<b>185</b>

<b>48 Other Expenses</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other expenses paid/payable to entities within SA Government</b>		
Repayment of borrowings	2 641	3 095
Equity Capital Contribution	1 500	35 000
Other	1 212	1 220
<b>Total Other Expenses - SA Government Entities</b>	<b>5 353</b>	<b>39 315</b>

**Other expenses paid/payable to entities external to the SA Government**

Refunds and remissions	21 672	54 547
Payments to the South Australian Superannuation Fund	91 500	30 000
Payments to Commonwealth Government	74 600	—
Working Capital Facility - Shared Services SA	10 000	—
Bad debts	1 490	2 899
Doubtful debts	( 1 775)	( 2 328)
Discounted cash flow valuations for financial assistance loans	293	( 5 717)
Other	7 331	6 813
<b>Total Other Expenses - Non SA Government Entities</b>	<b>205 111</b>	<b>86 214</b>

<b>Total Other Expenses</b>	<b>210 464</b>	<b>125 529</b>
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<b>49 Cash and Cash Equivalents</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	1 116 494	1 078 703
Promissory Notes	41 500	40 400
<b>Total Cash and Cash Equivalents</b>	<b>1 157 994</b>	<b>1 119 103</b>

**Interest rate risk**

Deposits with the Treasurer earn a floating interest rate based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value. Promissory notes have been issued by the Local Government Finance Authority of South Australia and earned a floating interest rate between 2.28% and 7.79% during the financial year.

<b>50 Receivables</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	<b>36 401</b>	10 810
Allowance for doubtful debts	<b>( 462)</b>	( 1 022)
Accrued revenues	<b>18 864</b>	8 781
GST receivables	<b>361</b>	218
<b>Total Current Receivables</b>	<b>55 164</b>	18 787
<b>Non-Current</b>		
Receivables	<b>2</b>	—
<b>Total Non-Current Receivables</b>	<b>2</b>	—
<b>Total Receivables</b>	<b>55 166</b>	18 787
<b>SA Government / Non SA Government Entities</b>		
<b>Receivables from SA Government entities</b>		
Receivables	<b>35 620</b>	9 718
Accrued revenues	<b>18 699</b>	8 358
<b>Total Receivables from SA Government Entities</b>	<b>54 319</b>	18 076
<b>Receivables from Non SA Government Entities</b>		
Receivables	<b>321</b>	70
Accrued revenues	<b>165</b>	423
GST receivables	<b>361</b>	218
<b>Total Receivables from Non SA Government Entities</b>	<b>847</b>	711
<b>Total Receivables</b>	<b>55 166</b>	18 787

#### **Movement in the Allowance for Doubtful Debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

The following table shows the movements in the allowance for doubtful debts (impairment loss):

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	<b>1 022</b>	1 902
Decrease in provision	<b>( 560)</b>	( 880)
Carrying amount at the end of the period	<b>462</b>	1 022

#### **Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally due within 30 days. Receivables and accrued revenues are non-interest bearing.

Other than recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

**Maturity Analysis of Receivables** - refer to Table 62.3 in note 62.

**Categorisation of financial instruments and risk exposure information** - refer to note 62.

<b>51 Other Financial Assets</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Loans for financial assistance	<b>1 580</b>	548
Provision for doubtful debts	<b>( 43)</b>	( 137)
<b>Total Current Other Financial Assets</b>	<b>1 537</b>	411
<b>Non-Current</b>		
Loans for financial assistance	<b>5 060</b>	3 096
Provision for doubtful debts	<b>( 1 475)</b>	( 2 597)
<b>Total Non-Current Other Financial Assets</b>	<b>3 585</b>	499
<b>Total Other Financial Assets</b>	<b>5 122</b>	910
<b>SA Government / Non SA Government Entities Other</b>		
<b>Other Financial Assets with SA Government Entities</b>		
Loans for financial assistance	<b>231</b>	161
<b>Total Other Financial Assets with SA Government</b>	<b>231</b>	161
<b>Other Financial Assets with Non SA Government</b>		
Loans for financial assistance	<b>6 409</b>	3 483
Provision for doubtful debts	<b>( 1 518)</b>	( 2 734)
<b>Total Other Financial Assets with Non SA Government</b>	<b>4 891</b>	749
<b>Total Other Financial Assets</b>	<b>5 122</b>	910

**Maturity analysis of other financial assets** - refer to table 62.3 in Note 62 for the maturity analysis of other financial assets.

**Categorisation of financial instruments and risk exposure information** - refer to Note 62.

<b>52 Property, Plant and Equipment</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
At fair value	<b>539</b>	539
Accumulated depreciation	<b>( 67)</b>	( 54)
<b>Total Buildings</b>	<b>472</b>	485

**Building Fit-outs**

At cost	651	651
Accumulated depreciation	( 462)	( 320)
<b>Total Building Fit-outs</b>	<b>189</b>	<b>331</b>

**Land**

At fair value	13	13
<b>Total Land</b>	<b>13</b>	<b>13</b>

**Office Equipment**

At cost	20	20
Accumulated depreciation	( 4)	—
<b>Total Office Equipment</b>	<b>16</b>	<b>20</b>

**Total Property, Plant and Equipment**

<b>690</b>	<b>849</b>
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**Valuation of Non-Current Assets**

On 21 August 2003 the National Wine Centre was dissolved and its assets vested in the Treasurer. Centre land and buildings were initially recognised by the Department at the same value recorded in the Centre's financial statements.

An independent valuation of Centre land and buildings was performed by Valcorp Australia Pty Ltd as at 30 June 2004. The valuation involved discounting to net present value the projected fair value of the land and buildings at the termination of the 40 year lease arrangement with the University of Adelaide. The valuation resulted in land and buildings being revalued downwards to \$552 000.

An internal assessment of the valuation of Centre land and buildings was performed as at 30 June 2007. That assessment concluded that there had not been any material change in projected fair value and the discount rate used in the net present value calculation was still reasonable. Accordingly, land and buildings continues to be valued at independent valuation performed by Valcorp.

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of property, plant and equipment during 2008-09.

	Buildings	Building Fit-outs	Land
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	485	331	13
Depreciation expense	( 13)	( 142)	—
Carrying amount at the end of the period	472	189	13

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of property, plant and equipment during 2008-09.

	Office Equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	20	849
Depreciation expense	( 4)	( 159)
Carrying amount at the end of the period	16	690

<b>53 Payables</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors - electricity entities lease proceeds	3 379	3 076
Creditors - revenue on behalf of the Consolidated Account	731 401	959 750
Creditors - other	96 559	51 499
Accrued expenses	18 801	9 802
Employment on-costs	175	181
GST payable	154	—
<b>Total Current Payables</b>	<b>850 469</b>	<b>1 024 308</b>
<b>Non-Current</b>		
Creditors - Electricity Entities lease proceeds	490 533	493 912
Employment on-costs	52	26
<b>Total Non-Current Payables</b>	<b>490 585</b>	<b>493 938</b>
<b>Total Payables</b>	<b>1 341 054</b>	<b>1 518 246</b>
<b>SA Government / Non SA Government Entities</b>	<b>2009</b>	<b>2008</b>
<b>Payables to SA Government entities</b>	<b>\$'000</b>	<b>\$'000</b>
Creditors - electricity entities lease proceeds	493 912	496 988
Creditors - revenue on behalf of the Consolidated Account	731 401	959 750
Creditors - other	92 265	51 464
Accrued expenses	18 436	8 628
Employment on-costs	88	74
<b>Total Payables to SA Government Entities</b>	<b>1 336 102</b>	<b>1 516 904</b>
<b>Payables to Non SA Government Entities</b>		
Creditors - other	4 294	35
Accrued expenses	365	1 174
Employment on-costs	139	133
GST payable	154	—
<b>Total Payables to Non SA Government Entities</b>	<b>4 952</b>	<b>1 342</b>
<b>Total Payables</b>	<b>1 341 054</b>	<b>1 518 246</b>

As a result of an actuarial assessment performed by the Department, the percentage of the proportion of long service leave taken as leave has changed from the 2008 rate 35% to 45% and the average factor for the calculation of employer superannuation cost has changed from the 2008 rate 11% to 10.5%.

