

Department of Treasury and Finance

# Annual Report

2014–15



Government of South Australia  
Department of Treasury  
and Finance

## For more information

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Presented to:

- the Honourable Tom Koutsantonis MP Treasurer and Minister for Finance
- the Honourable Gail Gago Minister for Business Services and Consumers
- the Honourable Martin Hamilton-Smith Minister for Veterans' Affairs

on 30 September 2015.

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# Under Treasurer's foreword

The 2014-15 financial year has seen the Department of Treasury and Finance (DTF) continue to excel in providing a range of quality services to the public sector, private sector and the community at large.

The department continues to maintain a central focus on the setting of budgetary strategy and ensuring the implementation of the government's policy priorities, benefiting both the Government of South Australia and the community.

DTF continued to provide support to:

- the Honourable Tom Koutsantonis MP, Treasurer and Minister for Finance;
- the Honourable Gail Gago, MLC Minister for Business Services and Consumers, as the Minister responsible for gambling policy; and
- the Honourable Martin Hamilton-Smith, MP Minister for Veterans' Affairs.

A major milestone for this financial year was the State Government's tax review. The Government released a Discussion Paper in February 2015 to facilitate consultation with the South Australian community. As part of the review process the Government held a number of forums in Adelaide and regional South Australia and met with dozens of representatives from industry, peak groups and business.

More than 80 formal submissions were also received in response to the Discussion Paper.

The feedback the Government received over the course of the review process overwhelmingly supported reducing the negative impact inefficient taxes have on the economy.

The 2015-16 State Budget implemented the outcomes of the review. The State Government's major tax reform package will see almost \$670 million in tax reductions provided over the next four years to businesses and the community.

Following successful completion of the SA Lotteries Transaction, the sale of the harvesting rights of ForestrySA plantations forward rotations and a range of commercial property sales, DTF is leading the Compulsory Third Party Insurance Market Reform project. The project team has been put together and work is progressing. They achieved their first key milestone in March 2015 with the endorsement of the new market-based model for private sector provision of Compulsory Third Party (CTP) insurance.

DTF has worked collaboratively with many agencies on a number of projects including:

- Affordable Living strategic priority – DTF has been the lead agency for government support and initiatives in protecting South Australia's reputation for affordability;
- The South Australia Government Financing Authority (SAFA) has been working with the Attorney-General's Department for the *Building Work Contractors Act* and regulation reforms. SAFA assumed management of the building indemnity insurance risks to ensure continuity of cover for consumers and builders in South Australia;
- Transforming Health change processes;
- Preparation of the 'Indigenous Expenditures Report'. The report provides nationally comparable information on government expenditure on services to the indigenous population; and
- Working with Agencies through the budget process and Department of the Premier and Cabinet with corporate service requirements.

While 25 April 2015 marked the 100th anniversary of the Gallipoli landings, the next four years, until 11 November 2018, marks a century of service for Australia's Defence Forces. In South Australia the focus throughout the Centenary of Anzac will be on local communities and groups; encouraging and supporting their efforts to educate and commemorate. Veterans SA has been busy supporting the ANZAC Centenary Memorial Garden Walk, ANZAC Day Commemoration Fund, ANZAC Centenary Coordination Unit and the Flags Fund.

We continued to support and shared information with many parts of government including the Government Accounting Information Forum for all public sector staff, State and Territory Revenue Commissioners' Conference, and the World Bank procurement forum.

People are the strengths of our department and everyone has been taking on challenges of transition and trying new and different things to make a difference in our work place.

DTF continued to develop with the transition of many parts of the department moving into a newly formed Branch - the Public Finance Branch – in April 2015.

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DTF has an ongoing commitment to the professional development of staff and is now a CPA Australia Recognised Employer Partner.

The WiT Mentoring Program has now completed its fifth year, with its success ensuring the department's commitment to making this program available to all staff in the future.

The State Government has embarked on a number of initiatives to address domestic violence in our community, including all government agencies gaining White Ribbon Workplace accreditation. DTF has commenced the accreditation process. The White Ribbon Workplace accreditation recognises workplaces that have taken active steps to prevent and respond to violence against women.

The results of the Employee Perspectives Survey 2015 were released in April 2015. The results were very positive and showed that DTF rated above the public sector average on almost all measures. There was a significant improvement with positive trends for innovation.

Innovation became a priority in 2014-15 with many people taking on the challenge of trying different things, trialling more efficiencies and researching how best to put ideas into practice. Super SA implemented 'Super Stream', Budget Branch launched its innovation spaces, and the Innovation Roundtable developed the ideas inbox. The Innovation Roundtable also hosted its inaugural INNOvation Hub with a large attendance and very interested colleagues supporting innovation.

With the launch of branding for innovation in our department, the Executive Management Group endorsed their commitment to this value via a formal statement. To show their commitment to innovation, the Executive Management Group also commenced its 'roving' monthly meeting.

I thank all staff for their ongoing support and hard work throughout the year. As this is my last Annual Report in DTF, I wish to commend the efforts of all staff. Our accomplishments in the 2014-15 financial year can be attributed to their dedication and commitment to our organisational values. I expect Treasury and Finance to build on its good 2014-15 performance. I look forward to seeing the continuing success of DTF, making a positive contribution to community wellbeing and the economic prosperity of the state.



**Brett Rowse**  
UNDER TREASURER

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# The Department

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# Our role

The Department of Treasury and Finance plays a vital role providing economic and fiscal policy advice to the government, assisting it to allocate resources to government programs, monitoring and reporting on state finances, and delivering important services to government agencies and the community.

## Strategic Priorities

The Premier of South Australia announced the government's seven strategic priorities for our state:

1. Creating a vibrant city
2. Safe communities, healthy neighbourhoods
3. An affordable place to live
4. Every chance for every child
5. Growing advanced manufacturing
6. Realising the benefits of the mining boom for all
7. Premium food and wine from our clean environment.

These seven strategic priorities are where government is focusing its efforts to make the biggest difference in the long term, while South Australia's Strategic Plan provides an enduring policy compass for the state through targets out to 2020.

## Economic priorities

The Department also supports the government's ten economic priorities for our state, including five areas where government is tackling barriers to growth:

1. Unlocking the full potential of South Australia's resources, energy and renewable assets
2. Premium food and wine produced in our clean environment and exported to the world
3. A globally recognised leader in health research, ageing and related services and products
4. The knowledge State – attracting a diverse student body and commercialising our research
5. South Australia – a growing destination choice for international and domestic travellers
6. Growth through innovation
7. South Australia – the best place to do business
8. Adelaide, the heart of the vibrant state
9. Promoting South Australia's international connections and engagement
10. South Australia's small businesses have access to capital and global markets.

## DTF's vision

Our vision is to make South Australia a better place to live, work, do business and raise a family, through our contribution to government policy and decision making, and the provision of efficient services.

## Our goal

Our goal is to assist the government to improve the prosperity and wellbeing of South Australians.

## Our contribution

Strong state finances and an efficient public sector underpin a growing economy, which creates jobs, improves prosperity and increases opportunity, for a brighter future.

We conduct research, analyse information, give advice and contribute to government policy and decision making.

We also provide a range of financial and business services that are efficient and responsive to our clients' requirements.

## Our success

Our success is based on the experience and expertise of our people, our culture of high performance and accountability, and our shared values.

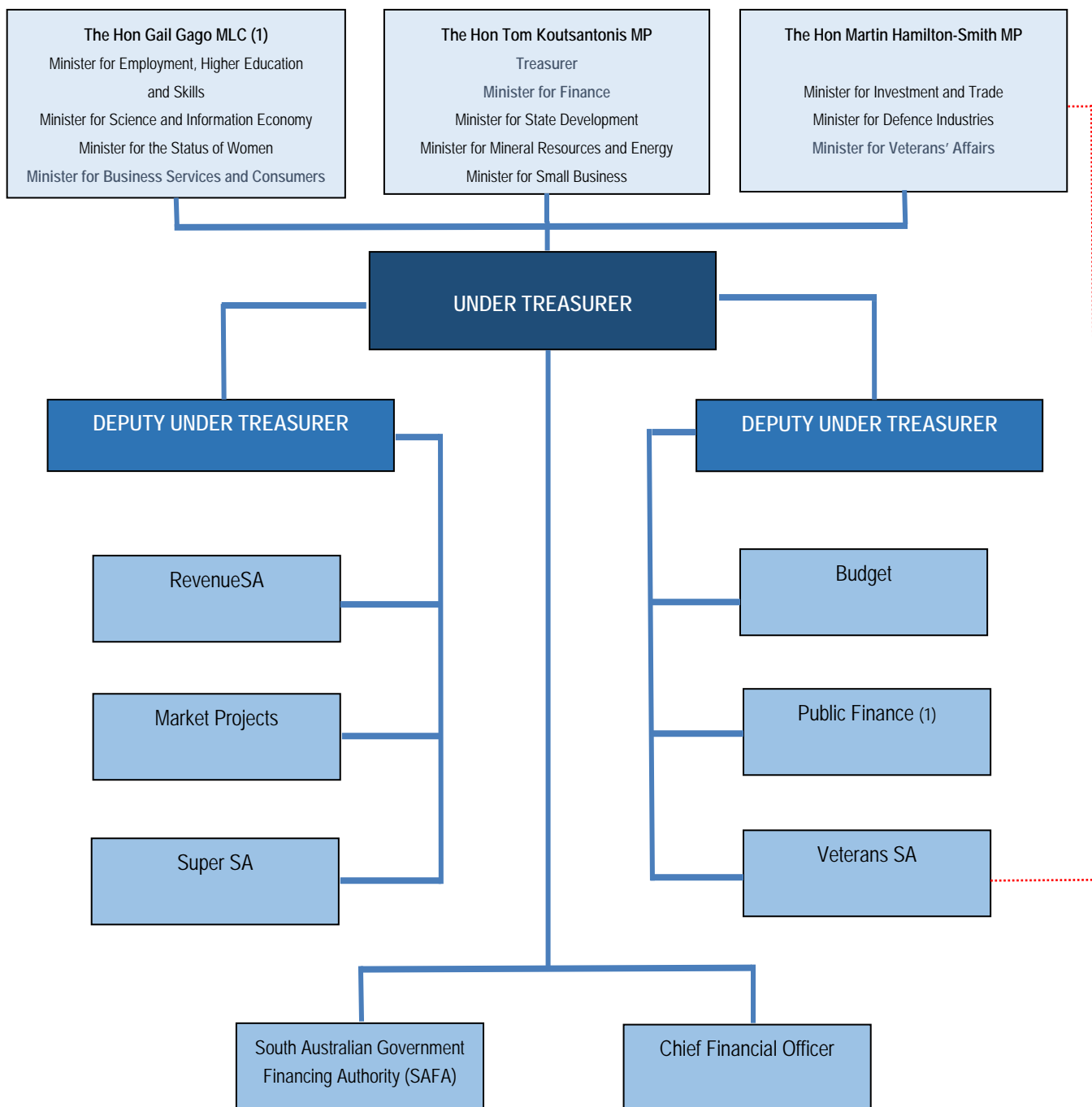
## Our people

Our people are a diverse and dedicated group with skills in economics, accounting, finance, business services, taxation, insurance, superannuation and management.

## Our culture

Our culture is one of high performance and accountability. We set high standards for ourselves, work collaboratively, and accept accountability for what we do. We share efforts and success.

# Our structure



(1) Includes Gambling policy



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# Our functions

## Budget

- Provision of advice on budgetary and financial issues.
- Management of state budget process.
- Monitoring financial performance of government agencies.
- Facilitation of best practice financial management.
- Provision of advice on Public Private Partnerships and other capital program issues.
- Management of the state's Targeted Voluntary Separation Package Scheme.
- Provision of high quality, timely, strategic advice regarding the performance of Government Business Enterprises (GBEs).
- Monitoring the financial performance of GBEs.

## Public Finance

- Maintenance of government budget management and reporting systems.
- Management of financial policy, legislation and governance framework.
- Preparation of budget and actual financial reports.
- Support to the State Procurement Board and specialist procurement advice to agencies.
- Provision of policy advice on a range of issues, including:
  - Commonwealth-State relations
  - economic regulation
  - fiscal policy
  - revenue forecasts and revenue policy matters
  - gambling and not-for-profit reform.

## Market Projects

- Realise the value of selected state assets to strengthen the State's balance sheet including a range of commercial property sales, the Compulsory Third Party Insurance Market Reform project and other projects.
- Providing a range of project related support and advice to other areas of DTF.

## RevenueSA

- Management of state taxation legislation.
- Management of state revenue systems.
- Management of compliance programs.
- Provision of policy advice on taxation issues.
- Management of various grants, rebates and subsidy schemes.

## South Australian Government Financing Authority

- Management of funding requirements and existing stock of government liabilities.
- Provision of financial risk management and advisory services.
- Management of the insurance and reinsurance of government risks.
- Provision of advice on insurance and risk management issues.
- Management of government light commercial and passenger vehicle fleet.

## Super SA

- Management of public sector superannuation schemes.
- Provision of advice on superannuation policy.
- Compliance with Heads of Government Agreement.

## Veterans SA

- Promotes Australia's wartime history and the significance of national events such as ANZAC Day, Remembrance Day and Vietnam Veterans' Day.
- Supports the Veterans' Advisory Council to provide a forum for the veteran community to communicate directly to the highest levels of state government through the Minister for Veterans' Affairs.
- Monitors and provides advice about matters relating to recognition and commemoration of the service of veterans.
- Co-ordinates South Australia's Anzac Centenary Commemoration Programme, including the state's flagship Anzac Centenary Memorial Garden Walk project.
- Management of various grants to support the veteran community and commemorate the service and sacrifice of South Australia's veterans.

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# Programs

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## Program 1: Gambling Policy

The Department of Treasury and Finance (DTF) provides policy advice to the government on economic, social and regulatory issues associated with gambling.

### Achievements 2014–15

- Reviewed the operation of legislative amendments included in the *Statutes Amendment (Gambling Reform) Act 2013*.
- Monitored the operation of the Adelaide Casino regulatory and tax arrangements and facilitated changes to ensure ongoing competitiveness of premium gaming.
- Commenced preparatory work on regulatory and tax arrangements for authorised betting operations, including sports integrity and place of consumption taxation.

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## Program 2: Accountability for Public Sector Resources

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

### Achievements 2014–15

- Produced and published the consolidated 2013–14 financial statements for the Government of South Australia, the 2014–15 Mid-Year Budget Review and the 2015–16 Budget.
- Undertook a comprehensive review of state taxes and released the State Tax Review Discussion Paper and supported public consultation on state tax reform options.
- Presented the state's position on horizontal fiscal equalisation issues during the Commonwealth Grants Commission's 2015 methodology review.
- Implemented further measures and training to strengthen the governance arrangements and procedures for the development and assessment of capital proposals for the Government of South Australia's investment programs.
- Continue monitoring the implementation of Private Public Partnership projects and advise on related contract management.
- Support the government's ten economic priorities.

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## Program 3: Treasury Services

Management of the government's financial assets and liabilities and provision of certainty of funding to the state.

### Achievements 2014–15

- Successfully issued a new ten year bond attracting 37 investors across Asia, Europe and Australia.
- Successfully completed the State's funding requirements.
- Monitor the state's balance sheet and its financing and recommend actions to improve the financial position.
- Ensure financial markets and rating agencies are well informed.

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# Program 4: Financial Services Provision

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

## Sub-programs

### 4.1 Revenue Collection and Management

Management of taxation legislation, revenue systems and compliance systems to enable the government to raise revenue using its taxation powers and the provision of policy advice on taxation issues. Management of various grants and subsidy schemes for the government.

#### Achievements 2014–15

- Processed rebates for eligible employers as part of the second year of the payroll tax rebate payment scheme announced in the 2013–14 State Budget.
- Seniors Housing Construction Grant successfully implemented.
- Implemented a scheme, in consultation with industry, to ensure that pensioners and concession card holders living in retirement villages were not adversely affected by the removal of the fixed property emergency services levy remission.
- Implemented an amendment to the *Stamp Duties Act 1923* which gave effect to an extension of the boundaries for the stamp duty concession on the purchase of an off-the-plan apartment.
- Implemented an internet payment channel to allow credit card transactions via the internet for land tax and emergency services levy payments.
- Implemented a collection and compliance regime in connection with casino duty on net gambling revenue, as per the approved Casino Duty Agreement of 11 October 2013 and the *Casino Act 1997*.
- Developed and introduced legislation for the 2015-16 State Budget in response to the State Tax Review which included a legislative exemption in the *Stamp Duties Act 1923* for eligible corporate reconstructions, as announced in the 2013–14 State Budget.
- Continue development and testing of the replacement state taxation revenue system, RISTEC (RevenueSA Information System to Enable Compliance) Release 2, which went live in July 2015.