The employer superannuation cost for salaries and wages and annual leave changed from the 2008 rate of 12.5% to 10.5% as this rate is determined using the same basis for calculation as for each pay period in respect of salaries and wages.

Under the *Payroll Tax Act 2009*, the payroll tax rate reduced on 1 July 2009 from 5% to 4.95%. The reduced rate is used in the payroll tax cost calculation for long service leave and annual leave.

The net financial effect of the changes for the employer superannuation costs and payroll tax in the current financial year is an increase in the employment on-cost of \$14,000.

**Interest rate and credit risk**

Creditors are raised for all amounts billed but unpaid. Creditors - electricity entities lease proceeds are normally settled annually in June. Creditors - revenue on behalf of the Consolidated Account are normally settled by the 15th day of each month. Other creditors are normally settled within 30 days of the invoice date provided the goods and services have been received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand. In addition, there is no concentration of credit risk.

**Maturity analysis of payables** - refer to table 62.3 in Note 62.

**Categorisation of financial instruments and risk exposure information** - refer to Note 62.

<b>54 Employee Benefits</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	<b>287</b>	234
Annual leave	<b>653</b>	550
Long service leave	<b>175</b>	294
<b>Total Current Employee Benefits</b>	<b>1 115</b>	1 078
<b>Non-Current</b>		
Long service leave	<b>521</b>	281
<b>Total Non-Current Employee Benefits</b>	<b>521</b>	281
<b>Total Employee Benefits</b>	<b>1 636</b>	1 359

The total current and non-current employee benefit plus related on costs for 2009 is \$1,290,000 and \$573,000 respectively.

The actuarial assessment performed by the Department revised the salary inflation rate down by 0.5% from the 2008 rate 4.5%. The net financial effect of the changes in the current financial year is a decrease in the annual leave liability and employee benefit expense of \$3,000.

The actuarial assessment did not change the benchmark for the measurement of the long service leave liability from the 2008 benchmark (6.5 years).

<b>55 Provisions</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	<b>14</b>	12
<b>Total Current Provisions</b>	<b>14</b>	12
<b>Non-Current</b>		
Provision for workers compensation	<b>42</b>	33
<b>Total Non-Current Provisions</b>	<b>42</b>	33
<b>Total Provisions</b>	<b>56</b>	45



<b>Reconciliation of Provisions</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>45</b>	<b>38</b>
Additional provisions recognised	<b>11</b>	<b>7</b>
<b>Carrying amount at the end of the period</b>	<b>56</b>	<b>45</b>

A liability has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Department of the Premier and Cabinet. These claims are expected to be settle within the next financial year.

<b>56 Other Liabilities</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	<b>3 351</b>	<b>4 040</b>
<b>Total Current Other Liabilities</b>	<b>3 351</b>	<b>4 040</b>
<b>Non-Current</b>		
Unearned revenue	<b>830</b>	<b>855</b>
<b>Total Non Current Other Liabilities</b>	<b>830</b>	<b>855</b>
<b>Total Other Liabilities</b>	<b>4 181</b>	<b>4 895</b>

## **57 Unrecognised and Contractual Commitments**

### **(a) Remuneration Commitments**

Commitments for the payment of salaries and other remuneration under employment fixed-term contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>1 075</b>	<b>1 189</b>
Later than one year but not later than five years	<b>—</b>	<b>665</b>
<b>Total Remuneration Commitments</b>	<b>1 075</b>	<b>1 854</b>

Amounts disclosed include commitments arising from employment contracts for the Support Services to Parliamentarians. No remuneration contracts greater than 5 years are offered.

### **(b) Operating Lease Commitments**

At the reporting date, the Support Services for Parliamentarians had operating leases for the lease of office accommodation.

Office accommodation is leased from the Department of Transport, Energy and Infrastructure. The leases are non-cancellable with terms ranging up to 6 years.

Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial report, are payable as follows:

	2009	2008
	\$'000	\$'000
Not later than one year	1 610	1 420
Later than one year and not later than five years	767	1 849
Later than five years	21	—
<b>Total Operating Lease Commitments</b>	<b>2 398</b>	<b>3 269</b>

### (c) Other Commitments

Other commitments are with various South Australian Government agencies to fulfil requirements under the Intergovernmental Agreement on Federal Financial Relations agreements and are as follows:

	2009	2008
	\$'000	\$'000
Not later than one year	100 682	—
Later than one year and not later than five years	123 800	—
<b>Total Other Commitments</b>	<b>224 482</b>	<b>—</b>

## 58 Net Revenue from Administrative Restructure

As a result of the transfer of functions from Department of Trade and Economic Development effective 1 November 2007, the Department recognised the following assets and liabilities:

	Total
	\$'000
Cash	2 799
Financial Assistance Loans and Receivables	646
Provision for Doubtful Debts	( 13)
<b>Net Assets</b>	<b>3 432</b>

Total income and expenditure attributable to this transfer of functions for 2007-08 were:

	Department of Trade and Economic Development	Department of Treasury and Finance	Total
	1/7/07 to 31/10/07	1/11/07 to 30/06/08	
	\$'000	\$'000	\$'000
Grants and Contribution	—	23	23
Interest	—	4	4
<b>Total income</b>	<b>—</b>	<b>27</b>	<b>27</b>
Grants and Subsidies	641	—	641
Doubtful debts	—	129	129
Discounted Cash flow valuation for loans	—	210	210
<b>Total expenses</b>	<b>641</b>	<b>339</b>	<b>980</b>
<b>Net Result</b>	<b>(641)</b>	<b>(312)</b>	<b>(953)</b>

## 59 Contingent Assets and Liabilities

The following contingent liabilities and assets exist for the Administered Items:

Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.

Under an agreement, dated 9 May 1996, with the Australian Energy Market Operator (AEMO), previously known as National Electricity Market Management Company (NEMMCO), the Treasurer may be required to contribute to the winding up of AEMO. The maximum exposure of the contingent liability at 30 June 2009 is capped at \$1,500,000.

Under an agreement between Osborne Cogeneration Pty Ltd and the South Australian Government Financing Authority (SAFA) for the Osborne Generation Plant, SAFA has guaranteed the performance of certain obligations by two Origin Energy subsidiaries. SAFA in turn, is indemnified by Origin Energy for the performance of its subsidiaries and by the Treasurer for the performance of Origin Energy under this arrangement. The maximum exposure of the guarantee is estimated at \$150 million to \$200 million.