### 4.2 Insurance and Fleet Services

The objectives of this sub-program include:

- provision of insurance cover to government agencies through the insurance and reinsurance of government risks
- provision of advice to the government on issues relating to the insurance and management of those risks
- provision of fleet management services to agencies and vehicle disposal services from government.

#### Achievements 2014–15

- Renewed the government's catastrophe reinsurance program with increased property and general liability limits but an overall decrease in premiums.
- Managed the government's fleet management and vehicle disposal contracts to enable effective and efficient outcomes for the government's vehicle fleet.
- Develop a long term solution for Building Indemnity Insurance in South Australia.

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### 4.3 Superannuation Services

The objectives of this sub-program are to:

- administer the various public sector superannuation schemes for the South Australian Superannuation Board and the Southern Select Super Corporation, as well as the superannuation arrangements for parliamentarians, judges and former governors.
- provide superannuation policy and legislative advice to the South Australian Superannuation Board, the Southern Select Super Corporation, the Under Treasurer, the Treasurer and the Minister for Finance.

#### Achievements 2014–15

- Finalised a review of insurance products.
- Commenced procurement of a next generation commercial administration system with complementary electronic document and workflow management capabilities.
- Finalised procurement of an Australian Financial Services licence holder to provide financial advice services to Super SA members via a third party outsourced relationship.
- Continue development and implementation of the insurance recommendations approved by the Super SA Board.

### 4.4 Procurement Policy and Governance

Support the State Procurement Board in the delivery of its key objectives and in setting the strategic direction of procurement operations across government, focusing on policy and guideline development, capability development, monitoring and facilitating procurement operations across government.

#### Achievements 2014–15

- Completed 11 procurement compliance reviews and eight procurement accreditation reviews.
- Reviewed the State Procurement Board policy framework and developed a methodology and project plan to guide its development and implementation in 2015–16.
- Developed and implemented updated guidelines covering the Contract Management and Market Analysis and Acquisition Strategy, the new mandated acquisition planning template and five better practice handbooks.
- Conducted regular discussion forums with agency heads of procurement and implemented a bi-annual procurement practitioners forum.
- Established a measurement regime to measure the effectiveness of the board's targeted training program.
- Established a mechanism to gather supplier feedback on their experience with government procurement processes.

### 4.5 Asset Licensing and Divestment

Progress initiatives aimed at realising the value of the state's assets to strengthen the state's balance sheet. These initiatives include a range of commercial property sales, and the Compulsory Third Party insurance market reform project.

#### Achievements 2014–15

- Finalised the divestment of 60 Wakefield Street, 21 Divett Place and 11–19 Penny Place, Adelaide, Union Street carpark and 621 Goodwood Road, Panorama (the former Panorama TAFE).
- Undertook preparatory work on the CTP insurance market reforms with the aim of extracting appropriate value for the state and opening up the CTP insurance market to private insurers from 1 July 2016.
- Progress the divestment of the State Administration Centre Precinct and various commercial properties.

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## Program 5: Veterans' Affairs

Veterans' Affairs (Veterans SA) supports our ex-servicemen and women, and those who support them, by providing a central contact point for information about the state government's services to veterans across departments, including health, transport, disability and mental health.

Veterans SA provides administrative support to the Veterans' Advisory Council to ensure veterans receive a voice at the highest levels of government and helps to raise public awareness of the sacrifices made by South Australia's veterans.

### Achievements 2014–15

- Establishment of the Anzac Centenary Coordination Unit.
- Development and launch of the Government of South Australia's Anzac Centenary website.
- Creation of a Flags Fund to enable ex-service organisations to replace/install national flags, state flags or military ensigns.
- Providing grants to support veteran themed projects such as the 'Huey' helicopter display in the Port Pirie Returned and Services League (RSL) military museum, the Macclesfield RSL, the War Memorial Garden and the new Anzac Memorial at Moseley Square, Glenelg.
- Developed a weekly 'Think Piece' series themed to commemorate appropriate historic milestones relevant to South Australia's involvement in conflict.
- Produced a half yearly outreach publication titled 'Veterans' Voice'.
- Provided Executive level support and commenced detailed planning as the lead agency of the State's flagship \$10 million Centenary of Anzac project: Anzac Centenary Memorial Garden Walk.
- Produced a monthly Veterans' E-News publication incorporating a 'Minister's Message' to apprise the veteran community of significant policy and commemorative events.
- Production of a weekly 'What's On' publication to highlight commemorative events and events with a service and veteran theme of interest to the public.
- Provided Executive level support to the Veterans' Advisory Council.
- Represented the veteran community on the Post-Traumatic Stress Centre of Excellence Expert Advisory Panel.

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# Financial performance

# Financial overview

The department's revised operating budget provided for a net operating deficit of \$1.183 million. The department recorded an actual net operating deficit of \$0.192 million for 2014-15. The favourable variance of \$0.991 million is primarily due to delays in several projects resulting in under expenditure for which the department has applied for carryovers into 2015-16 and additional revenue due to the recovery of costs from the Department of the Premier and Cabinet in relation to the merged corporate services function between the two agencies. Revenues from SA Government were lower than budget as the department did not need to draw down its final appropriation amount for 2014-15 given the lower level of expenditure for the year.

## Summary Income Statement

	Budget 2014-15 \$'000	Actual Result 2014-15 \$'000	Variance \$'000
Expenses	103 302	99 080	4 222
Revenues	41 120	42 508	1 388
<b>Net cost of providing services</b>	<b>62 182</b>	<b>56 572</b>	<b>5 610</b>
Revenues from SA Government	63 736	59 117	4 619
Payments to SA Government	2 737	2 737	-
<b>Net result</b>	<b>-1 183</b>	<b>-192</b>	<b>991</b>

## Departmental programs

	Expenses \$'000	Income \$'000	Revenues from/ payment to SA Government \$'000	Net result \$'000
Gambling Policy	549	26		-523
Accountability for Public Sector Resources	18 509	2 690		-15 819
Treasury Services	6 630	5 729		-901
Support Services	14 265	2 553		-11 712
Financial Services Provision	57 893	31 435		-26 458
Veterans Affairs	1 191	64		-1 127
Motor Injury Insurance Reform	43	11		-32
<b>Program totals</b>	<b>99 080</b>	<b>42 508</b>		<b>-56 572</b>
Appropriation			59 117	59 117
Payments to SA Government			2 737	2 737
<b>Total</b>	<b>99 080</b>	<b>42 508</b>	<b>56 380</b>	<b>-192</b>



## Trends

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

### Key performance measures

	2014-15	2013-14	2012-13
Net cost of providing services	\$56 572 000	\$66 774 000	\$78 139 000
Revenues from government as a percentage of total source of funding	58.2%	59.6%	64.5%
Average employee cost	\$83 000	\$92 000	\$88 000
Operating expenses per employee	\$158 000	\$158 000	\$169 000
Consultants as percentage of operating expenses	2.2%	1.5%	12.5%
Cash balance	\$9 683 000	\$13 723 000	\$21 600 000
Net assets	\$13 464 000	\$13 656 000	\$19 180 000
Increase/-decrease in net assets	-\$192 000	-\$5 524 000	\$1 763 000
Current assets/current liabilities	113%	128%	231%
Creditors paid within 30 days	98.5%	98.3%	98.5%

The net cost of providing services decreased from the previous year due to an overall reduction in departmental expenditure. The Workers' Compensation Improvements project and the Motor Injury Insurance Reform project ceased in 2013-14 with only minor expenditure recorded in 2014-15, the department also achieved \$4.944 million in savings in 2014-15 and because of delays in several departmental projects and initiatives this resulted in under expenditure for which the department has applied for carryovers into 2015-16.

The average employee cost decreased in 2014-15 due to the transition of Corporate Services to the Department of the Premier and Cabinet. Corporate Services are now provided to the Department of Treasury and Finance under a service level agreement between the two agencies. This change in the delivery of Corporate Services resulted in a reclassification of expenditure budget from salaries and wages to supplies and services to enable the department to purchase Corporate Services from the Department of the Premier and Cabinet. As a result employee benefits expenses decreased in 2014-15.

Consultants as a percentage of operating expenses increased primarily due to additional expenditure in 2014-15 in relation to the commencement of the compulsory third party insurance market reform project and the lower expenditure base resulting from an overall decrease in departmental expenditure.

The cash balance for the department decreased by \$4.04 million between 2013-14 and 2014-15. The main reasons for this decrease is that the department returned surplus cash of \$2.737 million in June 2015 to the government pursuant to the Cash Alignment policy and the department did not draw down its final appropriation amount for 2014-15.

Current assets to current liabilities decreased by 15% between 2013-14 and 2014-15. The main reason for this decrease is the reduction in the department's cash balance which reduced by \$4.04 million.

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# Appendices

# Appendix 1 — Acts administered

## Treasurer

	Committed
Bank Merger (BankSA and Advance Bank) Act 1996 .....	28/11/96
Bank Mergers (South Australia) Act 1997 .....	19/3/98
Casino Act 1997 <sup>(a)</sup> .....	
Commonwealth Places (Mirror Taxes Administration) Act 1999 .....	19/10/00
Debits Tax Act 1994 .....	13/2/97
Emergency Services Funding Act 1998 .....	7/11/02
Essential Services Commission Act 2002 .....	12/9/02
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
Gift Duty Act 1968 .....	13/2/97
Government Financing Authority Act 1982 .....	14/12/93
Housing Loans Redemption Fund Act 1962 .....	20/10/97
Interest on Crown Advances and Leases Act 1944 .....	20/10/97
Land Tax Act 1936 .....	13/2/97
Motor Accident Commission Act 1992 .....	14/12/93
Motor Vehicles Act 1959 <sup>(b)</sup> .....	30/06/15
National Tax Reform (State Provisions) Act 2000 .....	29/6/00
New Tax System Price Exploitation Code (South Australia) Act 1999 .....	9/12/99
Payroll Tax Act 2009 .....	4/06/09
Public Corporations Act 1993 .....	14/12/93
Public Finance and Audit Act 1987 .....	20/10/97
Rural Advances Guarantee Act 1963 .....	20/10/97
Stamp Duties Act 1923 .....	13/2/97
State Bank (Corporatisation) Act 1994 .....	12/5/94
Succession Duties Act 1929 .....	13/2/97
Superannuation Funds Management Corporation of South Australia Act 1995 .....	13/2/97

(a) The Treasurer has functions and powers under sections:

- Section 17 – Casino duty agreement
- Section 18 – Agreements to be tabled in Parliament
- Section 49 – Licensee to supply copy of audited accounts
- Section 50 – Duty of auditor
- Section 51 – Liability to casino duty
- Section 52 – Evasion and underpayment of casino duty
- Section 52AA – Investigatory powers relating to casino duty

(b) The Treasurer has functions and powers under sections:

- Section 111A – Liability of insurer in respect of burial at public expense
- Section 118A (7) – Appointment of Nominal Defendant when approved insurer is in liquidation or enters into compromise with creditors
- Section 120 – Satisfaction of judgment against nominal defendant where no scheme in force
- Section 129 (7) and (8)(b) – Inquiries into premiums
- Transitional Provisions - Section 23 – Contribution to liabilities of Authority

## Minister for Business Services and Consumers

Committed

No acts administered

## Minister for Finance

Committed

ASER (Restructure) Act 1997 .....	21/10/11
Benefit Associations Act 1958 .....	21/10/11
Electricity Corporations Act 1994 .....	21/10/11
Electricity Corporations (Restructuring and Disposal) Act 1999 .....	21/10/11
First Home and Housing Construction Grants Act 2000 .....	21/10/11
Governors' Pensions Act 1976 .....	21/10/11
Hindmarsh Island Bridge Act 1999 .....	21/10/11
Judges' Pensions Act 1971 .....	21/10/11
Late Payment of Government Debts (Interest) Act 2013 .....	17/02/14
Local Government Finance Authority Act 1983 .....	01/08/13
Motor Vehicles Act 1959 <sup>(a)</sup> .....	30/06/15
National Wine Centre (Restructuring and Leasing Arrangements) Act 2002 .....	21/10/11
Parliamentary Superannuation Act 1974 .....	21/10/11
Petroleum Products Regulation Act 1995 .....	21/10/11
Police Superannuation Act 1990 .....	21/10/11
SGIC (Sale) Act 1995 .....	21/10/11
South Australian Timber Corporation Act 1979 .....	21/10/11
South Australian Timber Corporation (Sale of Assets) Act 1996 .....	21/10/11
Southern State Superannuation Act 2009 .....	21/10/11
State Lotteries Act 1966 .....	21/10/11
State Procurement Act 2004 .....	21/10/11
Superannuation Act 1988 .....	21/10/11
Superannuation Funds Management Corporation of South Australia Act 1995 .....	
Tab (Disposal) Act 2000 .....	21/10/11
Taxation Administration Act 1996 .....	21/10/11
Unclaimed Moneys Act 1891 .....	21/10/11
Westpac/Challenge Act 1996 .....	21/10/11

- <sup>(a)</sup> The Minister for Finance has been delegated the functions and powers under sections:
- Section 101 (Approved Insurers) which includes Ministerial powers to invite and approve insurers to provide third party insurance
  - Section 115 (Claims against Nominal Defendant where vehicle not identified), which includes Ministerial obligations in relation to claims against the nominal defendant
  - Section 116 (Claim against Nominal Defendant where vehicle uninsured) which includes Ministerial powers in relation to recoveries by the nominal defendant
  - Section 116A (Appointment of Nominal Defendant) which includes Ministerial powers to appoint the nominal defendant
  - Section 118A (Appointment of nominal defendant where approved insurer is in liquidation or enters into compromise with creditors) which includes Ministerial powers in relation to an insurer that is being wound up
  - Section 119 (Scheme under which approved insurers indemnify liabilities incurred by nominal defendant) which includes Ministerial powers to establish a scheme to satisfy claims against the nominal defendant

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# Minister for Veterans' Affairs

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Committed

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No acts administered

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## Appendix 2 — Major boards and committees

Distribution Lessor Corporation

Essential Services Commission of SA

Generation Lessor Corporation

Independent Gambling Authority

Lifetime Support Authority

Lotteries Commission of South Australia

Motor Accident Commission

Police Superannuation Board

South Australian Government Financing Advisory Board (SAFA)

South Australian Parliamentary Superannuation Board

South Australian Superannuation Board

Southern Select Superannuation Corporation Board

State Procurement Board

Superannuation Funds Management Corporation of South Australia Board (Funds SA)

Transmission Lessor Corporation

Veterans' Advisory Council

## Appendix 3 — Management of human resources

### Our People

#### Workforce statistics

Number of Persons During the 2014-15 Financial Year	
Separated from the agency	59
Recruited to the agency	66

#### Executives by Gender, Classification and Status

	Ongoing		Term Tenured		Term Untenured		Total				
Classification	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0F	0	0	0	0	1	0	1	3	0	0	1
SAES1	0	0	0	0	23	2	23	70	2	6	25
SAES2	0	0	0	0	5	2	5	15	2	6	7
Total	0	0	0	0	29	4	29	88	4	12	33

#### Average Days Leave per Full-time Equivalent Employee

Leave Type	2011-12	2012-13	2013-14	2014-15
Sick Leave	7.5	8.4	7.6	9.4
Family Carers' Leave	1.0	1.1	1.1	1.3
Miscellaneous Special Leave	0.9	0.9	0.9	0.8

### Aboriginal and/or Torres Strait Islander Employees

Salary Bracket	Aboriginal Staff	Total Staff	Percentage Aboriginal	Target* %
\$0 - \$56 199	0	55	0	2
\$56 200 - \$71 499	2	211	0.95	2
\$71 500 - \$91 499	1	159	0.63	2
\$91 500 - \$115 499	1	108	0.93	2
\$115 500 +	0	37	0	2
<b>TOTAL</b>	<b>4</b>	<b>570</b>	<b>0.7</b>	<b>2</b>

\* Target from South Australia's Strategic Plan – Target 53

### Number of Employees by Age Bracket by Gender

Age Bracket	Male	Female	Total	% of Total	2014 Workforce Benchmark* %
15-19	0	2	2	0.35	5.5
20-24	3	3	6	1.05	9.7
25-29	21	32	53	9.3	11.2
30-34	48	44	92	16.14	10.7
35-39	33	45	78	13.68	9.6
40-44	55	61	116	20.35	11.4
45-49	29	45	74	12.98	11.1
50-54	28	37	65	11.4	11.4
55-59	27	22	49	8.6	9.1
60-64	14	11	25	4.39	6.7
65+	6	4	10	1.76	3.6
<b>TOTAL</b>	<b>264</b>	<b>306</b>	<b>570</b>	<b>100</b>	<b>100.0</b>

\* Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at November 2013



## Number of Employees With Disabilities (according to Commonwealth Disability Discrimination Act Definition)

Male	Female	Total	% of Agency
6	5	11	1.9

## Types of Disability (where specified)

Disability	Male	Female	Total	% of Agency
Disability requiring workplace adaptation	6	4	10	1.8
Physical	0	0	0	0
Intellectual	0	0	0	0
Sensory	0	1	1	0.2
Psychological/Psychiatric	1	0	1	0.2

## Training and development

### Documented Review of Individual Performance Management

Employees with ...	% Total Workforce
A review within the past 12 months	100
A review older than 12 months	0
No review	0

### Leadership and Management Training Expenditure

Training and Development	Total Cost \$	% of Total Salary Expenditure*
Total training and development expenditure	546 808	0.99
Total leadership and management development expenditure	100 291	0.18

*\*This figure is based on data from the centralised CHRIS payroll system.*

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# Employment Opportunity Programs

## Graduate Development Program and Jobs4Youth

The Department of Treasury and Finance coordinates a whole of SA Government Graduate Development Program for graduates in accounting, finance, commerce and economics. Graduates have the opportunity to be considered for positions in a wide range of SA Government agencies.