Under an agreement with the South Australian Netball Association, the Treasurer has guaranteed the repayment of a loan, which the South Australian Netball Association has with an external banking institution with a total exposure value of \$1,700,000.

Financial obligations under various assistance agreements with the Treasurer relating to the Industry Investment Attraction Fund, the Structural Adjustment Fund for South Australia, the Strategic Industry Support Fund, the Innovation and Investment Fund for South Australia, the Regional Development Infrastructure Fund, the Upper Spencer Gulf & Outback Enterprise Zone Fund, the Rural Towns Development Fund, the South Australian Innovation and Investment Fund, and the Small Business Development Fund. In addition to a number of one-off industry assistance projects that are funded by individual funding submissions. Agreements are subject to performance criteria by those entities receiving assistance.

## 60 Lease

The Treasurer entered into an agreement with the University of Adelaide to lease land and buildings previously owned by the National Wine Centre over a 40 year period, for an upfront consideration of \$1,000,000. The effective commencement date for the lease was 9 September 2003. The lease has been treated as an operating lease in accordance with accounting standard AASB 117 Leases. The consideration of \$1,000,000 has been recorded as unearned revenue and is being apportioned over the life of the lease.

## 61 Cash Flow Reconciliation

<b>2009</b>	2008
<b>\$'000</b>	\$'000

### (a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period

Statement of Administered Cash Flows	<b>1 157 994</b>	1 119 103
Statement of Administered Financial Position	<b>1 157 994</b>	1 119 103

**(b) Reconciliation of Net Cash provided by Operating Activities to Net Result**

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
<b>Net cash provided by operating activities</b>	<b>42 069</b>	39 354
<b>Add Non cash items</b>		
Depreciation expense	( 159)	( 185)
Bad debts	( 1 490)	( 2 899)
Doubtful debts	1 775	2 328
Discounted cash flow adjustment	707	5 950
Loans converted to grants	—	( 547)
Non-current assets accrual in payables	—	( 23)
Interest written off	154	181
Interest on Restructure of Loans	—	115
<b>Change in Assets and Liabilities</b>		
Increase (decrease) in receivables	36 267	1 004
Increase (decrease) in other financial assets	—	( 39)
(Increase) decrease in payables	177 192	( 21 245)
(Increase) decrease in employee benefits	( 277)	( 174)
(Increase) decrease in provisions	( 11)	( 7)
(Increase) decrease in interest bearing liabilities	—	39
(Increase) decrease in other liabilities	714	468
<b>Net Result</b>	<b>256 941</b>	24 320

## 62 Financial instruments/Financial risk

**Table 62.1 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount	Fair value	Carrying amount	Fair value
			2009 \$'000	2009 \$'000	2008 \$'000	2008 \$'000
<b>Financial assets</b>						
Cash	Cash and cash equivalents	49,61	1 157 994	1 157 994	1 119 103	1 119 103
Loans and receivables	Receivables <sup>(1)</sup>	50	54 805	54 805	18 569	18 569
Held to maturity investments	Other financial assets	51	5 122	4 567	910	1 082
	<b>Total Financial Assets</b>		<b>1 217 921</b>	<b>1 217 366</b>	<b>1 138 582</b>	<b>1 138 754</b>
<b>Financial liabilities</b>						
Financial liabilities at cost	Payables <sup>(1)</sup>	53	1 340 900	1 340 900	1 518 246	1 518 246
	<b>Total Financial Liabilities</b>		<b>1 340 900</b>	<b>1 340 900</b>	<b>1 518 246</b>	<b>1 518 246</b>

<sup>(1)</sup> Receivable and payment amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc they would be excluded from the disclosure. The standard defines contract as "enforceable by law." All amounts recorded are carried at cost (not materially different from amortised cost) except for employee on cost which are determined via reference to the employee benefit liability to which they relate.

### Credit risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The department has minimal concentration of credit risk. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 50 for information on the allowance for impairment in relation to receivables.

The following table discloses the ageing of financial assets, past due, including impaired assets past due.

**Table 62.2 Ageing analysis of financial assets**

	<b>Past due by</b>			
	<b>Overdue for &lt; 30 days \$'000</b>	<b>Overdue for 30 – 60 days \$'000</b>	<b>Overdue for &gt; 60 days \$'000</b>	<b>Total \$'000</b>
<b>2009</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	54 578	7	682	<b>55 267</b>
<b>Impaired</b>				
Receivables <sup>(1)</sup>	( 7)	( 7)	( 448)	<b>( 462)</b>
<b>2008</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	18 522	20	1 049	<b>19 591</b>
<b>Impaired</b>				
Receivables <sup>(1)</sup>	( 4)	( 9)	( 1 009)	<b>( 1 022)</b>

<sup>(1)</sup> Receivable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit receivables/payables etc they would be excluded from the disclosure. The standard defines contract as 'enforceable by law'. They are carried at cost.

The following table discloses the maturity analysis of financial assets and financial liabilities.

**Table 62.3: Maturity analysis of financial assets**

	Contractual Maturities			
	Carrying amount \$'000	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2009</b>				
<b>Financial assets</b>				
Cash & cash equivalents	1 157 994	1 157 994	—	—
Receivables	54 805	54 805	—	—
Other financial assets	5 122	1 537	3 037	548
<b>Total financial assets</b>	<b>1 217 921</b>	<b>1 214 336</b>	<b>3 037</b>	<b>548</b>
<b>Financial liabilities</b>				
Payables	1 340 900	850 279	15 739	474 882
<b>Total financial liabilities</b>	<b>1 340 900</b>	<b>850 279</b>	<b>15 739</b>	<b>474 882</b>

	Contractual Maturities			
	Carrying amount \$'000	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2008</b>				
<b>Financial assets</b>				
Cash & cash equivalents	1 119 103	1 119 103	—	—
Receivables	18 569	18 569	—	—
Other financial assets	910	411	45	454
<b>Total financial assets</b>	<b>1 138 582</b>	<b>1 138 083</b>	<b>45</b>	<b>454</b>
<b>Financial liabilities</b>				
Payables	1 518 246	1 024 260	15 725	478 261
<b>Total financial liabilities</b>	<b>1 518 246</b>	<b>1 024 260</b>	<b>15 725</b>	<b>478 261</b>

**Liquidity risk**

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The continued existence of the department is dependent on State Government policy and on continuing appropriations by Parliament for the department's administration and programs. The department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Table 62.1 represent the department's maximum exposure to financial liabilities.

**Market risk**

Market risk for the department is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities. The department's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

**Sensitivity disclosure analysis**

A sensitivity analysis has not been undertaken for the interest rate risk of the department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

**63 Events after the end of the reporting period**

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.



**INDEPENDENT AUDITOR'S REPORT****Government of South Australia**

Auditor-General's Department

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**TO THE UNDER TREASURER  
 DEPARTMENT OF TREASURY AND FINANCE**

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial statements of the Department of Treasury and Finance for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Disaggregated Disclosure – Expenses and Income
- Disaggregated Disclosure – Assets and Liabilities
- Notes, comprising a summary of significant accounting policies and other explanatory information
- A Statement of Administered Comprehensive Income
- A Statement of Administered Financial Position
- A Statement of Administered Changes in Equity
- A Statement of Administered Cash Flows
- A Schedule of Income and Expenses Attributable to Administered Activities
- Notes, comprising a summary of significant accounting policies and other explanatory information for Administered Items
- A Certificate by the Under Treasurer and the Director, Financial Services.

**The Responsibility of the Under Treasurer for the Financial Statements**

The Under Treasurer is responsible for the preparation and fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Under Treasurer, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Auditor's Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Treasury and Finance as at 30 June 2009, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
25 September 2009

## AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Services team of Corporate Services provided corporate governance, including risk management and internal audit services within the department in 2008-09. The role of the team was to provide assurance to the Under Treasurer that the internal controls and processes in the department were adequate to support the achievement of the department's operational and financial objectives.

The team provided executive officer support to the Audit Committee, one of the governance committees supporting the Under Treasurer. The terms of reference for the Audit Committee, include:

- overseeing the development and promulgation of appropriate policies and procedures for the proper managing of internal audit, risk management, business continuity, and other related activities;
- reviewing the department's compliance with regulatory and legislative requirements;
- overseeing the regular assessment of risks facing the department achieving its organisational objectives;
- overseeing the development and monitoring of the audit and risk management related services work plan; and
- providing advice to the Under Treasurer on any emerging issues and suggest strategies to address any issues in any of the above areas.

The team operates by supplementing internal resources with specialist contract service providers to undertake audits on an ad hoc basis.

### *Fraud*

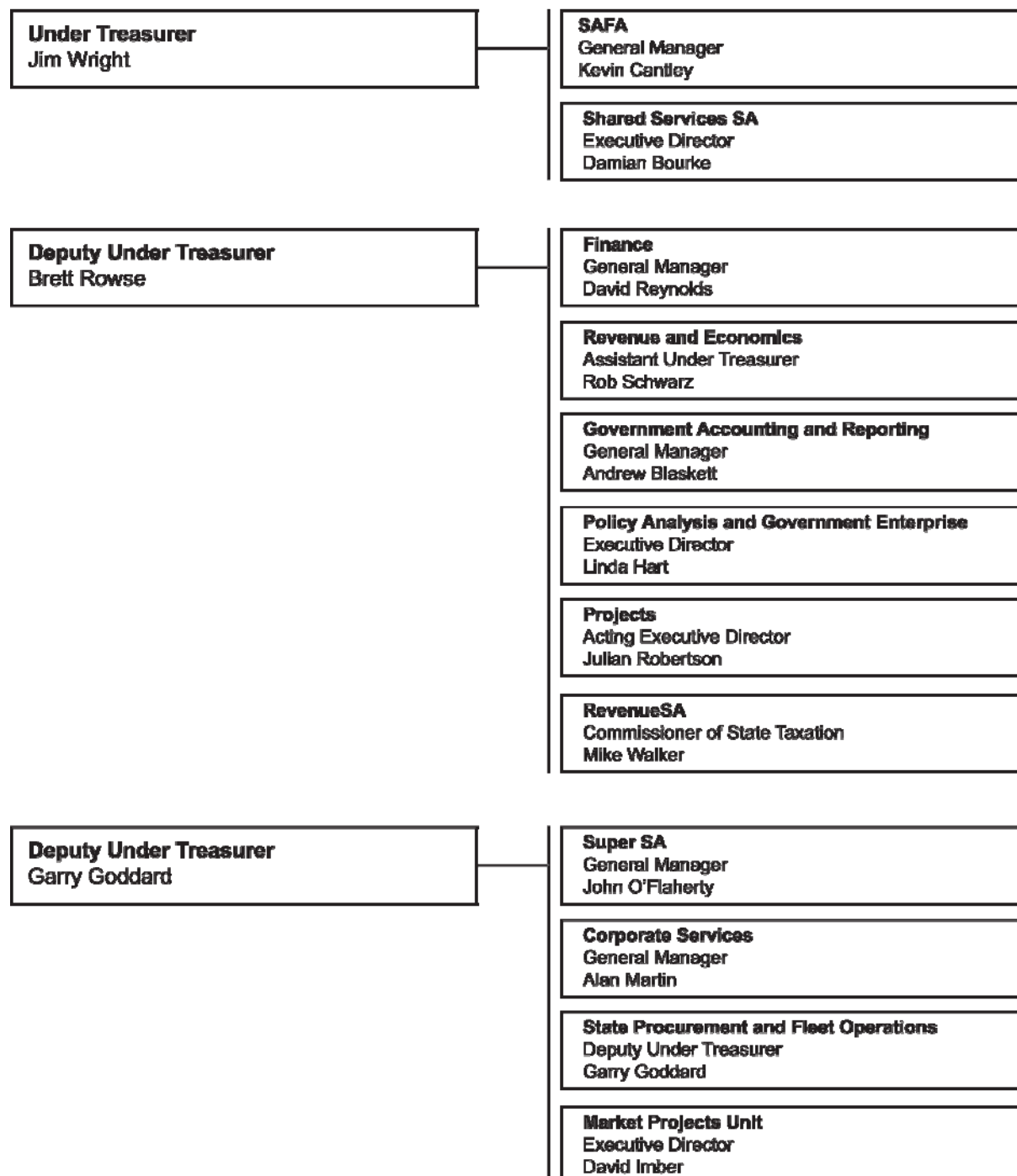
The department has adopted and promoted the government's code of conduct, which provides guidance to staff on appropriate behaviour. In addition, the department has specific policies and procedures in relation to the identification and reporting of fraud and similar issues.

Ethics training, including a component on fraud was provided to all departmental staff early in 2008-09 and as part of the Induction Program for new employees.

Two instances of actual, suspected or alleged fraud affecting the department were reported during the year. The first instance is currently being pursued through the court system. The second instance has been investigated and resolved.

# APPENDICES

## APPENDIX 1 — DEPARTMENT STRUCTURE AS AT 30 JUNE 2009



<i>Branch</i>	<i>Function</i>
Revenue and Economics	<ul style="list-style-type: none"> <li>• Provision of economic policy advice on a range of issues: <ul style="list-style-type: none"> <li>– revenue</li> <li>– Commonwealth–state relations</li> <li>– National Competition Policy</li> <li>– economic conditions</li> <li>– gambling</li> </ul> </li> <li>• Provision of policy advice on essential services regulation</li> </ul>
RevenueSA	<ul style="list-style-type: none"> <li>• Management of state revenue systems</li> <li>• Management of state taxation legislation</li> <li>• Provision of policy advice on taxation issues</li> <li>• Management of various grants, rebates and subsidy schemes</li> </ul>
SAFA	<ul style="list-style-type: none"> <li>• Management of funding requirements and existing stock of government liabilities</li> <li>• Provision of financial risk management and advisory services</li> <li>• Management of the insurance and reinsurance of government risks</li> <li>• Provision of advice on insurance and risk management issues</li> </ul>
Super SA	<ul style="list-style-type: none"> <li>• Management of public sector superannuation schemes</li> <li>• Provision of advice on superannuation policy, through the department, to government</li> </ul>
Shared Services SA	<ul style="list-style-type: none"> <li>• Strategy development and implementation of whole of government shared services reform</li> <li>• Delivery of shared corporate and business support services across government</li> <li>• Reform and effect cost efficiencies for in-scope activities to deliver improvements in service provision and quality</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>• Provision of a range of business support services in the areas of: <ul style="list-style-type: none"> <li>– administration</li> <li>– security</li> <li>– audit and risk management</li> <li>– communications</li> <li>– procurement</li> <li>– financial services</li> <li>– human resources</li> <li>– information technology</li> <li>– electorate offices</li> </ul> </li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Provision of advice on budgetary and financial issues</li> <li>• Management of state budget process</li> <li>• Monitoring financial performance of government agencies</li> <li>• Facilitation of best practice financial management</li> </ul>
Government Accounting and Reporting	<ul style="list-style-type: none"> <li>• Maintenance of government financial systems</li> <li>• Management of financial policy, legislation and governance framework</li> <li>• Provision of advice on fiscal policy</li> </ul>
Policy Analysis and Government Enterprises	<ul style="list-style-type: none"> <li>• Provision of high quality, timely, strategic advice on a wide range of financial, economic and policy issues, including social policy</li> <li>• Monitoring the financial performance of government businesses</li> <li>• Undertaking reviews and specific projects</li> </ul>
Projects	<ul style="list-style-type: none"> <li>• Provision of advice to facilitate private sector participation in infrastructure development</li> </ul>
Market Projects Unit	<ul style="list-style-type: none"> <li>• Exploration of value realisation options in all asset areas identified in the 2008–09 Mid-Year Budget Review</li> </ul>
State Procurement and Fleet Operations	<ul style="list-style-type: none"> <li>• Provision of a range of business support services in the areas of: <ul style="list-style-type: none"> <li>– ICT support services</li> <li>– fleet management and chauffeur services</li> <li>– procurement advice and strategic contracts</li> </ul> </li> </ul>