There are 20 graduates in the 2015 DTF Graduate Development Program from the following agencies:

- Department of the Premier and Cabinet
- Attorney-General's Department
- Department of Treasury and Finance
- Department of State Development
- South Australia Police
- Department for Correctional Services

In addition, The Jobs4Youth Program is a Premier's initiative whereby the South Australian Government has committed to providing 200 employment opportunities per year to disadvantaged groups through offering traineeship roles. The trainees allocated through the Jobs4Youth program have successfully completed their traineeships and been retained in the department with ongoing employment.

## Aboriginal Employment Plan

Department of the Premier and Cabinet (DPC) has updated and harmonised the Aboriginal Employment Plan (AEP) to incorporate activities for DTF to whom DPC provides Human Resource (HR) services under a Service Level Agreement. The AEP is based on the SASP Target 53 which aims to increase Aboriginal employment within the Department to 2%. Several programs are currently being developed and will be implemented in the new financial year. Strong networks have been formed with the major universities to develop employment pathways for new and previous graduates. The traineeship program Jobs4YouthSA has attracted quality candidates and many trainees placed earlier in the year have been offered ongoing contracts. Vacancies have been advertised through the Aboriginal Employment Register and circulated through their Aboriginal Employment Network. Vacancies have also been advertised through the Turkindi network and several Aboriginal specific employment programs, to increase the coverage to the community.

# Work Health Safety and Injury Management

## Work Health and Safety (WHS) Prosecutions, Notices and Corrective Action Taken

Number of notifiable incidents pursuant to WHS Act Part 3	0
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to WHS Act Part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

There were no notifiable incidents that occurred during the reporting period which is consistent with 2013-14.

## Agency Gross<sup>ii</sup> Workers Compensation Expenditure for 2014-15 compared with 2013-14<sup>iii</sup>

Expenditure	2014-15 (\$)	2013-14 (\$)	Variation \$ + (-)	% change + (-)
Hospital	8 154	0	8 154	Undefined
Income maintenance	36 838	2 435	34 403	1412.85%
Legal Expenses	13 123	8 016	5 107	63.72%
Lump Sum s42	130 000	2 000	128 000	6 400%
Lump Sum s43	0	0	0	0%
Other	3 157	1 575	1 582	100.44%
Registered medical	37 795	31 420	6 375	20.29%
Travel	34	120	(86)	(71.66%)
Total claim expenditure	229 101	45 566 <sup>iv</sup>	183 535	402.79%

DTF has experienced a 34% reduction in the number of new claims submitted for the reporting period. The Department has experienced an overall increase in total claims expenses attributed mostly to lump sum redemptions and income maintenance expenses.

<sup>ii</sup> Before 3<sup>rd</sup> party recovery.

<sup>iii</sup> Information available from the Self Insurance Management System

<sup>iv</sup> Final total established 30 June 2015 for previous financial year

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Comparison of hospital expenses with the previous reporting period cannot be defined as claims resulting in hospital expenses in 2013-14 have transferred to another agency in 2014-15.

The Safety and Wellbeing in the Public Sector (SWIPS) strategy measures the Department's progress towards 'final targets' which are a 25% reduction of base targets measured in 2009-10. SWIPS is a five-year strategy with DTF's performance against final targets being measured in this reporting period (as of 30 June 2015). At the conclusion of the strategy, DTF has achieved favorable results for 6 targets.

Overall, DTF has achieved a positive result against the 'new workplace injury claims' final target.

DTF has also exceeded the final target and achieved 100% compliance for early intervention in new claims within five days. Determination of claims within target timeframes (ten business days) and early assessment of new claims (within two days) continued to be an area for improvement during the reporting period. In many cases independent medical advice or further investigation was required before a considered determination could be made.

A full review and harmonisation of the Department's WHS policy documentation has been undertaken and a new Work Health and Safety Consultative Committee formed during the reporting period. This ensures DTF workers have a genuine opportunity to participate in the effective planning and maintenance of a safe and healthy work environment and that information related to WHS&IM matters are appropriately communicated through a formal consultative framework.

## Carers Recognition Act reporting

Whilst the department is not required to report on compliance with section six of the *Carers Recognition Act 2005*, DTF acknowledges and supports the principles of the Act and the South Australian Carers Charter. The Department continues to support appropriate flexible working arrangements and Special Leave provisions for those with caring responsibilities. DTF also promotes the Act and the Carers Charter on its intranet site to ensure all employees have an awareness and understanding of this information.

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# Disability Action Plan

## *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 Work Health and Safety 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 Planning, Transport and Infrastructure to conduct access audits of all existing and new tenancies. Disability access considerations are incorporated into the department's strategic accommodation planning and priority is given to addressing any issues identified for rectification. Specific workplace modifications continued to be undertaken to provide employment opportunities for people with disabilities.

## *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 (DAP) has incorporated the requirement for publications to be accessible to people with disabilities. The department has adopted the whole of government communications guidelines for publications to ensure accessibility to services. The Worldwide Web Consortium Web Content Accessibility Guidelines (WCAG1.0) have been used as the main benchmark for website accessibility. All content updates for both the public and intranet sites have been vetted for accessibility compliance and best practice, prior to uploading. Employees are supported to attend workshops to develop skills and understanding of the standards and legislative requirements relating to accessibility for people with disabilities. Interpreting services and information in alternative formats are provided as required to members of the public.

## *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 employees and managers throughout the department. The program is ongoing and mandated to ensure that all employees have the opportunity to participate and provide feedback on issues relevant to their workplace. Disability Awareness Training is available through the OurDevelopment online learning management system, and effective from December 2013, Disability Awareness for Managers has also been available. This training provides information to managers, supervisors and team leaders on appropriately supporting people with disabilities in the workplace and in their teams, through workplace adjustments and promoting a culture which supports access and equity.

The Disability Awareness section on the intranet continued to provide useful links and information to assist staff in relation to locating services, news items and publications, including the department's current DAP, and information on the National Disability Insurance Scheme. The intranet has also been used to promote related events, including the International Day of People with Disability in December.

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#### *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 Grievance Resolution and Fair Treatment in the Workplace policies that are communicated to all employees through the intranet site, through departmental induction for new starters and through disability awareness training. There are established mechanisms to provide direct feedback to service areas of the department. The department's service areas also regularly survey clients on service delivery issues. Feedback is encouraged and sought on improvements in the workplace to support people with disabilities. Consultation also takes place with employees who have disclosed a disability, to enhance work practices, workplace modifications and service delivery.

The department has been an active member of the across Government Disability Access and Inclusion Plans Steering Committee since its inaugural meeting in November 2013, and in addition has provided feedback on proposed Government wide strategies, including the employment of South Australians with intellectual disability in the public sector.

#### *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 DAP is based on six outcomes areas and is framed to ensure that it meets the requirements of the Commonwealth's *Disability Discrimination Act 1992* and South Australia's *Equal Opportunity Act 1984*. The plan has been registered on the Australian Human Rights Commission website and is transparent in terms of what the department has committed to achieving, and its implementation approach. The DAP is provided in a format suitable for accessing online.

#### *Outcome 6 — Increase Employment Rates (South Australia's Strategic Plan Target T50)*

The department's DAP outlines its strategy and actions which contribute to the SASP target and the department monitors its performance accordingly. Supporting this, the department adopts the process outlined in Commissioner's Determination 1 - Merit, Engagement, Assignment of Duties and Transfer of Non-Executive Employees with regards to employment considerations (Public Sector Special Employment Programs — Disability Employment Register). The Department has also sought to utilise programs such as the Jobs4Youth strategy to provide employment opportunities to job seekers with a disability. Human resource procedures and processes for filling vacancies are discussed with managers and their administrative support staff, to ensure full consideration is given to the employment of people with disabilities, when vacancies occur for either short or long term duration. Information on procedures and processes are also incorporated into the online Recruitment and Selection Training program, and resources such as the Employment of People with a Disability fact sheet are available on the department's intranet.

Role descriptions are assessed and criteria modified to ensure language is inclusive. All Human Resource account managers have received training in recruitment and selection of people with disabilities. In addition, training in equal employment opportunity, work health and safety, diversity and ethics is conducted on a cyclical basis.

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## Appendix 4 — Account payment performance\*

Treasurer's Instruction 11 requires agencies to pay all undisputed invoices within 30 days.

	Number paid	%	Amount paid \$'000
Paid by the due date	24 069	98.5%	95 246
Paid less than 30 days after the due date	270	1.1%	1 512
Paid more than 30 days after the due date	92	0.4%	314
<b>Total</b>	<b>24 431</b>	<b>100%</b>	<b>97 072</b>

\*AP statistics cover DTF controlled and Administered

## Appendix 5 — Use of consultants\*

Consultant	Purpose of consultancy	Number	Total \$
<b>Value below \$10 000</b>			
Various			
Subtotal		17	83 441
<b>Value above \$10 000</b>			
Price Waterhouse Coopers	BCM simulation		
Adelaide Research & Innovation	Tax reform project		
Mercer Consulting	Remuneration review - financial markets		
Price Waterhouse Coopers	Insurance ratios & Triple S premium discount methodology		
Cumpston Sarjeant Pty Ltd	Analysis of insurance liability report		
CB Richard Ellis	Marketing - sale of Croydon TAFE		
Napier & Blakeley Pty Ltd	Preparation of building condition and risk assessments reports for Union Street car park		
Savills (SA) Pty Ltd	Marketing - sale of 60 Wakefield and 21 Divett Place		
Aurecon Australasia Pty Ltd	Preparation of building condition and risk assessments reports for Torrens building		
GHD Mgt Engineering	Review of Demolition Report APS		
Deloitte Touche Tohmatsu	Medvet - additional valuation services and report		
Price Waterhouse Coopers	Division 293 tax certificate		
Price Waterhouse Coopers	Actuarial services		
Ernst & Young	Professional services		
AON Risk Services	Security & privacy risk profiling & gap analysis		
Colliers International	Marketing - sale of Union Street car park and 11-19 Penny Place		
KPMG Superannuation	ICT solution project		
Aurecon Australasia Pty Ltd	Preparation of building condition and risk assessments reports for buildings in the SAC precinct		
Jones Lang Lasalle Aust.	Marketing - sale of the SAC precinct		
University of Canberra	Tax reform project		
CQ Partners Pty Ltd	Electricity entities consultancy for Flinders Power report		
Deloitte Access Economics P/L	Tax reform project		



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Evans & Peck Pty Ltd	Refinancing of SA schools		
AON Benfield	Insurance catastrophe modelling		
Deloitte Access Economics P/L	Tax reform project		
Ernst & Young	Taxation services		
KPMG	Independent RISTEC review		
Finity Consulting	Actuary services		
Price Waterhouse Coopers	Lead commercial advisor		
Subtotal		29	2 075 313
<b>Total</b>		<b>46</b>	<b>2 158 754</b>

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Note: Payments to consultants include amounts paid and payable at 30 June 2015.

\* Controlled only

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## Appendix 6 — Overseas travel

Destination	Number of employees	Reason for travel	Travel costs \$
Great Britain	1	To examine successful justice reform initiatives in other jurisdictions	15 202
Great Britain	2	To give presentations on the state's risk for renewing the state's catastrophe reinsurance	27 526
Hong Kong, Japan, Singapore and Malaysia	2	To meet with SAFA investors and to attend 12 <sup>th</sup> Annual Asia Pacific Investor Conference	15 588
United States	1	To attend Transformational Leadership course	2 295
Canada, United States	3	To attend Prospectors and Developers Association of Canada Convention 2015	3 639
<b>Total</b>	<b>9</b>		<b>64 250</b>

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# Appendix 7 — Fraud, corruption and maladministration control

The department is not aware of any actual, suspected or alleged fraudulent activity affecting the department in 2014–15.

There have been no ‘public interest disclosures’ to a responsible officer of the agency under the *Whistleblowers Protection Act 1993* during 2014–15.

## **Fraud, Corruption and other Criminal Conduct, Maladministration and Misconduct Control Framework**

The department’s Fraud, Corruption and other Criminal Conduct, Maladministration and Misconduct Control Framework consist of the:

- Fraud and Corruption and other Criminal Conduct, Maladministration and Misconduct Control Prevention Policy
- Fraud and Corruption and other Criminal Conduct, Maladministration and Misconduct Control Reporting Procedure
- Whistleblowers Policy
- Whistleblowers Procedure.

## **Fraud and corruption prevention policy and reporting procedure**

This policy and procedure was last updated in October 2014 and reflects the requirements of the Australian Standard *AS 8001:2008 Fraud and Corruption Control (AS 8001:2008)* and requirements under the *Independent Commissioner Against Corruption Act 2012*.

Its purpose is to formalise and communicate the processes for preventing, detecting and responding to fraud, corruption and maladministration within the department.

## **Whistleblowers policy and procedure**

This policy and procedure was last updated in January 2015 to reflect the requirements of Commissioner for Public Employment Standard 4 and Australian Standard *AS 8004-2003 Whistleblower Protection Programs for Entities*.

The purpose of this policy and procedure is to formalise and communicate the process for disclosure of maladministration and waste in the public sector, corrupt or illegal conduct generally and to make potential informants feel comfortable and protected should they have a matter to raise.

## **Fraud Risk Assessment**

The department conducts a detailed Fraud Risk Assessment every three years.

McGrathNicol was engaged in May 2013 to undertake a Fraud Risk Assessment. The findings from the assessment form the basis of the department’s fraud and corruption control plan for the next three years.

The results from the Fraud Risk Assessment were very positive, revealing the department takes the risk of fraud seriously and generally has a robust control environment to assist in the prevention and detection of fraud.

## **Internal Audit and Risk Management**

Risk and Audit Services has an annual risk-based internal audit program that focuses on key business processes and risk areas of the department.

The department’s Risk Management Policy prescribes how risks will be identified, prevented, managed, monitored and treated. The department has incorporated risk management into strategic and business planning processes. Through this process, branches consider all risks within their area of operations which includes the risk of fraud. Branch risks are documented in Branch Risk Registers. All high and extreme risks that have a whole of department impact are reported at least annually to the Audit and Risk Committee and to the Under Treasurer.

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# Appendix 8 — Freedom of Information statement

## Information statement

The *Freedom of Information Act 1991* (FOI Act) gives members of the public and Members of Parliament a legally enforceable right to access information held by the Government of South Australia's agencies, subject to certain exemptions. A comprehensive introduction to freedom of information can be found on the State Records website at [www.archives.sa.gov.au/foi](http://www.archives.sa.gov.au/foi).

Under Section 9(2) of the FOI Act, the Government of South Australia's agencies must publish an up-to-date information statement every 12 months. Information statements must be published in the agency's annual report, on a website maintained by the agency, or both. The Department of Treasury and Finance's current Information Statement is available at [www.treasury.sa.gov.au](http://www.treasury.sa.gov.au).