## APPENDIX 2 — ACTS COMMITTED TO THE TREASURER AS AT 30 JUNE 2009

### *Committed*

#### **Appropriation Acts**

ASER (Restructure) Act 1997 .....	5/2/98
Bank Merger (BankSA and Advance Bank) Act 1996 .....	28/11/96
Bank Mergers (South Australia) Act 1997 .....	19/3/98
Benefit Associations Act 1958 .....	20/10/97
Commonwealth Places (Mirror Taxes Administration) Act 1999 .....	19/10/00
Debits Tax Act 1994 .....	13/2/97
Electricity Corporations Act 1994 .....	18/4/02
Electricity Corporations (Restructuring and Disposal) Act 1999 .....	18/4/02
Emergency Services Funding Act 1998 .....	7/11/02
Essential Services Commission Act 2002 .....	12/9/02
* Financial Agreement Act 1994 .....	5/2/98
Financial Institutions Duty Act 1983 .....	13/2/97
Financial Sector (Transfer of Business) Act 1999 .....	12/8/99
Financial Transaction Reports (State Provisions) Act 1992 .....	20/10/97
First Home Owner Grant Act 2000 .....	29/6/00
Gift Duty Act 1968 .....	13/2/97
Government Financing Authority Act 1982 .....	14/12/93
Governors' Pensions Act 1976 .....	20/10/97
Hindmarsh Island Bridge Act 1999 .....	17/8/00
Housing Loans Redemption Fund Act 1962 .....	20/10/97
Interest on Crown Advances and Leases Act 1944 .....	20/10/97
Judges' Pensions Act 1971 .....	20/10/97
Land Tax Act 1936 .....	13/2/97
Motor Accident Commission Act 1992 .....	14/12/93
National Tax Reform (State Provisions) Act 2000 .....	29/6/00
National Wine Centre (Restructuring and Leasing Arrangements) Act 2002 .....	6/5/04
New Tax System Price Exploitation Code (South Australia) Act 1999 .....	9/12/99
Parliamentary Superannuation Act 1974 .....	20/10/97
Pay-roll Tax Act 2009 .....	25/06/09
Petroleum Products Regulation Act 1995 .....	13/2/97
Police Superannuation Act 1990 .....	20/10/97
Public Corporations Act 1993 .....	14/12/93
Public Finance and Audit Act 1987 .....	20/10/97
Rural Advances Guarantee Act 1963 .....	20/10/97
SGIC (Sale) Act 1995 .....	29/6/95
Southern State Superannuation Act 1994 .....	20/10/97
Stamp Duties Act 1923 .....	13/2/97
State Bank (Corporatisation) Act 1994 .....	12/5/94
State Bank of South Australia Act 1983 .....	14/12/93
State Procurement Act 2004 .....	24/7/08
Succession Duties Act 1929 .....	13/2/97
Superannuation Act 1988 .....	20/10/97
Superannuation Funds Management Corporation of South Australia Act 1995 .....	13/2/97
<sup>(1)</sup> Supplementary Financial Agreement (Soldiers Settlement Loans) Act 1934 .....	5/2/98

#### **Supply Acts**

Tab (Disposal) Act 2000 .....	13/5/03
Taxation Administration Act 1996 .....	13/2/97
Unclaimed Moneys Act 1891 .....	20/10/97
Unclaimed Superannuation Benefits Act 1997 .....	29/1/98
Westpac/Challenge Act 1996 .....	5/2/98

<sup>(1)</sup> Act of limited application

## APPENDIX 3 — LEGISLATIVE MEASURES

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### Emergency Services Funding (Remissions — Land) Variation Regulations 2009

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The Regulations amend the prescribed levy rate for the 2009-10 financial year from 0.001171 to 0.001092

Regulations made on: 25 June 2009

Date of operation: 01 July 2009

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### Emergency Services Funding (Remissions — Motor Vehicles and Vessels) Variation Regulations 2009

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The Regulations reflect remission arrangements applied to premium class code 44 (goods carrying, primary producer vehicles)

Regulations made on: 25 June 2009

Date of operation: 01 July 2009

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### Statutes Amendment (Betting Operations) Act 2008

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These amendments strengthen integrity arrangements for betting and racing, to provide a sustainable funding source for the racing industry, and broaden consumer protection regulation to include interstate betting operators

Assented to: 3 February 2009

Date of operation: 1 March 2009

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### Authorised Betting Operations (Trade Practices Exemption) Amendment Act 2009

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A technical amendment to the *Authorised Betting Operations Act 2000* to provide an exemption pursuant to section 51(1) of the *Trade Practices Act 1974 (Commonwealth)* for the conduct of South Australian Racing Controlling Authorities in the entering into and giving effect to the Contribution and Integrity Agreements that form the core of the new regulatory arrangements introduced by the *Statutes Amendment (Betting Operations) Act 2008*.

Assented to: 12 May 2009

Date of operation: 1 March 2009

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## State Procurement Regulations 2005

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Amendment to the State Procurement Regulations 2005, to include ten additional entities as prescribed public authorities under the *State Procurement Act 2004*.

Regulations made on: 29 January 2009

Date of operation: 29 January 2009

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## Appropriation Act 2008

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An Act for the appropriation of money from the Consolidated Account for the year ending 30 June 2009 and for other purposes.

Assented to: 7 August 2008

Date of operation: 1 July 2008

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## Statutes Amendment and Repeal (Taxation Administration) Act 2008

---

An Act to amend the *Emergency Services Funding Act 1998*, the *Land Tax Act 1936*, the *Pay-roll Tax Act 1971*, the *Stamp Duties Act 1923* and the *Taxation Administration Act 1996* and to repeal the *Taxation (Reciprocal Powers) Act 1989*.