## Statistics 2014–15

The department received 149 FOI applications in 2014-15, down from 262 in the previous year. Requests came from

Members of parliament	121
Media	13
Private businesses	14
Members of the public	1
<b>Total</b>	<b>149</b>

No applications for internal reviews were received.

## 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. Applications must be made in writing, provide an Australian address for correspondence, describe the documents, state that the application is made under the *Freedom of Information Act 1991* and be accompanied by the prescribed application fee of \$33.00 (from 1 July 2015). A fee reduction/waiver may be granted in certain circumstances.

Further details can be found at [www.archives.sa.gov.au/foi](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 2774

Email [Freedomofinformation2@sa.gov.au](mailto:Freedomofinformation2@sa.gov.au)

Documents can be made available for inspection at:

The Team Leader, Freedom of Information  
Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000  
Telephone 8226 2774  
9:00 am to 5:00 pm Monday to Friday

## Appendix 9 — Public Complaints

DTF has two branches, RevenueSA and Super SA, which are customer centric and handle complaints via their individual policies and processes. These branches are committed to delivering a high level of service, but if a customer is dissatisfied they are requested to follow the dedicated complaint handling process.

RevenueSA has the following policies and procedures in place to ensure the appropriate handling of complaints:

- Complaints Management Policy – published on the RevenueSA website
- Complaints Procedure – Internal document
- Complaints Register Guideline – Internal document

Generally, complaints are received via email (through the suggestions inbox) or as a result of the annual taxpayer survey and are recorded on a complaints register maintained by RevenueSA.

During the reporting period RevenueSA received a total of 47 complaints, which are detailed below.

### Types of complaints

Customer services provided by RevenueSA	3
Incorrectly addresses complaints	2
Unfair taxation laws (e.g. imposition of taxes)	17
No. of emails received via incorrect avenue (eg change of address, billing enquiry, taxpayer suggestions etc.	25
<b>Total</b>	<b>47</b>

Super SA has a complaint handling process and a fact sheet on its website providing relevant details of the procedures.

Complaints are recorded via a complaint handling form and submitted directly to Super SA.

In the 2014-15 financial year Super SA received 110 complaints, which are detailed below.

### Types of complaints

Entitlements	32
Process	40
Policy	10
Member Communications	13
Investment	13
Fees	1
External Service Provider	1
<b>Total</b>	<b>110</b>

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# Financial statements



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www.audit.sa.gov.au

**To the Under Treasurer**  
**Department of Treasury and Finance**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Treasury and Finance for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income attributable to administered activities for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Under Treasurer and the Director, Financial Services.

**The Under Treasurer's Responsibility for the Financial Report**

The Under Treasurer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Under Treasurer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

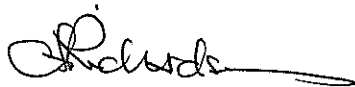
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2015, 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.

A handwritten signature in black ink, appearing to read 'A Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson  
**Auditor-General**  
21 September 2015



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## Certification of the Financial Statements

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We certify that the:

- financial statements for the Department of Treasury and Finance:
  - are in accordance with the accounts and records of the Department;
  - comply with the relevant Treasurer's instructions;
  - comply with the relevant accounting standards; and
  - present a true and fair view of the financial position of the Department at the end of financial year and the result of its operation and cash flows for the financial year.
- Internal controls employed by the Department of Treasury and Finance over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Garry Goddard  
ACTING UNDER TREASURER  
18 September 2015



Paul Williams  
DIRECTOR, FINANCIAL SERVICES  
18 September 2015

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**Statement of Comprehensive Income for the year ended 30 June 2015**


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	Note	2015 \$'000	2014 \$'000
<b>EXPENSES</b>			
Employee benefit expenses	5	55 710	67 043
Supplies and services	6	42 049	36 966
Depreciation and amortisation expense	7	1 321	1 237
Other expenses	8	—	4 515
Resources provided free of charge	9	—	411
<b>Total expenses</b>		<b>99 080</b>	<b>110 172</b>
<b>INCOME</b>			
Revenues from fees and charges	11	40 251	38 497
Interest revenues	12	—	13
Other income	13	2 257	4 888
<b>Total income</b>		<b>42 508</b>	<b>43 398</b>
<b>NET COST OF PROVIDING SERVICES</b>		<b>(56 572)</b>	<b>(66 774)</b>
<b>REVENUES FROM SA GOVERNMENT</b>			
Revenues from SA Government	14	59 117	64 017
Payments to SA Government	14	(2 737)	(6 108)
<b>Total Revenues from SA Government</b>		<b>56 380</b>	<b>57 909</b>
<b>NET RESULT</b>		<b>( 192)</b>	<b>(8 865)</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>( 192)</b>	<b>( 8 865)</b>

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

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

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**Statement of Financial Position as at 30 June 2015**


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	<b>Note</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>15</b>	<b>9 683</b>	13 723
Receivables	<b>16</b>	<b>5 128</b>	3 990
<b>Total Current Assets</b>		<b>14 811</b>	17 713
<b>NON-CURRENT ASSETS</b>			
Receivables	<b>16</b>	<b>25</b>	57
Property, plant and equipment	<b>17</b>	<b>1 462</b>	1 475
Intangible assets	<b>18</b>	<b>24 967</b>	20 955
<b>Total Non-Current Assets</b>		<b>26 454</b>	22 487
<b>TOTAL ASSETS</b>		<b>41 265</b>	40 200
<b>CURRENT LIABILITIES</b>			
Payables	<b>20</b>	<b>6 643</b>	7 551
Employee benefits	<b>21</b>	<b>6 234</b>	5 927
Provisions	<b>22</b>	<b>174</b>	200
Other liabilities	<b>23</b>	<b>—</b>	140
<b>Total Current Liabilities</b>		<b>13 051</b>	13 818
<b>NON-CURRENT LIABILITIES</b>			
Payables	<b>20</b>	<b>1 170</b>	1 053
Employee benefits	<b>21</b>	<b>13 068</b>	10 961
Provisions	<b>22</b>	<b>512</b>	712
<b>Total Non-Current Liabilities</b>		<b>14 750</b>	12 726
<b>TOTAL LIABILITIES</b>		<b>27 801</b>	26 544
<b>NET ASSETS</b>		<b>13 464</b>	13 656
<b>EQUITY</b>			
Contributed capital	<b>24</b>	<b>547</b>	547
Retained earnings	<b>24</b>	<b>12 917</b>	13 109
<b>TOTAL EQUITY</b>		<b>13 464</b>	13 656

**THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER.**

	<b>Note</b>
Unrecognised contractual commitments	<b>25</b>
Contingent assets and liabilities	<b>26</b>

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

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**Statement of Changes in Equity for the year ended 30 June 2015**


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	<b>Note</b>	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 30 June 2013		547	23 294	23 841
Error correction		—	(4 661)	(4 661)
<b>Restated balance at 30 June 2013</b>		<b>547</b>	<b>18 633</b>	<b>19 180</b>
Total comprehensive result for 2013-14		—	(8 865)	(8 865)
<b>Transactions with SA Government as owner</b>				
Net assets transferred as a result of an administrative restructure	<b>32</b>	—	3 341	3 341
<b>Balance at 30 June 2014</b>	<b>24</b>	<b>547</b>	<b>13 109</b>	<b>13 656</b>
Total comprehensive result for 2014-15		—	( 192)	( 192)
<b>Balance at 30 June 2015</b>	<b>24</b>	<b>547</b>	<b>12 917</b>	<b>13 464</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.

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**Statement of Cash Flows for the year ended 30 June 2015**


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	Note	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(53 411)	(68 889)
Payments for supplies and services		(47 859)	(37 693)
Payments for Paid Parental Leave Scheme		( 218)	( 147)
Resources provided free of charge		—	( 411)
<b>Cash used in operations</b>		<b>(101 488)</b>	<b>(107 140)</b>
<b>Cash Inflows</b>			
Fees and charges		42 451	42 180
Interest received		—	13
GST recovered from Australian Taxation Office		1 459	1 891
Other receipts		2 257	4 888
Receipts for Paid Parental Leave Scheme		221	152
<b>Cash generated from operations</b>		<b>46 388</b>	<b>49 124</b>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		59 117	64 017
Payments to SA Government		(2 737)	(10 769)
<b>Cash generated from SA Government</b>		<b>56 380</b>	<b>53 248</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	28(b)	<b>1 280</b>	<b>(4 768)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		( 471)	( 849)
Purchase of intangible assets		(4 849)	(2 260)
<b>Cash used in investing activities</b>		<b>(5 320)</b>	<b>(3 109)</b>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(5 320)</b>	<b>(3 109)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(4 040)</b>	<b>(7 877)</b>
Cash and cash equivalents at the beginning of the period		13 723	21 600
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	28(a)	<b>9 683</b>	<b>13 723</b>

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

**Disaggregated Disclosure  
Expenses and Income  
for the year ended 30 June 2015**

	Workers' Compensation Improvements Activity 1		Gambling Policy Activity 2		Motor Injury Insurance Reform Activity 3		Accountability for Public Sector Resources Activity 4		Treasury Services Activity 5	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>EXPENSES</b>										
Employee benefit expenses	—	145	342	354	(8)	1 397	12 364	14 565	5 056	5 316
Supplies and services	—	37	203	53	51	1 290	6 047	5 260	1 564	2 113
Depreciation and amortisation expense	—	—	4	2	—	10	98	103	10	10
Other expenses	—	—	—	—	—	—	—	—	—	—
Resources provided free of charge	—	—	—	—	—	411	—	—	—	—
<b>Total Expenses</b>	—	182	549	409	43	3 108	18 509	19 928	6 630	7 439
<b>INCOME</b>										
Revenues from fees and charges	—	190	25	4	—	25	733	347	5 729	6 984
Interest revenues	—	—	—	—	—	1	—	4	—	—
Other Income	—	—	1	1	11	2 453	1 957	2 182	—	—
<b>Total Income</b>	—	190	26	5	11	2 479	2 690	2 533	5 729	6 984
<b>NET COST OF PROVIDING SERVICES</b>	—	8	(523)	(404)	(32)	(629)	(15 819)	(17 395)	(901)	(455)
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>										
Revenues from SA Government	—	—	—	—	—	—	—	—	—	—
Payments to SA Government	—	—	—	—	—	—	—	—	—	—
<b>NET RESULT</b>	—	8	(523)	(404)	(32)	(629)	(15 819)	(17 395)	(901)	(455)

**Disaggregated Disclosure  
Expenses and Income  
for the year ended 30 June 2015**

	Support Services		Financial Services Provision		Veterans` Affairs		General / Not Attributable		Activity Total	
	Activity 6		Activity 7		Activity 8					
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>EXPENSES</b>										
Employee benefit expenses	4 035	9 447	33 430	35 302	491	517	—	—	55 710	67 043
Supplies and services	9 993	7 053	23 498	20 567	693	593	—	—	42 049	36 966
Depreciation and amortisation expense	237	165	965	945	7	2	—	—	1 321	1 237
Other expenses	—	—	—	4 515	—	—	—	—	—	4 515
Resources provided free of charge	—	—	—	—	—	—	—	—	—	411
<b>Total Expenses</b>	<b>14 265</b>	<b>16 665</b>	<b>57 893</b>	<b>61 329</b>	<b>1 191</b>	<b>1 112</b>	<b>—</b>	<b>—</b>	<b>99 080</b>	<b>110 172</b>
<b>INCOME</b>										
Revenues from fees and charges	2 466	1 923	31 261	28 997	37	27	—	—	40 251	38 497
Interest revenues	—	8	—	—	—	—	—	—	—	13
Other Income	87	69	174	157	27	26	—	—	2 257	4 888
<b>Total Income</b>	<b>2 553</b>	<b>2 000</b>	<b>31 435</b>	<b>29 154</b>	<b>64</b>	<b>53</b>	<b>—</b>	<b>—</b>	<b>42 508</b>	<b>43 398</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>(11 712)</b>	<b>(14 665)</b>	<b>(26 458)</b>	<b>(32 175)</b>	<b>(1 127)</b>	<b>(1 059)</b>	<b>—</b>	<b>—</b>	<b>(56 572)</b>	<b>(66 774)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>										
Revenues from SA Government	—	—	—	—	—	—	59 117	64 017	59 117	64 017
Payments to SA Government	—	—	—	—	—	—	(2 737)	(6 108)	(2 737)	(6 108)
<b>NET RESULT</b>	<b>(11 712)</b>	<b>(14 665)</b>	<b>(26 458)</b>	<b>(32 175)</b>	<b>(1 127)</b>	<b>(1 059)</b>	<b>56 380</b>	<b>57 909</b>	<b>( 192)</b>	<b>(8 865)</b>

**Disaggregated Disclosure  
Assets and Liabilities  
as at 30 June 2015**

	Workers' Compensation Improvements		Gambling Policy		Motor Injury Insurance Reform		Accountability for Public Sector Resources		Treasury Services	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>										
Cash and cash equivalents	—	—	—	—	—	—	—	—	—	—
Receivables	—	7	—	—	—	512	56	1 063	4	1
Property, plant and equipment	—	—	—	—	—	39	74	19	—	10
Intangible assets	—	—	—	—	—	—	488	—	—	—
<b>Total Assets</b>	—	7	—	—	—	551	618	1 082	4	11
<b>Liabilities</b>										
Payables	—	5	13	10	—	144	1 075	467	440	164
Employee benefits	—	37	118	89	(3)	352	4 284	3 669	1 752	1 339
Provisions	—	1	3	1	1	32	99	130	26	52
Other liabilities	—	—	—	—	—	—	—	—	—	—
<b>Total Liabilities</b>	—	43	134	100	(2)	528	5 458	4 266	2 218	1 555
<b>Net Assets</b>	—	(36)	(134)	(100)	2	23	(4 840)	(3 184)	(2 214)	(1 544)



**Disaggregated Disclosure  
Assets and Liabilities  
as at 30 June 2015**

	Support Services Activity 6		Financial Services Provision Activity 7		Veterans' Affairs Activity 8		General / Not Attributable		Activity Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>										
Cash and cash equivalents	—	—	—	—	—	—	9 683	13 723	9 683	13 723
Receivables	832	1 315	4	4	—	—	4 257	1 145	5 153	4 047
Property, plant and equipment	39	—	228	374	—	—	1 121	1 033	1 462	1 475
Intangible assets	—	—	24 340	20 850	38	—	101	105	24 967	20 955
<b>Total Assets</b>	<b>871</b>	<b>1 315</b>	<b>24 572</b>	<b>21 228</b>	<b>38</b>	<b>—</b>	<b>15 162</b>	<b>16 006</b>	<b>41 265</b>	<b>40 200</b>
<b>Liabilities</b>										
Payables	1 274	772	1 249	1 230	29	17	3 733	5 795	7 813	8 604
Employee benefits	11 584	8 892	1 398	2 380	169	130	—	—	19 302	16 888
Provisions	383	174	163	507	11	15	—	—	686	912
Other liabilities	—	—	—	—	—	—	—	140	—	140
<b>Total Liabilities</b>	<b>13 241</b>	<b>9 838</b>	<b>2 810</b>	<b>4 117</b>	<b>209</b>	<b>162</b>	<b>3 733</b>	<b>5 935</b>	<b>27 801</b>	<b>26 544</b>
<b>Net Assets</b>	<b>(12 370)</b>	<b>(8 523)</b>	<b>21 762</b>	<b>17 111</b>	<b>( 171)</b>	<b>( 162)</b>	<b>11 429</b>	<b>10 071</b>	<b>13 464</b>	<b>13 656</b>

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## **Notes to and forming part of the Financial Statements**

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### **1 Objectives of the Department of Treasury and Finance (the department)**

The department administers a range of programs and services in support of the government's seven strategic priorities and ten economic priorities for the State and South Australia's Strategic Plan.

Sound budgeting and strong state finances underpin all of the government's goals for the long-term future of the State.

Within this context, the department's objectives are to ensure strong state finances and provide:

- Effective budget and financial management processes
- Efficient and responsive services
- Effective economic, social and regulatory policy

To achieve these objectives, the department undertakes 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 have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The department has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the department is a not-for-profit entity.

Except for AASB 2015-7 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 period ending 30 June 2015 (refer to Note 3).

#### **2.2 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 this financial report:
  - 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;
- c) employee targeted voluntary separation package information;
- d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (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; and
- e) 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 12 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 2015 and the comparative information presented.