Assented to: 23 October 2008

Date of operation: 1 January 2009 except Parts 2 & 3 – 1 July 2009

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## Payroll Tax Act 2009

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An Act to re-enact and modernise the law relating to payroll tax, to harmonise payroll tax law with other States, to repeal the *Payroll Tax Act 1971* and for other purposes.

Assented to: 4 June 2009

Date of operation: 4 June 2009

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## Stamp Duties (Tax Reform) Amendment Act 2009

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An Act to amend the *Stamp Duties Act 1923* and to make related amendments to the *Statutes Amendment (Budget 2005) Act 2005*.

Assented to: 4 June 2009

Date of operation: 4 June 2009, Section 13 – 1 July 2009

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## Supply Act 2009

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An Act for the appropriation of money from the Consolidated Account for the financial year ending on 30 June 2010.

Assented to: 4 June 2009

Date of operation: 1 July 2009

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## Southern State Superannuation Act 2009

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This legislation continues the Triple S contributory superannuation scheme for persons employed in the public sector; makes consequential amendments to certain other Acts; and repeals the *Southern State Superannuation Act 1994*.

Detailed scheme rules for the Triple S Scheme have been moved from the Act to Regulations. The Act also makes further enhancements to Triple S Scheme insurance arrangements and allows members the ability to split their investment between two investment options. The *Southern State Superannuation Regulations 2009* will complement the new Act.

Assented to: 11 June 2009

Date of operation: 1 August 2009

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## Southern State Superannuation (Insurance) Variation Regulations (No 310 of 2008)

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These regulations were made under the *Southern State Superannuation Act 1994* and varied the *Southern State Superannuation Regulations 1995* to:

- Increase the 'default' number of units of basic insurance cover to two units.
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- Increase the maximum amount of death invalidity insurance that a member employed on a non casual basis may have from the existing \$1 million to \$1.5 million.
  - Increase the maximum amount of death and invalidity insurance that a member employed on a casual basis may have from the existing \$500 000 to \$750 000.
  - Increase the maximum amount of death insurance that a spouse member may have from the existing \$1 million to \$1.5 million.
  - Increase the maximum amount of death and invalidity insurance that a member with a post retirement product investment may have from the existing \$1 million to \$1.5 million.
  - Increase the value of a unit of standard insurance cover between the ages of 59 and 63 inclusive.
  - Provide transitional provisions enabling the Board to credit to a member an additional unit of basic standard insurance on the basis that the member has a right to reject the additional unit within three months.

Regulations made on: 18 December 2009

Date of operation: 18 January 2009

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### **Superannuation Variation Regulations (No 311 of 2008)**

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These regulations varied the *Superannuation Regulations 2001* to:

- Exclude remote call allowances as a component of salary.
- Prescribe the Attraction and Retention Allowance payable to consultants under the *Department of Health Salaried Medical Officers Enterprise Agreement 2008* as a component of salary.
- Prescribe the Child Protection Unit — Forensic Protection Consultant Allowance as a component of salary.
- Repeal the Psychiatrists Attraction and Retention Loading following its replacement by the Attraction and Retention Allowances payable to consultants.
- Make certain provisions for the determination of benefits payable to a member who receives a salary under the *Department of Health Salaried Medical Officers Enterprise Agreement 2008*.

Regulations made on: 18 December 2008

Date of operation: 18 December 2008

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### **Superannuation (Murray – Darling Basin Authority) Variation Regulations (No 4 of 2009)**

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These regulations varied the *Superannuation Regulations 2001* to substitute the Murray – Darling Basin Authority for the Murray – Darling Basin Commission as a prescribed authority.

Regulations made on: 29 January 2009

Date of operation: 29 January 2009

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### **Superannuation Variation Regulations (No 41 of 2009)**

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These regulations varied the *Superannuation Regulations 2001* to:

- Prescribe the Dental Therapist Rural Attraction and Retention Allowance as a component of salary.
- Provide that where a member of the Pension or Lump Sum schemes moves from a tenured contract to an untenured contract, any increased salary applicable to the new untenured contract will not be recognised for superannuation purposes until the member has been in “employment pursuant to the TEC contract without tenure” for 12 months.

Regulations made on: 16 April 2009

Date of operation: 16 April 2009

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## **APPENDIX 4 — MAJOR BOARDS AND COMMITTEES AS AT 30 JUNE 2009**

- Distribution Lessor Corporation
- Electricity Industry Superannuation Board
- Essential Services Commission of SA
- Generation Lessor Corporation
- Motor Accident Commission
- Police Superannuation Board
- RESI Corporation Board
- South Australian Asset Management Corporation (SAAMC)
- South Australian Centre for Trauma and Injury Recovery Board (SACTIR)
- South Australian Government Financing Advisory Board (SAFA)
- South Australian Parliamentary Superannuation Board
- South Australian Superannuation Board
- State Procurement Board
- Superannuation Funds Management Corporation of South Australia Board (Funds SA)
- Transmission Lessor Corporation

## APPENDIX 5 — USE OF CONSULTANTS

Note: Payments to consultants include amounts paid and payable at 30 June 2009.

### Controlled

Consultant	Purpose of Consultancy	Number	Total \$
<b>Value below \$10 000</b>			
Various	Various		
Subtotal		13	46 308
<b>Value \$10 000 - \$50 000</b>			
Brett & Watson Pty Ltd	Transfer of Police Lump Sum Super scheme to Triple S Super scheme Actuarial services		
Dowling Consultants	Information Technology Infrastructure rationalisation advisory services		
Figtree Systems Pty Ltd	Review of insurance systems		
Financial IQ Pty Ltd	Information Technology Strategy		
Franco Parella	Disability Awareness Training		
Fujitsu Australia Pty Ltd	Development of a risk management and governance framework for Shared Services SA Development of a business continuity framework for Shared Services SA		
Giant4 Solutions to Business Pty Ltd	Independent advice as to the health of program management approach that has currently been deployed in Shared Services SA		
Key Energy & Resources Pty Ltd	Energy Market Specialists		
KPMG Corporate Finance (Aust)	Development of an outline business case for the expansion of infrastructure		
Mercer	Preparation of self insurance and actuarial certificates		
PricewaterhouseCoopers	Development of an Internal Audit plan for Shared Services SA Review E-Procurement solution and procurement savings methodology Anti Money Laundering/Counter Terrorism financing health check		
PWPK Pty Ltd	Valuation report on the Department of Transport, Energy and Infrastructure Walkerville building		
Stilwell Management	RevenueSA Staff Survey		
Sungard Asia Pacific Inc	Treasury Information Technology Systems Consultancy		
Turner and Townsend	Consultancy services for assessment of cost estimates for the new schools Public Private Partnerships		
WT Partnerships Aust Pty Ltd	Consultancy services for assessment of cost estimates for the new prisons and secure facilities Public Private Partnerships		
Subtotal		16	429 768
<b>Value above \$50 000</b>			
Ernst and Young	Professional services for industry financial assistance Review of consolidated financial systems Review of South Australian Government buildings		
Frontier Economics Pty Ltd	Provide advice on third party access to SA Water infrastructure		
KPMG	Internal control and risk assessment workshop - Lump Sum Business Continuity Plan and Anti Money Laundering /Counter Terrorism financing due diligence Federal tax implications for centralised funding management		
KPMG LLP Corporate Finance	Public Private Partnership advisory services for the new hospital		
McLachlan Hodge Mitchell (MHM) Pty Ltd	Rationalising of ex-Department of Administrative and Information Services financial systems Financial systems changes for Fleet SA restructure from 1 July 2009 Review of Government ICT Masterpiece setup and interfaces Migration from Crystal report to Business Objects		
Partnerships UK	Public Private Partnership advisory services for the new prisons and secure facilities projects		
Pitcher Partners Consulting Pty Ltd	Probity services for the new prisons and secure facilities, new schools and new hospitals projects		
Royal Bank of Canada	Professional advise on finance issues for Public Private Partnership		
Subtotal		8	836 008
<b>Total</b>		<b>37</b>	<b>1 312 084</b>