### 2.3 Reporting Entity

The department is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets or 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 statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

### 2.4 Transferred functions

Pursuant to section 9(3) of the *Public Sector Act 2009*, the Corporate Services function and Ministerial Fleet services were transferred from the department to the Department of the Premier and Cabinet on 10 February 2014 and 1 April 2014 respectively (refer to Note 32).

In 2013-14, as a result of a committal of Acts proclamation outlined in the Government Gazette on 1 August 2013, the department took on responsibility for the Local Government Taxation Equivalents Fund (LGTEF) as per the *Local Government Finance Authority Act 1983*. Assets and liabilities relating to these business units were transferred to the Department effective as per the gazette date (refer to Note 68).

### 2.5 Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4).

These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructure/machinery of government changes. The budget process is not subject to audit.

## **2.6 Comparative Information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial report for the preceding period.

## **2.7 Rounding**

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

## **2.8 Taxation**

The department is not subject to income tax. 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 Taxation 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 payables which are stated with the amount of GST included.

The department prepares the Business Activity Statement on behalf of the Administered items and Bureau agencies under the grouping provisions of the GST legislation. Under these provisions, the department is liable for the payments and entitled to the receipt of GST. As such, 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.

## **2.9 Events after the end of the reporting period**

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 when the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

## 2.10 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 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 (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received; and
- 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.

All contributions received by the department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

### *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 has been determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains on disposal of non-current assets are recognised at the date control of the asset is passed to the buyer and determined after deducting the cost of the asset from the proceeds at that time.

### *Taxation*

Taxation revenue includes payroll tax, property taxes (land tax, stamp duty and emergency services levy), income tax equivalents and contributions from the Lotteries Commission of South Australia. All taxes are collected on behalf of the State government and recognised on receipt. All taxation revenues are reported net of any taxation refunds.



Payroll tax is payable pursuant to the *Payroll Tax Act 2009*. A payroll tax liability arises in South Australia when an employer (or a group of employers) has a wages bill in excess of \$600 000 for services performed by employees in South Australia.

Stamp duty is a charge on certain documents and transactions. Stamp duty is charged at either a flat rate or an ad valorem rate (based on the value of the transaction) depending on the particular document or transaction. Stamp duties apply to a range of transactions including conveyances, mortgages, insurance and rental transactions. Stamp Duties are levied under the authority of the *Stamp Duties Act 1923*, which is supported by the *Stamp Duties Regulations 2002*.

Land tax is charged on land ownership and calculated according to the site value of the land. The land owner is exempt from land tax where the land constitutes the owner's principal place of residence (other exemptions also apply).

As a result of changes to the *Casino Act 1997* and Casino Agreements the Commissioner of State Taxation commenced administration and collection of the Casino Duty from 1 January 2014. This includes all duty from gaming tables and gaming machines within the Adelaide Casino.

The department also collects the fixed property component of emergency services levy payable under the *Emergency Services Funding Act 1998*.

Income tax equivalents are collected from applicable public authorities or business units in accordance with Treasurer's Instruction 22 'Tax Equivalent Payments'. Tax equivalent payments are calculated and paid on the basis of the Accounting Profits Method at the companies' income tax rate under the Commonwealth's *Income Tax Assessment Act 1997*.

Contributions from the Lotteries Commission of South Australia include distributions to the Hospitals Fund received in accordance with the *State Lotteries Act 1966*.

#### *Commonwealth revenues*

Commonwealth revenue disclosed in Note 36 includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). All Commonwealth revenue is recognised when received.

#### *Dividends*

Dividends represent distributions from applicable for-profit government agencies and include returns of accumulated capital. Dividend amounts are approved by the Treasurer prior to reporting date and recognised on receipt. Dividends are passed on to the Consolidated Account.

#### *Interest revenues*

Interest revenues principally relate to the income received/receivable on the Treasurer's deposit with the South Australian Government Financing Authority (SAFA). This interest is received/receivable on a quarterly basis at prevailing market rates.

#### *Other revenues*

Other revenue recognised in Note 42 mainly represents the receipt of cash from agencies which is passed on to the Consolidated Account in accordance with the government's relevant policy directive. Revenue received in this manner and subsequently transferred to the Consolidated Account includes repayment of capital and advances, return of cash pursuant to the government's cash alignment policy and return of deposit account balances.

## 2.11 Expenses

Expenses 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 following are specific recognition criteria:

### *Employee benefits expenses*

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

Employee benefits expenses include expenses associated with the employment of staff assigned to support the activities of SAFA and the South Australian Superannuation Board (Super SA). The department fully recovers these expenses through Service Level Agreements with SAFA and Super SA.

### *Superannuation*

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

### *Superannuation contributions to various schemes (Administered)*

This item represents past service superannuation cash payments to the South Australian Superannuation Fund and Police Superannuation Scheme. This annual contribution is designed to support the government's target of fully funding its unfunded superannuation liabilities by 2034 and is recognised when paid.

### *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.

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 changing 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, water licences and non-current assets held for sale are not amortised / 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>Useful Life (yr)</b>
Buildings	0-39
Land Improvements	3 - 100
Fitouts - leased buildings	Life of lease
Furniture	5-10
Information Technology Equipment	3 - 5
Intangibles	3 - 15
Office Equipment	3 - 7
Plant and Equipment	5 - 10

#### *Grants subsidies and transfers*

Grants, subsidies and transfers mainly represent the transfer of Commonwealth funding received pursuant to the IGAFRR to relevant government agencies. It also includes the payment of grants and other contributions approved by the Treasurer using appropriation funding provided to the Treasury and Finance administered items account. Grants, subsidies and transfers are recognised when paid.

All contributions paid by the department have been contributions with unconditional stipulations attached.

#### *Borrowing costs*

Borrowing costs include annual interest charges on the Treasurer's borrowings from SAFA and interest paid by the Treasurer on agency deposit and special deposit accounts.

Interest is paid from the Treasury and Finance Administered Items special deposit account using funds appropriated for that purpose. While the department administers these payments on behalf of the Treasurer, the underlying loan arrangements are administered by SAFA and are therefore not included in the Statement of Administered Financial Position.

Further information on borrowings undertaken by the Treasurer for the SA Government and other government financial assets and liabilities can be found in the SAFA annual report and the Consolidated Financial Report for the Government of South Australia prepared under AASB 1049 *Whole of Government and Government Sector Financial Reporting*.

#### *Payments to SA Government*

Payments to the SA Government reflect the return of surplus cash pursuant to the cash alignment policy and Administered Items includes the transfer of revenue received on behalf of the Consolidated Account.

#### *Other Expenses*

Other expenses include loans forgiven. Loans forgiven are the loans provided by the Treasurer to recipients on the basis that the Treasurer will forgive these loans if the recipient duly performs specified obligations defined under the loan agreement. The Treasurer forgives these loans on being satisfied that the recipient has duly performed these obligations.

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

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be 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.

## 2.13 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.

### *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that can be readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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. GST receivables include amounts for controlled, administered and bureau agencies.

Receivables arise in the normal course of selling goods and services to other SA 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 held for sale*

Non-current assets 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 are not depreciated or amortised.

### *Non-current assets*

#### Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value, after allowing for 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 i.e. the amount recorded by the transferor public authority 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 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 and buildings 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 revaluation surplus, 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 revaluation surplus to the extent of the credit balance existing in the revaluation surplus 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 surplus relating to that asset is transferred to retained earnings.

#### Impairment

All non-current tangible and intangible assets are reviewed for indications of impairment through stocktaking processes or at the reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. 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 revaluation surplus.

#### *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 infinite. 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.

*Fair value measurement*

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2 - not traded in active markets and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3 - not traded in an active market and are derived from unobservable inputs.

*Non financial assets*

In determining fair value, the department has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 19 and Note 56 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**2.14 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.

*Payables*

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable. GST payables include amounts for Controlled, Administered and Bureau activities.

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.

The Paid Parental Leave Scheme payable represents amounts which the department has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, the department is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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 payroll tax, Return to Work SA levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention 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 South Australian Superannuation Board.

#### *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 operating leases.

#### Finance leases

The department does not have any finance leases.

#### 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.

#### *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, skills experience and retention leave (SERL) 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 and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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 measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over similar SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match as closely as possible to the estimated future cash outflows.

The current classification of the department's long service leave liabilities has been calculated based on historical leave patterns, based on the department's experience of employee retention and leave taken. The remainder of long service leave is classified as non-current.

This calculation is consistent with the department's experience of employee retention and leave taken.

#### *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 the 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 Statement of Comprehensive Income 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 workers' compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector business unit of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The department is responsible for the payment for workers' compensation claims.

### **2.15 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

In accordance with the new *AASB 1055 Budgetary Reporting*, which became effective for the first time in 2014-15, the department has included comprehensive new notes 'Budgetary reporting and explanations of major variances' (Note 30 and 66). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:

- the department's original budget as published in 2014-15 Budget - Budget Paper 4
- a comparison of the original budget information
- explanations of major variances.

In accordance with new *AASB 10 Consolidated Financial Statements* and *AASB 11 Joint Arrangements*, which became effective for the first time in 2014-15, the department has reviewed its control assessments (i.e. the department's involvement with the entity, protective and substantive rights, ability to direct major relevant activities etc) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The department does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

The department will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7 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 period ending 30 June 2015. 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 undertakes the following activities:

#### *Activity 1: Review of Workers' Compensation and Rehabilitation*

The department is developing operational and legislative changes to improve the effectiveness and efficiency of Workers' Compensation in South Australia. The review of Workers' Compensation and Rehabilitation program concluded in 2013-14.

#### *Activity 2: Gambling Policy*

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

#### *Activity 3: Motor Injury Insurance (CTP) Reform*

The Compulsory Third Party (CTP) Reform Governance Group oversees the implementation of reforms to the South Australian CTP Insurance Scheme. The Motor Injury Insurance Reform program substantially concluded in 2013-14.

#### *Activity 4: Accountability for Public Sector Resources*

The department ensures 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 5: Treasury Services*

The department manages the Government's financial assets and liabilities and provision of certainty of funding to the State.

*Activity 6: Support Services*

The department provides vehicles for Ministers, Leader of the Opposition, Members of Parliament and VIPs and supports the Treasurer's Office.

*Activity 7: Financial Services Provision*

The department provides a range of whole of government services including liability management, collection of taxes, insurance, superannuation and fleet administration.

*Activity 8: Veterans Affairs*

The department supports our ex-servicemen and women and those who support them by providing a central contact point for information about the State Government's services to veterans across departments, including health, transport, disability and mental health.

*General/not attributable:* Certain items of the department are not allocated to activities.

The Disaggregated Disclosure Schedules present expenses, income, assets and liabilities attributed to each of the activities for the years ended 30 June 2015 and 30 June 2014.

**5 Employee benefits expenses**

	2015	2014
	\$'000	\$'000
Salaries and wages	38 442	45 792
TVSPs (refer below)	—	3 227
Long service leave	3 285	1 692
Annual leave	3 682	4 342
Skills and experience retention leave	226	171
Employment on-costs - superannuation	6 291	6 930
Employment on-costs - other	2 649	2 868
Board and committee fees	291	327
Other employee related expenses	844	1 694
<b>Total Employee benefits expenses</b>	<b>55 710</b>	<b>67 043</b>

**Targeted Voluntary Separation Packages (TVSPs)**

	2015	2014
	\$'000	\$'000
Amounts paid to separated employees:		
TVSPs	—	3 227
Leave paid to those employees	—	1 118
	—	4 345
Recovery from the Department of Treasury and Finance - Administered Items *	—	1 775
<b>Net cost to Department of Treasury and Finance</b>	<b>—</b>	<b>2 570</b>

\* The recovery amount includes payroll tax, Shared Services administration fees, and payments for employee assistance.

The number of employees who received a TVSP during the reporting period was **NIL** (27).

**Remuneration of employees**

	2015	2014
	Number of Employees	Number of Employees
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$141 500 to \$151 499	3	3
\$151 500 to \$161 499	3	4
\$161 500 to \$171 499	7	9
\$171 500 to \$181 499	8	3
\$181 500 to \$191 499	3	10
\$191 500 to \$201 499	1	1
\$201 500 to \$211 499	2	3
\$211 500 to \$221 499	2	3
\$221 500 to \$231 499	—	1
\$231 500 to \$241 499	2	1
\$251 500 to \$261 499	—	1
\$261 500 to \$271 499	—	1
\$271 500 to \$281 499	2	3
\$281 500 to \$291 499	2	1
\$291 500 to \$301 499	—	2
\$311 500 to \$321 499	1	—
\$321 500 to \$331 499	2	3
\$331 500 to \$341 499	—	1
\$361 500 to \$371 499	1	—
\$371 500 to \$381 499	—	1
\$411 500 to \$421 499	1	1
\$471 500 to \$481 499	—	1
<b>Total Number of Employees</b>	<b>40</b>	<b>53</b>

The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013).

The Chief Executive of the Lifetime Support Authority (LSA) was appointed by the Authority effective 1 February 2014. Executive remuneration was paid from and is disclosed in DTF's 2013-14 Financial Statements.

The bands above include long service leave and annual leave payments relating to employees who received a termination payment during the financial year.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year, of which **37** (44) are executive and **3** (9) are non executive staff. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was **\$8 431 000** (\$11 678 000).

<b>6 Supplies and services</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation and telecommunication	<b>5 046</b>	6 075
Information technology expenses	<b>5 977</b>	6 900
Minor works, maintenance and equipment	<b>438</b>	464
Legal costs	<b>2 846</b>	1 336
Consultants *	<b>2 159</b>	1 577
Contractors and temporary staff	<b>3 124</b>	2 613
Valuation fees	<b>4 727</b>	4 731
General administration and consumables	<b>4 298</b>	6 110
Corporate recharge expense	<b>10 447</b>	2 795
Other	<b>2 987</b>	4 365
<b>Total Supplies and services</b>	<b>42 049</b>	<b>36 966</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 or payments relating to third party arrangements.

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

	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	<b>17</b>	33	<b>83</b>	130
Above \$10 000	<b>29</b>	27	<b>2 076</b>	1 447
<b>Total paid / payable to the consultants engaged</b>	<b>46</b>	60	<b>2 159</b>	1 577

<b>7 Depreciation and amortisation expense</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Furniture	<b>4</b>	23
Information technology equipment	<b>289</b>	165
Office equipment	<b>10</b>	30
<b>Total Depreciation</b>	<b>303</b>	218

	2015 \$'000	2014 \$'000
<b>Amortisation</b>		
Intangible assets	819	830
Building fitouts	199	189
<b>Total Amortisation</b>	<b>1 018</b>	<b>1 019</b>
<b>Total Depreciation and amortisation expense</b>	<b>1 321</b>	<b>1 237</b>

<b>8 Other expenses</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Derecognition of assets	—	4 515
<b>Total Other expenses</b>	<b>—</b>	<b>4 515</b>

<b>9 Resources provided free of charge</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Resources provided free of charge	—	411
<b>Total Resources provided free of charge</b>	<b>—</b>	<b>411</b>

Resources provided free of charge for 2013-14 relates to employee benefits expenses paid by DTF on behalf of LSA. DTF was reimbursed by the Motor Accident Commission (MAC) for these costs. The reimbursement from MAC is recognised in the balance of 'Other Income' - refer Note 13.

<b>10 Auditor's remuneration</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Audit fees paid / payable to the Auditor-General's Department relating to the audit of financial statements.	572	602
<b>Total audit fees</b>	<b>572</b>	<b>602</b>

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

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of supplies and services (other) – refer to Note 6.

<b>11 Revenues from fees and charges</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Fees for the provision of corporate services	384	306
South Australian Government Financing Authority	12 238	13 650
South Australian Superannuation Board	16 694	15 563
Community Emergency Services Fund	6 187	5 636
Land tax certificates	264	256
Regulatory fees	160	77
Service provision	3 051	1 682
Fleet management	—	331
Other recoveries	1 273	996
<b>Total Fees and charges</b>	<b>40 251</b>	<b>38 497</b>

<b>12 Interest revenues</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Interest from entities within the SA Government	—	13
<b>Total Interest revenues</b>	<b>—</b>	<b>13</b>

<b>13 Other income</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Commissions	139	145
Banking recoveries	1 556	1 888
Other income	562	406
Reimbursement from MAC	—	2 449
<b>Total Other income</b>	<b>2 257</b>	<b>4 888</b>

<b>14 Revenues from/Payments to SA Government</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	50 412	61 265
Transfers from the Treasurer's Contingency Fund	8 705	2 752
<b>Total Revenues from SA Government</b>	<b>59 117</b>	<b>64 017</b>

**Payments to SA Government**

Return of surplus cash pursuant to Cash Alignment Policy	2 737	6 108
<b>Total Payments to SA Government</b>	<b>2 737</b>	<b>6 108</b>

Contingencies included **\$331 000** (\$2 231 000) for TVSP reimbursements, **\$179 000** (\$175 000) for the enterprise bargaining supplementation, **\$3 800 000** for the CTP Insurance Market Reform Project, **\$3 523 000** for the Tax Reform project and **\$522 000** for the Market Projects Unit.