## APPENDIX 6 — FREEDOM OF INFORMATION STATEMENT

### *Information statement*

This statement is published in accordance with the requirements of Section 9(2) of the *Freedom of Information Act 1991* (FOI Act). Subject to certain restrictions, the FOI Act gives members of the public a legally enforceable right to access information held by South Australian government agencies, local government authorities and South Australian universities. The purpose of the FOI Act is to make the business of government open and accountable to the public. The department fully supports the objectives and spirit of the FOI Act and is active in its endeavours to continually improve records management practices.

A comprehensive introduction to freedom of information can be found on the State Records website at <http://www.archives.sa.gov.au/foi>.

### *Structure and functions*

A comprehensive description of the department's structure and functions can be found on the department's website [www.treasury.sa.gov.au](http://www.treasury.sa.gov.au) and in this Annual Report. (Appendix 1)

### *Functions and members of the public*

The department's functions affect the public through its support of the development and implementation of the government's budget strategy, the provision of whole of government financial management support services, policy advice, infrastructure reform and direct service delivery in areas such as state taxation and the administration of superannuation schemes.

The public are able to participate in policy development in a number of ways including through community consultation, surveys, membership of government boards and committees and consultation with representatives of interest groups on particular policy issues.

### *Description of documents held*

Documents held by the department fall broadly into the categories described below. Most are held in hard copy format, although some are stored electronically. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the Act:

- (a) corporate files containing correspondence, memoranda and minutes on all aspects of the department's operations;
- (b) taxation documents including applications and returns required for the purpose of administering state taxation legislation;
- (c) accounting records including monthly and quarterly financial statements, and the Treasurer's annual financial statements and accounts;
- (d) personnel files relating to departmental employees;
- (e) superannuation files relating to the administration of member superannuation benefits;

- (f) Treasurer's Instructions;\*
- (g) Treasury Circulars and RevenueSA Circulars;\*
- (h) publications/papers/reports;
- (i) actuarial files; and
- (j) policies, procedures and guidelines prescribing the way various activities and programs are to be performed.

\* Available on the internet at [www.treasury.sa.gov.au](http://www.treasury.sa.gov.au)

### ***Making an application***

Applications under the FOI Act, either for access to information or to amend official records about personal affairs, must be made in accordance with the requirements of the Act, details of which can be found at <http://www.archives.sa.gov.au/foi> or by contacting:

The Accredited FOI Officer  
Department of Treasury and Finance  
GPO Box 1045  
ADELAIDE SA 5001

Telephone 8226 9500

Documents can be made available for inspection at:

Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Telephone 8226 9500

9.00 am to 5.00 pm Monday to Friday

During 2008–09 the department received 99 applications in accordance with the FOI Act. The majority of FOI applications are received from Members of Parliament, the media, private businesses and members of the public.



## APPENDIX 7— OVERSEAS TRAVEL

Destination	Number of employees	Reason for travel	Travel costs \$
Malaysia, Philippines <sup>(1)</sup>	2	To lead missions to Malaysia and Philippines focusing on trade, migration and major investment attraction.	6,660
New York, Chile <sup>(1)</sup>	1	Meetings with financial institutions in New York and inspection of mining operations and meetings in Chile in connection with expansion of the Olympic Dam mine in South Australia.	5,123
Hong Kong, London, Frankfurt, Rome, New York	2	To attend the Deutsche Bank 2008 International Investor Mission.	43,090
London and Frankfurt	2	To meet with existing and potential underwriters on the renewal of the Government's reinsurance program.	15,275
New York, Boston, London	2	Meetings with financial institutions to discuss the financial crisis and assess implications for South Australia.	34,648
USA, London <sup>(1)</sup>	2	To attend Australia Week in USA with focus on trade and major investment attraction. In United Kingdom attend meetings with financial institutions, defence related and other industries.	29,086
London	1	Meetings on Public Private Partnership Royal Adelaide Hospital projects with Department of Health.	14,202
Kuala Lumpur, Hanoi, Ho Chi Minh City <sup>(2)</sup>	2	To lead a mission to Malaysia and Vietnam focusing on promoting trade and inward investment opportunities as well as strengthening government to government relations.	6,189
New York	2	Update on global economic outlook and meet with ratings agencies.	38,935
<b>TOTAL</b>	<b>16</b>		<b>193,209</b>

<sup>(1)</sup> The above costs were paid by the Department of Treasury and Finance and fully reimbursed by Department of Trade and Economic Development. Other costs of the trip were met by the Department of Trade and Economic Development.

<sup>(2)</sup> The above costs were paid by the Department of Treasury and Finance and fully reimbursed by Department of Trade and Economic Development.

## APPENDIX 8 — REVENUE COLLECTIONS BY REVENUE SA

	2006-07 Amount \$	2007-08 Amount \$	2008-09 Amount \$
<b>Debits Tax</b>	(2 007)	(44)	—
<b>Land Tax</b>	332 223 553	365 890 245	466 581 706
<b>Payroll Tax</b>	1 034 238 248	1 085 903 362	1 089 351 614
<b>Stamp Duty</b>			
Adhesive Stamps	6 250	(491)	(107)
Annual Licences (Insurance)	235 897 568	236 320 674	257 409 573
Applications to Register or Transfer Motor Vehicles	132 979 189	147 743 674	124 836 456
Cheques	—	—	—
Conveyance of Property on Sale	725 391 785	931 057 773	734 111 506
Conveyance of Shares (Excluding Stock Exchange)	12 524 316	11 234 982	5 917 276
Hospital Fund MV Third Parties	57 700 200	59 117 267	56 625 939
Insurance Effected Outside SA	7 761 212	6 371 979	7 722 025
Leases	2 678	2 530	628
Mortgages	56 217 180	48 867 497	23 432 252
Rental Business	15 478 889	13 305 022	9 632 644
Voluntary Conveyances of Property	5 205 596	4 372 982	3 708 399
Other	3 212 835	11 721 831	(5 550 706)
Refunds, Commissions etc	82 233	(105 364)	90 124
<b>Total Stamp Duty</b>	<b>1 252 459 931</b>	<b>1 470 010 356</b>	<b>1 217 930 009</b>
<b>Contribution from small lotteries</b>	—	—	—
<b>Mirror Taxes</b>			
Debits Tax	—	—	—
Land Tax	904 360	1 012 603	1 296 505
Payroll Tax	18 094 634	19 004 414	19 059 166
Conveyance of Property on Sale	263 252	263 252	296 987
Leases	250	236	59
Rental Business	398 523	342 565	248 004
<b>Total Mirror Taxes</b>	<b>19 661 019</b>	<b>20 623 070</b>	<b>20 900 721</b>
<b>Emergency Services Levy (Fixed Property)</b>			
ESL Payments	72 147 025	77 066 454	86 713 755
Remission & Concession	75 413 411	88 433 360	90 454 581
<b>Total ESL</b>	<b>147 560 436</b>	<b>165 499 814</b>	<b>177 168 336</b>
<b>Total RevenueSA Collections</b>	<b>2 786 141 180</b>	<b>3 107 926 803</b>	<b>2 971 938 386</b>

## APPENDIX 9 — GREENING OF GOVERNMENT OPERATIONS

### *Energy Management*

The energy use of the department consists primarily of light and power in leased office accommodation within the central business district of Adelaide. The major building occupied is the State Administration Centre, however the department has a range of other tenancies varying in size and use. The department uses approximately 0.5% of government's total energy use.