Total revenues from SA Government consist of **\$44 762 000** for operational funding and **\$5 650 000** for capital projects.

The original amount appropriated to the department under the annual *Appropriation Act* was not varied. An additional amount of **\$1 033 000** was received from the Treasurer via the Governor's Appropriation Fund.

<b>15 Cash and cash equivalents</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	9 680	13 719
Cash on hand	3	4
<b>Total Cash and cash equivalents</b>	<b>9 683</b>	<b>13 723</b>

**Deposits with the Treasurer**

Includes funds held in the Accrual Appropriation Excess Funds Account. The balance of this fund is \$2 682 000 and is not available for general use.

**Interest rate risk**

Cash on hand and Deposits at call and with the Treasurer are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

<b>16 Receivables</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	526	1 947
Less allowance for doubtful debts	—	( 1)
Accrued revenues	2 072	621
Prepayments	1 000	1 168
Net GST receivable from the ATO	1 530	255
<b>Total Current receivables</b>	<b>5 128</b>	<b>3 990</b>

	2015 \$'000	2014 \$'000
<b>Non-Current</b>		
Receivables	19	24
Prepayments	6	33
<b>Total Non-Current receivables</b>	<u>25</u>	<u>57</u>
<b>Total Receivables</b>	<u>5 153</u>	<u>4 047</u>

#### 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):

	2015 \$'000	2014 \$'000
<b>Carrying amount at the beginning of the period</b>	1	1
Amounts written off	( 1 )	—
<b>Carrying amount at the end of the period</b>	<u>—</u>	<u>1</u>

#### 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 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.

**Ageing analysis of financial assets - refer to Table 31.3 in Note 31.**

**Maturity analysis of financial assets and liabilities - refer to Table 31.4 in Note 31.**

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

### 17 Property, plant and equipment

	2015 \$'000	2014 \$'000
<b>Building Fitouts</b>		
At cost	2 145	2 048
Accumulated amortisation	(1 812)	(1 636)
<b>Total Building Fitouts</b>	<u>333</u>	<u>412</u>
<b>Furniture</b>		
At cost	260	338
Accumulated depreciation	( 255 )	( 289 )
<b>Total Furniture</b>	<u>5</u>	<u>49</u>
<b>Information Technology Equipment</b>		
At cost	1 764	1 893
Accumulated depreciation	(1 021)	(1 540)
<b>Total Information Technology Equipment</b>	<u>743</u>	<u>353</u>

	2015 \$'000	2014 \$'000
Office Equipment		
At cost	382	454
Accumulated depreciation	( 370)	( 447)
<b>Total Office Equipment</b>	<b>12</b>	<b>7</b>
Work in Progress		
At cost	369	654
<b>Total Work in Progress</b>	<b>369</b>	<b>654</b>
<b>Total Property, plant and equipment</b>	<b>1 462</b>	<b>1 475</b>

### Carrying amount of Property, plant and equipment

All items of property, plant and equipment that had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. The assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

### Impairment

There were no indicators of impairment for property, plant and equipment as at 30 June 2015.

### Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2014-15:

	Building Fitouts \$'000	Furniture \$'000
Carrying amount at the beginning of the period	412	49
Additions	—	—
Capital transfers from WIP	120	—
Other movements	—	( 40)
Transfers between asset classes	—	—
Depreciation and amortisation expense	( 199)	( 4)
<b>Carrying amount at the end of the period</b>	<b>333</b>	<b>5</b>

	Information Technology Equipment \$'000	Office Equipment \$'000	Work in Progress \$'000	Total 2015 \$'000
Carrying amount at the beginning of the period	353	7	654	1 475
Additions	9	15	487	511
Capital transfers from WIP	652	—	( 772)	—
Other movements	—	—	—	( 40)
Transfers between asset classes	18	—	—	18
Depreciation and amortisation expense	( 289)	( 10)	—	( 502)
<b>Carrying amount at the end of the period</b>	<b>743</b>	<b>12</b>	<b>369</b>	<b>1 462</b>

The following table shows the movement of property, plant and equipment during 2013-14:

	Building Fitouts \$'000	Furniture \$'000
Carrying amount at the beginning of the period	601	33
Additions	—	39
Capital transfers from WIP	—	—
Other movements	—	—
Depreciation and amortisation expense	( 189)	( 23)
<b>Carrying amount at the end of the period</b>	<b>412</b>	<b>49</b>



	Information Technology Equipment	Office Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	362	37	—	1 033
Additions	156	—	654	849
Capital transfers from WIP	—	—	—	—
Other movements	—	—	—	—
Depreciation and amortisation expense	( 165)	( 30)	—	( 407)
Carrying amount at the end of the period	353	7	654	1 475

<b>18 Intangible assets</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Internally developed computer software		
At cost	<b>21 048</b>	20 670
Accumulated amortisation	<b>(11 811)</b>	(11 005)
<b>Total Internally developed computer software</b>	<b>9 237</b>	9 665
Externally acquired software		
At cost	<b>2 099</b>	2 940
Accumulated amortisation	<b>(2 099)</b>	(2 880)
<b>Total Externally acquired software</b>	<b>—</b>	60
Work in Progress		
At cost	<b>15 730</b>	11 230
<b>Total Work in Progress</b>	<b>15 730</b>	11 230
<b>Total Intangible assets</b>	<b>24 967</b>	20 955

#### Reconciliation of Intangible assets

The following table shows the movement of intangible assets during 2014-15:

	Internally developed software	Externally acquired software	Work in Progress	Total 2015
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	9 665	60	11 230	20 955
Additions	195	—	4 653	4 848
Capital transfers from WIP	182	—	( 182)	—
Transfers between asset classes	—	( 46)	29	( 17)
Amortisation expense	( 805)	( 14)	—	( 819)
<b>Carrying amount at the end of the period</b>	<b>9 237</b>	<b>—</b>	<b>15 730</b>	<b>24 967</b>

There were no indications of impairment for intangible assets as at 30 June 2015.

The following table shows the movement of intangible assets during 2013-14:

	Internally developed software	Externally acquired software	Work in Progress	Total 2014
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	10 364	65	13 611	24 040
Additions	—	46	2 214	2 260
Capital transfers from WIP	80	—	( 80)	—
Disposals and derecognition of assets	—	—	(4 515)	(4 515)
Amortisation expense	( 779)	( 51)	—	( 830)
Carrying amount at the end of the period	9 665	60	11 230	20 955

## 19 Fair value measurement

### Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into a three-tier hierarchy based on the level of inputs used in measurement. As at 30 June 2015 the department had no level 1 and 2 assets and there were no changes to the asset classifications between 2014 and 2015.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

### Fair value measurements at 30 June 2015

	Level 3	2015
	\$'000	\$'000
<b>Recurring fair value measurements</b>		
Building fitouts (Note 17)	333	333
Furniture (Note 17)	5	5
Information technology equipment (Note 17)	743	743
Office equipment (Note 17)	12	12
<b>Total recurring fair value measurements</b>	<b>1 093</b>	<b>1 093</b>

### Fair value measurements at 30 June 2014

	Level 3	2014
	\$'000	\$'000
<b>Recurring fair value measurements</b>		
Building fitouts (Note 17)	412	412
Furniture (Note 17)	49	49
Information technology equipment (Note 17)	353	353
Office equipment (Note 17)	7	7
<b>Total recurring fair value measurements</b>	<b>821</b>	<b>821</b>

There were no transfers of assets into or out of the level 3 hierarchy in 2015. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

### Valuation techniques and inputs

All property, plant and equipment is recognised at cost less accumulated depreciation.

In accordance with APF III 'Asset Accounting Framework', property, plant and equipment is only revalued when its fair value at acquisition date exceeds \$1 million and its estimated useful life is greater than 3 years. The department does not control any assets that meet this threshold.

Estimates of residual value and useful life used to calculate accumulated depreciation are not based on observable market data. For this reason all property, plant and equipment is categorised into level 3.

There were no changes in valuation techniques during 2015.

**Reconciliation of recurring fair value measurements - Level 3 as at 30 June 2015**

	Office equipment	Building fit-outs	Furniture	Information technology equipment
	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	7	412	49	353
Additions	15	120	—	661
Transfers between asset classes				18
<b>Subtotal</b>	<b>22</b>	<b>532</b>	<b>49</b>	<b>1 032</b>

**Gains/(losses) for the period recognised in net result:**

Prior period adjustments			(40)	
Depreciation	(10)	(199)	(4)	(289)
<b>Carrying amount at the end of the period</b>	<b>12</b>	<b>333</b>	<b>5</b>	<b>743</b>

**Reconciliation of recurring fair value measurements - Level 3 as at 30 June 2014**

	Office equipment	Building fit-outs	Furniture	Information technology equipment
	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	37	601	33	362
Additions	—	—	39	156
<b>Subtotal</b>	<b>37</b>	<b>601</b>	<b>72</b>	<b>518</b>

**Gains/(losses) for the period recognised in net result:**

Depreciation	(30)	(189)	(23)	(165)
<b>Carrying amount at the end of the period</b>	<b>7</b>	<b>412</b>	<b>49</b>	<b>353</b>

**20 Payables**

	2015	2014
	\$'000	\$'000
<b>Current</b>		
Creditors and accrued expenses	5 758	6 663
Employment on-costs	861	861
Paid Parental Leave Scheme payable	24	27
<b>Total Current Payables</b>	<b>6 643</b>	<b>7 551</b>
<b>Non-Current</b>		
Employment on-costs	1 170	1 053
<b>Total Non-Current Payables</b>	<b>1 170</b>	<b>1 053</b>
<b>Total Payables</b>	<b>7 813</b>	<b>8 604</b>

**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 benefits 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 financial assets and liabilities - refer to table 31.4 in Note 31.**

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

<b>21 Employee benefits</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	313	157
Annual leave	3 858	3 699
Long service leave	1 787	1 840
Skills and experience retention leave	276	231
<b>Total Current Employee benefits</b>	<b>6 234</b>	<b>5 927</b>
<b>Non-Current</b>		
Long service leave	13 068	10 961
<b>Total Non-Current Employee benefits</b>	<b>13 068</b>	<b>10 961</b>
<b>Total Employee benefits</b>	<b>19 302</b>	<b>16 888</b>

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in measurement of the long service liability. The yield on long-term Commonwealth Government bonds has decreased from 2014 (3.5%) to 2015 (3%).

The decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long services leave liability. The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$459 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the department left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills experience and retention leave liability.

<b>22 Provisions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	174	200
<b>Total Current Provisions</b>	<b>174</b>	<b>200</b>
<b>Non-Current</b>		
Provision for workers' compensation	512	712
<b>Total Non-Current Provisions</b>	<b>512</b>	<b>712</b>
<b>Total Provisions</b>	<b>686</b>	<b>912</b>
<b>Reconciliation of Provisions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>912</b>	<b>1 203</b>
Payments/other sacrifices of future economic benefits	( 225)	( 704)
Additional provisions recognised	( 1)	413
<b>Carrying amount at the end of the period</b>	<b>686</b>	<b>912</b>

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment performed by the Office for the Public Sector business unit of the Department of the Premier and Cabinet.

<b>23 Other liabilities</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	—	140
<b>Total Other liabilities</b>	<b>—</b>	<b>140</b>

<b>24 Equity</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital contribution	547	547
Retained earnings	12 917	13 109
<b>Total Equity</b>	<b>13 464</b>	<b>13 656</b>

## **25 Unrecognised Contractual Commitments**

### **(a) Remuneration Commitments**

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	7 208	7 214
Later than one year but not later than five years	13 664	13 224
Later than five years	24	—
<b>Total Remuneration Commitments</b>	<b>20 896</b>	<b>20 438</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 and motor vehicles.

Office accommodation is leased from the Department of Planning, Transport 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.

Motor vehicles are leased from SAFA through their agent LeasePlan, these leases are non-cancellable with terms of 3-5 years.

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	1 317	4 153
Later than one year but not later than five years	518	1 876
Later than five years	—	91
<b>Total Non-Cancellable Operating Lease Commitments</b>	<b>1 835</b>	<b>6 120</b>

### **(c) Other Commitments**

The department's other commitments are primarily agreements for software licenses and software development.

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	3 325	4 082
Later than one year and not later than five years	489	1 691
<b>Total Other Commitments</b>	<b>3 814</b>	<b>5 773</b>

## 26 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.

## 27 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were:

### SAFA Advisory Board

Mr Brett Rowse (Presiding Member)\*  
 Mr Mark Day (Resigned 08/06/15)  
 Mr Leonard Foster (Resigned 08/06/15)  
 Ms Yvonne Sneddon (Resigned 08/06/15)  
 Ms Juliet Brown  
 Ms Joan Fitzpatrick (Appointed 14/08/14)  
 Mr Garry Goddard (Deputy Member)\*  
 Mr Jamie Hollamby (Appointed 14/08/14)\*  
 Ms Kerry Rowlands (Deputy Member) -  
 (Appointed 14/08/14)\*

### SAFA Audit and Risk Management Committee

Ms Yvonne Sneddon (Chair) (Resigned 08/06/15)  
 Mr Leonard Foster (Resigned 08/06/15)  
 Ms Juliet Brown  
 Mr Jamie Hollamby\*  
 Ms Joan Fitzpatrick (Appointed 14/08/14)

### Super SA Board

Mr Philip Jackson (Presiding Member)  
 Ms Virginia Deegan  
 Dr Bill Griggs\*  
 Ms Jan McMahon  
 Ms Deborah Black  
 Mr John Wright (Deputy Member)  
 Ms Leah York  
 Ms Elizabeth Hlipala (Deputy Member)\*

### Super SA Member Services Committee

Ms Jan McMahon (Convenor of Meetings)  
 Ms Leah York  
 Dr Bill Griggs\*  
 Mr John Montague\*

### Veterans Advisory Council

Hon Sir Eric Neal AC CVO  
 BRIG L Lewis AM (Retd)^  
 BRIG TJ Hanna AM  
 Dr P D Schultz OAM  
 LTCOL I R Gregg  
 LTCOL J Spencer OAM RFD (Retd)  
 Mr B L Horan  
 Mr C M Burns CSC  
 Mr L Eddy  
 Mr M von Berg MC OAM  
 Ms H K Adamson  
 WGCdr R A Macintosh AFC OAM (Retd)  
 Mr T Briscoe (Resigned 23/06/15)  
 LTCOL M D Wells (Resigned 31/12/14)^  
 Mr G Harrison OAM (Resigned 31/12/14)  
 Mr J L Hough (Resigned 31/12/14)  
 Mr M Benyk (Resigned 31/12/14)  
 Ms J R Hudson (Resigned 31/12/14)  
 Mr D J Everitt (Resigned 19/01/15)  
 Mr R J Kemp (Resigned 19/01/15)  
 Dr S L Mascal-Dare (Resigned 19/01/15)  
 LTCOL D McCammon (Resigned 19/01/15)^

### DTF Audit and Risk Committee

Mr Andrew Blaskett \* (Chair)  
 Mr Anthony Steele \*  
 Mr Craig Fowler \*  
 Mr Tim Smith \* (resigned)  
 Mr John Hill - Independent Member  
 Ms Tammie Pribanic\*

### Super SA Audit and Finance Committee

Ms Virginia Deegan (Convenor of Meetings)  
 Mr Philip Jackson (Presiding Member)\*  
 Mr John Wright

\* In accordance with the Department of Premier and Cabinet Circular Number 016, Government employees did not receive any remuneration for board/committee duties during the financial year.

^ BRIG L Lewis AM (Retd), LTCOL M D Wells and LTCOL D McCammon were entitled to but elected not to receive remuneration for membership of the Veteran's Advisory Council.