The department also supports the Treasurer in the administration of the electorate offices of Members of Parliament. These offices are located throughout South Australia ranging from leased small shop fronts to multi-tenanted shopping complexes with limited opportunities for energy savings.

The energy usage and intensity data included in the table below includes Shared Services SA which may impact its energy usage profile. The State Procurement and Fleet Operations (SPFO) Branch is consolidated in the data for 2008-09 and the business measure changed from m<sup>2</sup> to FTE.

### Energy Performance

	Energy use (GJ)	Greenhouse gas emissions (Tonnes CO <sub>2</sub> )	KWH	Business Measures
Energy Usage <sup>1</sup>				
Base Year 2000-01				
DTF	5 767		1 601 925	556.70 (FTE)
SPFO	4 344		1 206 541	8 090.91 (M <sup>2</sup> )
Electorate Offices	2 110		585 995	100.40 (FTE)
<b>Portfolio Total</b>	<b>12 221</b>	3 418	3 394 461	
Report Year 2006-07				
DTF	5 102		1 417 084	608.60 (FTE)
SPFO	4 319		1 199 788	10 705.00 (M <sup>2</sup> )
Electorate Offices	2 293		636 970	187.80 (FTE)
<b>Portfolio Total</b>	<b>11 714</b>	3 277	3 253 842	
Report Year 2007-08				
DTF	6 427		1 785 258	824.20(FTE)
SPFO	4 847		1 346 404	15784.66 (M <sup>2</sup> ) <sup>4</sup>
Electorate Offices	2 077		576 927	191.50 (FTE)
<b>Portfolio Total</b>	<b>13 351</b>	3 735	3 708 589	
Report Year 2008-09				
DTF	12 931		3 591 928	1506.2(FTE)
Electorate Offices	2 133		592 471	193.84(FTE)
<b>Portfolio</b>	<b>15 064</b>	4 214	4 184 399	

	Energy use (GJ)	Greenhouse gas emissions (Tonnes CO <sub>2</sub> )	KWH	Business Measures
Energy Intensity <sup>2</sup>				
<b>Energy Efficiency</b>				
Base Year 2000-01				
DTF	10359.13	MJ per FTE		
SPFO	536.84	MJ per M <sup>2</sup>		
Electorate Offices	21011.77	MJ per FTE		
Report Year 2006-07				
DTF	8382.36	MJ per FTE		
SPFO	403.48	MJ per M <sup>2</sup>		
Electoral Offices	12210.29	MJ per FTE		
Report Year 2007-08				
DTF	7797.78	MJ per FTE		
SPFO	307.07	MJ per M <sup>2</sup>		
Electorate Offices	10845.63	MJ per FTE		
Report Year 2008-09				
DTF	8585.14	MJ per FTE		
Electorate Offices	11003.23	MJ per FTE		
<b>Portfolio Targets 2008-09<sup>3</sup></b>				
DTF	8765.87	MJ per FTE		
Electorate Offices	11780.16	MJ per FTE		
<b>Portfolio Targets 2013-14<sup>3</sup></b>				
DTF	7769.35	MJ per FTE		
SPFO	402.63	MJ per M <sup>2</sup>		
Electorate Offices	15758.83	MJ per FTE		

(1) Calculated on the following assumptions:

CO<sub>2</sub> Intensity 1.007kg per kWh

3.6 megajoule(MJ) per kWh

1000 MJ per Gigajoule (GJ)

(2) Energy Intensity equals the energy used per unit of business measure. The department is using the business measure of number of full time equivalents against corporate and electorate office energy consumption. Adjustments have been made to the figures to provide accurate comparable figures.

(3) Portfolio targets are calculated on a 25% reduction in energy intensity (2000-01) by 2013-14. Energy intensity is a key performance indicator for energy efficiency. 2008-09 is the eighth year of expected reduction toward target. This is inline with the South Australia Strategic Plan Target T3.13 – Improve the energy efficiency of Government Buildings by 25% from 2000-01 levels by 2014.

(4) The increase in SPFO Business Measure for 2007-08 is due to the inclusion of various departmental tenancies located at Netley (300 Richmond Rd), Gawler Place and the Supply SA Whyalla Warehouse.

(5) In 2008-09, SPFO data was consolidated into departmental data and the business measure was change from m<sup>2</sup> to FTE which may impact on DTF's Energy Intensity.

### ***Water conservation and wastewater management***

The department will continue to consult with facilities management providers (in accordance with the whole of government Facilities Management Contract) and the Department for Transport, Energy and Infrastructure as building owner/manager to undertake environmental initiatives projects within its leased accommodation sites. Projects include dual flush toilets and flow restrictors on kitchen/bathroom hardware. A trial of flow restrictors is active within the State Administration Centre with the intention to rollout to all floors and accommodation sites.

### ***Waste management***

The department continued with its existing waste and recycling processes. The Department for Transport, Energy and Infrastructure (building owner/manager) proposed to implement a new cleaning contract from July 2009 which would include the trial of a new Waste and Recycling Management Program. This new program will include accommodation sites located at the State Administration Centre, Wakefield House and 12 Victoria Place and measures the following waste and recycling streams:

- general waste;
- recyclables;
- organic; and
- paper/cardboard (general and confidential)

## APPENDIX 10 — ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

### *Priority and removal activities*

Site asbestos presence status	Priority	No of sites in priority category	Risk reduction program: activities conducted during 2006-07	Quantification of activities: by item by area by cost
Insufficient data	<b>urgent</b>	—		
Unstable accessible, or Unstable damaged, or Decayed	<b>urgent</b>	—		
Unstable inaccessible, or Unstable partly accessible	<b>high</b>	—		
Stable accessible, or Stable accessible with initial signs of decay	<b>medium</b>	1 building 3 locations (Based on accessibility)	Inspection Report and Management Plan requires removal of asbestos if damaged or during upgrade. There has been no upgrade work undertaken in those areas within the buildings where asbestos has been installed. Consequently no asbestos removal has taken place.	
Stable inaccessible, or Stable partly accessible	<b>low</b>	1 buildings 2 locations (Based on accessibility)	Inspection Report and Management Plan requires removal of asbestos if damaged or during upgrade. There has been no upgrade work undertaken in those areas within the buildings where asbestos has been installed. Consequently no asbestos removal has taken place.	
Asbestos free	<b>n.a.</b>			

## *Risk reduction*

Site performance score / Site risk level	Site category scale					Not assessed
	1 / Severe	2 / Major	3 / Moderate	4 / Minor (threshold cat.)	5 / No risk (target cat.)	
% of sites in category at commencement of 2007-08			60%	40%		
Adjusted % after annual reduction activity			60%	40%		