	2015 Number	2014 Number
The number of remunerated members whose remuneration received or receivable falls within the following bands:		
\$0 - \$9 999	20	21
\$10 000 - \$19 999	—	3
\$20 000 - \$29 999	4	3
\$30 000 - \$39 999	4	4
\$40 000 - \$49 999	1	2
Total Number of Members	29	33

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was **\$322 000** (\$362 000).

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.

28 Cash Flow Reconciliation	2015 \$'000	2014 \$'000
(a) Reconciliation of cash and cash equivalents at the end of the reporting period		
Statement of Cash Flows	9 683	13 723
Statement of Financial Position	9 683	13 723
(b) Reconciliation of net cash provided by (used in) operating activities to net cost of providing services		
Net cash provided by (used in) operating activities	1 280	(4 768)
Less revenues from SA Government	(59 117)	(64 017)
Add payments to SA Government	2 737	6 108
Add non cash items		
Depreciation and amortisation expense	(1 321)	(1 237)
Derecognition of assets	—	(4 515)
Derecognition of liabilities as part of Administrative Restructure	—	(3 341)
Movement in assets / liabilities		
Increase (Decrease) in receivables	1 106	(1 120)
Decrease (Increase) in payables	791	1 716
(Increase) Decrease in employee benefits	(2 414)	4 249
Decrease (Increase) in provisions	226	291
Increase (Decrease) in other liabilities	140	( 140)
Net cost of providing services	(56 572)	(66 774)

## 29 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note							
	<b>EXPENSES</b>						
5)	Employee benefits expenses	—	—	55 710	67 043	55 710	67 043

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
6)	Supplies and services						
	Accommodation and telecommunication	4 959	5 989	86	86	5 046	6 075
	Information technology expenses	290	442	5 687	6 458	5 977	6 900
	Minor works, maintenance and equipment	262	279	176	185	438	464
	Legal costs	1 694	1 253	1 152	83	2 846	1 336
	Consultants	—	—	2 159	1 577	2 159	1 577
	Contractors	—	—	3 124	2 613	3 124	2 613
	Valuation fees	4 727	4 731	—	—	4 727	4 731
	General administration and consumables	835	2 596	2 891	2 912	3 726	5 508
	Corporate recharge expense	10 447	2 795	—	—	10 447	2 795
	Other	1 366	1 757	1 621	2 608	2 987	4 365
7)	Depreciation and amortisation expense	—	—	1 321	1 237	1 321	1 237
8)	Other expenses						
	Derecognition of assets	—	4 515	—	—	—	4 515
9)	Resources received free of charge	—	411	—	—	—	411
10)	Auditor's remuneration	572	602	—	—	572	602
14)	Payments to SA Government	2 737	6 108	—	—	2 737	6 108
	<b>TOTAL EXPENSES</b>	<b>27 889</b>	<b>31 478</b>	<b>73 927</b>	<b>84 802</b>	<b>101 817</b>	<b>116 280</b>
	<b>INCOME</b>						
11)	Revenues from fees and charges						
	Fees for the provision of Corporate Services	384	306	—	—	384	306
	South Australian Government Financing Authority	12 238	13 650	—	—	12 238	13 650
	South Australian Superannuation Board	16 694	15 563	—	—	16 694	15 563
	Community Emergency Services Fund	6 187	5 636	—	—	6 187	5 636
	Land tax certificates	—	—	264	256	264	256
	Regulatory fees	—	—	160	77	160	77
	Service provision	3 051	1 682	—	—	3 051	1 682
	Fleet management	—	—	—	331	—	331
	Other recoveries	177	542	1 097	454	1 274	996
12)	Interest revenues	—	13	—	—	—	13
13)	Other income						
	Commissions	—	—	139	145	139	145
	Banking recoveries	—	—	1 556	1 888	1 556	1 888
	Other income	521	385	41	22	562	406
	Reimbursements from MAC	—	2 449	—	—	—	2 449
14)	Revenues from SA Government	59 117	64 017	—	—	59 117	64 017
	<b>TOTAL INCOME</b>	<b>98 369</b>	<b>104 243</b>	<b>3 258</b>	<b>3 173</b>	<b>101 626</b>	<b>107 415</b>
	<b>FINANCIAL ASSETS</b>						
15)	Cash and cash equivalents	9 683	13 723	—	—	9 683	13 723
16)	Receivables						
	Receivables	122	333	423	1 638	545	1 971
	Accrued revenues	2 055	615	17	6	2 072	621
	Prepayments	—	—	1 006	1 201	1 006	1 201
	Net GST recoverable from the ATO	—	—	1 530	255	1 530	255
	<b>TOTAL FINANCIAL ASSETS</b>	<b>11 860</b>	<b>14 671</b>	<b>2 976</b>	<b>3 100</b>	<b>14 836</b>	<b>17 771</b>



		SA Government		Non-SA Government		Total	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	<b>FINANCIAL LIABILITIES</b>						
20)	Payables						
	Creditors and accrued expenses	3 404	6 426	2 354	237	5 758	6 663
	Employment on-costs	1 006	883	1 025	1 031	2 031	1 914
	Paid Parental Leave Scheme payable	—	—	24	27	24	27
21)	Employee benefits						
	Accrued salaries and wages	—	—	313	157	313	157
	Annual leave	—	—	3 858	3 699	3 858	3 699
	Long service leave	—	—	14 855	12 801	14 855	12 801
	Skills and experience retention leave	—	—	276	231	276	231
22)	Provisions						
	Provisions for workers compensation	—	—	686	912	686	912
23)	Other financial liabilities						
	Unearned revenue	—	140	—	—	—	140
	<b>TOTAL FINANCIAL LIABILITIES</b>	<b>4 410</b>	<b>7 449</b>	<b>23 391</b>	<b>19 095</b>	<b>27 801</b>	<b>26 544</b>

### 30 Budgetary Reporting and Explanations of Major Variances Between Budget and Actual Amounts

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

Statement of Comprehensive Income	Note	Original Budget <sup>1</sup>	Actual	Variance	Variance Explanation
		2015 \$'000	2015 \$'000	2015 \$'000	
<b>Expenses</b>					
Employee benefits expense	5	54 780	55 710	( 930)	
Supplies and services	6	35 391	42 049	(6 658)	1
Depreciation and amortisation expense	7	4 092	1 321	2 771	
Other expenses	8	336	—	336	
<b>Total Expenses</b>		<b>94 599</b>	<b>99 080</b>	<b>(4 481)</b>	
<b>Income</b>					
Revenues from fees and charges	11	38 318	40 251	(1 933)	
Other income	13	825	2 257	(1 432)	
<b>Total Income</b>		<b>39 143</b>	<b>42 508</b>	<b>(3 365)</b>	
<b>Net cost of providing services</b>		<b>(55 456)</b>	<b>(56 572)</b>	<b>1 116</b>	
<b>Revenues from/payments to SA Government</b>					
Revenue from SA Government	14	49 379	59 117	(9 738)	2
Payments to SA Government	14	—	(2 737)	2 737	
<b>Total Revenue from SA Government</b>		<b>49 379</b>	<b>56 380</b>	<b>(7 001)</b>	
<b>Net result</b>		<b>(6 077)</b>	<b>( 192)</b>	<b>(5 885)</b>	3
<b>Total comprehensive result</b>		<b>(6 077)</b>	<b>( 192)</b>	<b>(5 885)</b>	

	Note	Original Budget <sup>1</sup>	Actual	Variance \$	
		2015	2015	2015	
		\$'000	\$'000	\$'000	
<b>Investing Expenditure Summary</b>					
Total new projects		—	488	( 488)	
Total existing projects		2 884	4 147	(1 263)	
Total annual programs		1 856	767	1 089	
<b>Total investing expenditure</b>		<b>4 740</b>	<b>5 402</b>	<b>(662)</b>	<b>4</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with the line items in the financial statements. However the amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

### Variance Explanations

#### 1 Supplies and Services

The additional \$6.658 million in expenditure compared to the original budget is primarily due to additional supplies and services budget for specific projects and initiatives of the department. This included funding for the Tax Reform project (\$0.806m), consultancy budget for the Market Projects Unit which resulted in additional expenditure over the original budget (\$0.650m) and the service level agreement (SLA) charges for the merged Corporate Services initiative with DPC (\$7.630m). The additional funding for the SLA charges was offset by an equal reduction in Salaries and Wages budget to reflect the change in expenditure classification. The department also recorded an underspend against the revised supplies and services budget (\$3.167m) which offsets the additional funding received in 2014-15 due to delays in departmental projects and initiatives.

#### 2 Revenue from SA Government

An additional \$9.738 million in Revenue from SA Government was received in 2014-15 over the original budget to fund specific projects and initiatives of the department as well as funding received for a machinery of government change and wages parity supplementation. Projects and initiatives included the CTP Insurance Market Reform project, the Tax Reform project and the Budget Monitoring System upgrade. Under machinery of government changes Veterans' Affairs was transferred along with its funding from the Department for Communities and Social Inclusion to the Department of Treasury and Finance.

#### 3 Net result

The department's actual net result against the original budget improved by \$5.885 million. This is primarily due to:

- a) Under expenditure by the department against the original budget due to staffing vacancies throughout the year, a reprofiling of depreciation expense due to delays in the implementation of the RISTEC system offset by additional supplies and services expenditure in relation to specific projects and initiatives undertaken by the department for which additional funding was received in 2014-15
- b) additional income received by the department due to the recovery of Corporate Services costs from the Department of the Premier and Cabinet relating to the merged Corporate Services initiative as well as additional income relating to the whole of government banking contract.
- c) additional revenue from SA Government (refer variance 2).

#### 4 Investing expenditure

The department received additional funding over the original budget during 2014-15. The total revised investing budget was \$7.972 million. Additional investing budget received during 2014-15 included funding for the Budget and Monitoring system upgrade (\$0.700m), carryovers from 2013-14 (\$1.962m), funding for the National Electronic Conveyancing System (\$0.250m) and funding for system changes associated with the SAILIS Land Services business reform project (\$0.250m).

### 31 Financial Instruments/Financial Risk Management

#### 31.1 Financial risk management

Risk management is managed by the department's Audit and Risk Committee and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The department is exposed to financial risk - credit risk, liquidity risk and market risk. There have been no changes in risk exposure since the last reporting period.

**Table 31.2 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.

#### 2015

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount	Fair value
			2015 \$'000	2015 \$'000
<b>Financial assets</b>				
Cash and cash	Cash and cash equivalents	15, 28	9 683	9 683
Receivables	Receivables <sup>(1) (2)</sup>	16	526	526
	<b>Total Financial Assets</b>		<b>10 209</b>	<b>10 209</b>
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	20	5 211	5 211
	Other liabilities	23	—	—
	<b>Total Financial Liabilities</b>		<b>5 211</b>	<b>5 211</b>

#### 2014

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount	Fair value
			2014 \$'000	2014 \$'000
<b>Financial assets</b>				
Cash and cash	Cash and cash equivalents	15, 28	13 723	13 723
Receivables	Receivables <sup>(1) (2)</sup>	16	1 947	1 947
	<b>Total Financial Assets</b>		<b>15 670</b>	<b>15 670</b>
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	20	6 203	6 203
	Other liabilities	23	140	140
	<b>Total Financial Liabilities</b>		<b>6 343</b>	<b>6 343</b>

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Excludes prepayments which do not meet the definition of a financial asset as per AASB 132.

### Fair value

The department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair value due to the short term nature of these. Refer to Notes 16 and 20.

### 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 hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit ratings. The department does not hold any collateral as security on any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 16 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 31.3 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days \$'000	Overdue for 30 – 60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
<b>2015</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	—	—	—	—
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	—	—
<b>Total</b>	—	—	—	—
<b>2014</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	68	—	—	68
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	1	1
<b>Total</b>	68	—	1	69

<sup>(1)</sup> Receivable amounts disclosed here exclude amounts relating to statutory receivables. They are carried at cost.

**Liquidity risk**

Liquidity risk arises from the possibility that the department is unable to meet its financial obligations as they fall due. The department is funded principally from appropriation by the SA Government. The department determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. 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 31.4 represent the department's maximum exposure to liquidity risk.

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

**Table 31.4: Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	9 683	9 683	—	—
Receivables	526	526	—	—
<b>Total financial assets</b>	<b>10 209</b>	<b>10 209</b>	—	—
<b>Financial liabilities</b>				
Payables	5 211	5 211	—	—
Other liabilities	—	—	—	—
<b>Total financial liabilities</b>	<b>5 211</b>	<b>5 211</b>	—	—

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2014</b>				
<b>Financial assets</b>				
Cash and cash equivalents	13 723	13 723	—	—
Receivables	1 947	1 947	—	—
<b>Total financial assets</b>	<b>15 670</b>	<b>15 670</b>	—	—
<b>Financial liabilities</b>				
Payables	6 203	6 203	—	—
Other liabilities	140	140	—	—
<b>Total financial liabilities</b>	<b>6 343</b>	<b>6 343</b>	—	—

**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.

**32 Transferred functions****2014-15**

There were no restructures during 2014-15.

**2013-14****Transferred out**

Pursuant to section 9(3) of the *Public Sector Act 2009*, the department's Corporate Services function and Ministerial Fleet services were transferred to the Department of the Premier and Cabinet on 10 February 2014 and 1 April 2014 respectively.

The following liabilities were transferred to the Department of the Premier and Cabinet:

	<b>\$'000</b>
Payables	<b>295</b>
Employee benefit expenses	<b>3 046</b>
<b>Total liabilities</b>	<b><u>3 341</u></b>

Liabilities transferred by the department as a result of the administrative restructure were at the carrying amount.

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

The department is not aware of any events after the reporting period that would impact on the financial statements.



# **DEPARTMENT OF TREASURY AND FINANCE**

## **ADMINISTERED FINANCIAL STATEMENTS**

**for the year ended 30 June 2015**





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**Statement of Administered Comprehensive Income for the year ended 30 June 2015**


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	Note	2015 \$'000	2014 \$'000
<b>INCOME</b>			
Taxation	35	3 903 756	3 758 830
Commonwealth revenues	36	6 934 948	6 473 708
Dividends	37	214 393	245 310
Interest revenues	38	83 350	79 510
Revenues from SA Government	39	1 448 223	1 853 493
Grants and contributions	40	72 493	270 967
Revenues from fees and charges	41	104 600	76 344
Other revenues	42	2 917 426	491 939
<b>Total income</b>		<b>15 679 189</b>	<b>13 250 101</b>
<b>EXPENSES</b>			
Payments to SA Government	39	12 450 563	10 193 086
Employee benefit expenses	43	432 566	438 197
Supplies and services	44	58 393	57 560
Borrowing costs	45	340 584	363 801
Grants, subsidies and transfers	46	2 310 737	2 246 087
Depreciation and amortisation expense	47	240	485
Net loss from the disposal of non-current assets	48	—	2 997
Other expenses	49	92 125	154 803
<b>Total expenses</b>		<b>15 685 208</b>	<b>13 457 016</b>
<b>NET RESULT</b>		<b>(6 019)</b>	<b>(206 915)</b>
<b>NET RESULT AND TOTAL COMPREHENSIVE INCOME</b>		<b>(6 019)</b>	<b>(206 915)</b>

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**Statement of Administered Financial Position as at 30 June 2015**


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	Note	2015 \$'000	2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	50	1 112 174	1 622 553
Receivables	51	6 128	11 630
Other financial assets	52	735	150
Non-current assets held for sale	53	557	557
<b>Total Current Assets</b>		<b>1 119 594</b>	<b>1 634 890</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	51	10	12
Property, plant and equipment	54	1 135	1 301
Intangible assets	55	325	325
<b>Total Non-Current Assets</b>		<b>1 470</b>	<b>1 638</b>
<b>TOTAL ASSETS</b>		<b>1 121 064</b>	<b>1 636 528</b>
<b>CURRENT LIABILITIES</b>			
Payables	57	824 284	1 327 814
Employee benefits	58	1 204	1 094
Provisions	59	74	90
Other liabilities	60	25	21
<b>Total Current Liabilities</b>		<b>825 587</b>	<b>1 329 019</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	57	62 059	67 941
Employee benefits	58	788	836
Provisions	59	252	310
Other liabilities	60	680	705
<b>Total Non-Current Liabilities</b>		<b>63 779</b>	<b>69 792</b>
<b>TOTAL LIABILITIES</b>		<b>889 366</b>	<b>1 398 811</b>
<b>NET ASSETS</b>		<b>231 698</b>	<b>237 717</b>
<b>EQUITY</b>			
Accumulated surplus		231 063	237 082
Asset revaluation surplus		635	635
<b>TOTAL EQUITY</b>	61	<b>231 698</b>	<b>237 717</b>
<b>Note</b>			
Unrecognised Contractual Commitments	62		
Contingent Assets and Liabilities	63		

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**Statement of Administered Changes in Equity for the year ended 30 June 2015**


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	<b>Asset revaluation Surplus</b>	<b>Accumulated Surplus/ (Deficit)</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 30 June 2013	635	443 845	444 480
Error correction	—	145	145
<b>Restated balance at 30 June 2013</b>	<b>635</b>	<b>443 990</b>	<b>444 625</b>
Total comprehensive result for 2013-14	—	(206 915)	(206 915)
Net assets transferred as a result of an administrative restructure	68 —	7	7
<b>Balance at 30 June 2014</b>	<b>61 635</b>	<b>237 082</b>	<b>237 717</b>
Total comprehensive result for 2014-15	—	(6 019)	(6 019)
<b>Balance at 30 June 2015</b>	<b>61 635</b>	<b>231 063</b>	<b>231 698</b>

## Statement of Administered Cash Flows for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash inflows</b>			
Taxation received		3 903 756	3 685 741
Receipts from Commonwealth		6 934 948	6 473 707
Dividends		209 052	240 455
Interest received		83 350	79 510
Receipts from SA Government		1 448 223	1 852 506
Grants and contributions		72 493	270 967
Fees and charges		110 412	78 049
GST recovered from Australian Taxation Office		1 706	1 474
Receipts for Paid Parental Leave Scheme		—	4
Other receipts		2 903 401	491 939
<b>Cash generated from operations</b>		<b>15 667 341</b>	<b>13 174 352</b>
<b>Cash outflows</b>			
Payments to SA Government		(12 942 656)	(9 955 416)
Employee benefit payments		( 432 555)	( 438 142)
Payments for supplies and services		( 65 773)	( 63 518)
Interest payments		( 340 584)	( 363 801)
Grants, subsidies and transfers		(2 318 178)	(2 247 771)
Payments for Paid Parental Leave Scheme		( 2)	—
Other payments		( 78 148)	( 81 713)
<b>Cash used in operations</b>		<b>(16 177 896)</b>	<b>(13 150 361)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	64(b)	<b>(510 555)</b>	<b>23 991</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 74)	( 92)
<b>Cash used in investing activities</b>		<b>( 74)</b>	<b>( 92)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>( 74)</b>	<b>( 92)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash inflows</b>			
Proceeds from other financial assets		293	987
Cash received from administrative restructure		—	7
<b>Cash generated from financing activities</b>		<b>293</b>	<b>994</b>
<b>Cash outflows</b>			
Other financial assets granted		( 43)	—
<b>Cash used in financing activities</b>		<b>( 43)</b>	<b>—</b>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>250</b>	<b>994</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(510 379)</b>	<b>24 893</b>
Cash and cash equivalents at 1 July		1 622 553	1 597 660
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	64(a)	<b>1 112 174</b>	<b>1 622 553</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2015**

	Admin Items on behalf of the Consolidated Account		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account		Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme		ETSA Sales/Lease Proceeds Account	
	Activity 1		Activity 2		Activity 3		Activity 4		Activity 5		Activity 6	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>												
Taxation	3 574 063	3 513 977	—	—	—	—	190 499	99 123	—	—	—	—
Commonwealth revenues	5 334 062	5 360 923	24 752	25 016	—	—	—	—	—	—	—	—
Dividends	209 052	240 455	—	—	—	—	—	—	—	—	—	—
Interest revenues	81 755	77 705	—	—	—	—	115	73	390	401	5 341	4 855
Revenues from SA Government	40 940	72 820	—	—	—	—	—	—	—	—	—	—
Grants and contributions	—	99 999	—	—	20 000	20 000	26 494	103 153	—	—	—	—
Revenues from fees and charges	104 160	75 926	—	—	—	—	437	416	—	—	—	—
Other revenues	2 902 185	468 443	—	—	—	—	—	—	—	—	—	—
<b>Total Administered Income</b>	<b>12 246 217</b>	<b>9 910 248</b>	<b>24 752</b>	<b>25 016</b>	<b>20 000</b>	<b>20 000</b>	<b>217 545</b>	<b>202 765</b>	<b>390</b>	<b>401</b>	<b>5 341</b>	<b>4 855</b>
<b>EXPENSES</b>												
Payments to SA Government	12 202 599	9 833 448	—	—	—	—	—	—	—	—	—	—
Employee benefit expenses	308	265	—	—	—	—	—	—	—	—	—	—
Supplies and services	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing costs	—	—	—	—	—	—	—	—	—	—	—	—
Grants, subsidies and transfers	43 303	76 535	—	—	—	—	216 845	202 625	—	—	—	—
Depreciation and amortisation expense	—	—	—	—	20 000	20 000	—	—	—	—	—	—
Net loss from the disposal of non-current assets	—	—	—	—	—	—	—	—	—	—	—	—
Other expenses	7	—	24 752	25 016	—	—	—	—	—	—	—	—
<b>Total Administered Expenses</b>	<b>12 246 217</b>	<b>9 910 248</b>	<b>24 752</b>	<b>25 016</b>	<b>20 000</b>	<b>20 000</b>	<b>216 845</b>	<b>202 625</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET RESULT</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>700</b>	<b>140</b>	<b>390</b>	<b>401</b>	<b>5 341</b>	<b>4 855</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2015**

	Hospitals Fund		Activity 7		Housing Loans Redemption Fund		Intergovernmental Agreement on Federal Financial Relations		Industry Financial Assistance Account		Local Government Concessions		Local Government Disaster Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>														
Taxation	137 541	144 338												
Commonwealth revenues	—	—			1 576 134	1 087 769								
Dividends	—	—			—	—								
Interest revenues	—	—	286	379	—	—			63	24			672	834
Revenues from SA Government	—	—	—	—	—	—			—	—			—	—
Grants and contributions	—	—	—	—	—	—			2 719	25 757			—	—
Revenues from fees and charges	—	—	—	—	—	—			—	—			—	—
Other revenues	—	—	—	—	—	—			13 732	3 701			—	—
<b>Total Administered Income</b>	<b>137 541</b>	<b>144 338</b>	<b>286</b>	<b>379</b>	<b>1 576 134</b>	<b>1 087 769</b>			<b>16 514</b>	<b>29 482</b>			<b>672</b>	<b>834</b>
<b>EXPENSES</b>														
Payments to SA Government	137 541	144 338									1 966			
Employee benefit expenses	—	—												
Supplies and services	—	—												
Borrowing costs	—	—												
Grants, subsidies and transfers	—	—			1 606 344	1 191 033			10 101	13 284			2 997	847
Depreciation and amortisation expense	—	—												
Net loss from the disposal of non-current assets	—	—												
Other expenses	—	—							13 977	2 715				
<b>Total Administered Expenses</b>	<b>137 541</b>	<b>144 338</b>					<b>1 606 344</b>	<b>1 191 033</b>	<b>24 078</b>	<b>15 999</b>	<b>1 966</b>		<b>2 997</b>	<b>847</b>
<b>NET RESULT</b>	<b>—</b>	<b>—</b>	<b>286</b>	<b>379</b>	<b>(30 210)</b>	<b>(103 264)</b>			<b>(7 564)</b>	<b>13 483</b>	<b>(1 966)</b>		<b>(2 325)</b>	<b>( 13)</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2015**

	Local Government Taxation Equivalents Fund		Market Projects Unit		Responsible Gambling Working Party		Support Services to Parliamentarians		Super SA Select		Treasury and Finance Administered Items Account	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>												
Taxation	1 653	1 392	—	—	—	—	—	—	—	—	—	—
Commonwealth revenues	—	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—	—
Interest revenues	10	4	—	—	—	—	—	—	—	—	—	—
Revenues from SA Government	—	—	—	—	—	—	—	—	—	—	1 406 543	1780 673
Grants and contributions	—	—	—	—	—	10	23 280	22 048	—	—	—	—
Revenues from fees and charges	—	—	—	—	—	—	3	2	—	—	—	—
Other revenues	—	—	—	—	—	—	12	24	—	—	342	430
<b>Total Administered Income</b>	<b>1 663</b>	<b>1 396</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>23 295</b>	<b>22 074</b>	<b>—</b>	<b>—</b>	<b>1 406 885</b>	<b>1 781 103</b>
<b>EXPENSES</b>												
Payments to SA Government	—	—	—	—	—	—	—	—	—	—	108 457	213 645
Employee benefit expenses	—	—	—	—	—	—	15 658	15 832	—	—	416 600	422 100
Supplies and services	—	—	—	—	—	43	6 479	5 982	—	—	51 879	51 490
Borrowing costs	—	—	—	—	—	—	—	—	—	—	340 584	363 801
Grants, subsidies and transfers	1 650	1 398	—	—	—	—	2	1	—	—	409 495	740 364
Depreciation and amortisation expense	—	—	—	—	—	—	209	299	—	—	—	155
Net loss from the disposal of non-current assets	—	—	—	—	—	—	—	—	—	—	—	2 997
Other expenses	—	—	—	—	—	—	—	—	—	500	52 258	107 265
<b>Total Administered Expenses</b>	<b>1 650</b>	<b>1 398</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43</b>	<b>22 348</b>	<b>22 114</b>	<b>—</b>	<b>500</b>	<b>1 379 273</b>	<b>1901 817</b>
<b>NET RESULT</b>	<b>13</b>	<b>(2)</b>	<b>—</b>	<b>(33)</b>	<b>—</b>	<b>(33)</b>	<b>947</b>	<b>(40)</b>	<b>—</b>	<b>(500)</b>	<b>27 612</b>	<b>(120 714)</b>



**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2015**

	Treasurer's Interest in the National Wine Centre Account		Treasury Working Account		Treasury - Asset Management Account		TOTAL	
	Activity 19		Activity 20		Activity 21		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>INCOME</b>								
Taxation	—	—	—	—	—	—	3 903 756	3 758 830
Commonwealth revenues	—	—	—	—	—	—	6 934 948	6 473 708
Dividends	—	—	—	—	—	—	214 393	245 310
Interest revenues	—	—	—	—	59	90	83 350	79 510
Revenues from SA Government	740	—	—	—	—	—	1 448 223	1 853 493
Grants and contributions	—	—	—	—	—	—	72 493	270 967
Revenues from fees and charges	—	—	—	—	—	—	104 600	76 344
Other revenues	26	25	1 127	19 307	2	9	2 917 426	491 939
<b>Total Administered Income</b>	<b>766</b>	<b>25</b>	<b>1 127</b>	<b>19 307</b>	<b>61</b>	<b>99</b>	<b>15 679 189</b>	<b>13 250 101</b>
<b>EXPENSES</b>								
Payments to SA Government	—	—	—	—	—	1 655	12 450 563	10 193 086
Employee benefit expenses	—	—	—	—	—	—	432 566	438 197
Supplies and services	28	37	—	—	7	8	58 393	57 560
Borrowing costs	—	—	—	—	—	—	340 584	363 801
Grants, subsidies and transfers	—	—	—	—	—	—	2 310 737	2 246 087
Depreciation and amortisation expense	31	31	—	—	—	—	240	485
Net loss from the disposal of non-current assets	—	—	—	—	—	—	—	2 997
Other expenses	—	—	1 131	19 307	—	—	92 125	154 803
<b>Total Administered Expenses</b>	<b>59</b>	<b>68</b>	<b>1 131</b>	<b>19 307</b>	<b>7</b>	<b>1 663</b>	<b>15 685 208</b>	<b>13 457 016</b>
<b>NET RESULT</b>	<b>707</b>	<b>(43)</b>	<b>(4)</b>	<b>—</b>	<b>54</b>	<b>(1 564)</b>	<b>(6 019)</b>	<b>(206 915)</b>

## Notes to and forming part of the Administered Financial Statements

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### 34 Overview of Administered Financial Statements including Summary of Significant Accounting Policies

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. All the transactions for the special deposit accounts established under Section 8 of the *Public Finance and Audit Act 1987* and deposit accounts established under Section 21 of the *Public Finance and Audit Act 1987* that are administered by the department are listed below:

#### *Activity 1: Administered Items on behalf of the Consolidated Account*

The purpose of the account is to record a number of revenue and expense transactions on behalf of the South Australian Government for the Consolidated Account. Such transactions include the 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.

#### *Activity 2: Commonwealth Mirror Taxes on Commonwealth Places Revenue Account*

The purpose of the account is to receive amounts that are levied pursuant to the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth as contemplated by the arrangements entered into by the State and the Commonwealth pursuant to that Act and to the *Commonwealth Places (Mirror Taxes Administration) Act 1999* of the State, and to deal with those as contemplated by those Acts and arrangements.

#### *Activity 3: Community Development Fund*

The purpose of the fund is to administer annual payments under the *Gaming Machines Act 1992*. Payments are made in accordance with the directions of the Governor towards financial assistance for non government welfare agencies, financial assistance for community development and the provision of government health, welfare or education services, as well as towards programs of benefit to the live music industry.

#### *Activity 4: Community Emergency Services Fund*

The purpose of the fund is to record all fixed property revenue from the Emergency Services Levy collected by RevenueSA and transferred to the community emergency services fund administered by the South Australian Fire and Emergency Services Commission.

#### *Activity 5: Country Equalisation Scheme Account*

The purpose of the account is to record injections of funds provided from the Consolidated Account, and to make 'refund payments' to electricity retailers in accordance with the Country Equalisation Scheme.

#### *Activity 6: ETSA Sales/Lease Proceeds Account*

The purpose of the account is to receive proceeds of a sale/lease agreement, sale or lease under the *Electricity Corporations (Restructuring and Disposal) Act 1999* and other funds as approved by the Treasurer.

*Activity 7: Hospitals Fund*

The purpose of the fund is to record and transfer monies received from SA Lotteries Commission operations and stamp duty on insurance policies relating to motor vehicle to the Consolidated Account to be used for the provision, maintenance, development and improvement of public hospitals.

*Activity 8: Housing Loans Redemption Fund*

The purpose of the fund is to record interest received payments.

*Activity 9: Intergovernmental Agreement on Federal Financial Relations*

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 Specific Purpose Program (SPP) purposes listed in Schedule F of that Agreement and for the National Partnership Payments (NPP) for the purposes listed in Schedule G of that Agreement.

*Activity 10: Industry Financial Assistance Account (IFAA)*

The account was established to assist with the accounting for the industry assistance contracts written in the name of the Treasurer. SAFA is responsible for administering the IFAA on behalf of the Treasurer.

*Activity 11: Local Government Concessions Senior Card Holders*

The purpose of the account is to administer receipts and payments for Local Government Concessions - Seniors Cardholders.

*Activity 12: Local Government Disaster Fund*

The purpose of the fund is to record the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. Assistance may be of an investigative, preventative, remedial, insurance, compensatory or other nature and may include funding of insurance or other commercial schemes.

*Activity 13: Local Government Taxation Equivalents Fund*

The account was established to record receipts of tax equivalents from the Local Government Finance Authority and payments to the Local Government Association of South Australia as stipulated under the *Local Government Finance Authority Act 1983*.

*Activity 14: Market Projects Unit*

The purpose of the account is to receive deposits from the sale of government assets.

*Activity 15: Responsible Gambling Working Party*

The purpose of the account is to record the financial transactions related to the operation of the Responsible Gambling Working Party.

*Activity 16: Support Services to Parliamentarians*

The purpose of the account is to record the financial transactions related to the administration of Support Services to Parliamentarians.

*Activity 17: Minister for Finance - Super SA Select*

The purpose of the account is to administer receipts and payments for the Commonwealth Low Income Superannuation Contribution.

*Activity 18: Treasury and Finance Administered Items Account*

The purpose of the account is to receive administered items appropriation for the department pursuant to the annual Appropriation Act and to disburse the associated payments.

*Activity 19: Treasurer's Interest in the National Wine Centre Account*

The purpose of account is to record all of the financial transactions associated with the management of the *National Wine Centre (Restructuring and Leasing Arrangements) Act 2002* including injections of funds from the Consolidated Account.

*Activity 20: Treasury Working Account*

The purpose of the account is to record receipts and payments for small lotteries, receipts and payments arising from various superannuation arrangements, interest receipts and payments, to effect accounting adjustments and transfers and to hold amounts in suspense pending determination of appropriate treatment. This account is also used to process certain transactions of a whole of government nature or relating to the activities of the Treasurer.

*Activity 21: Treasury Asset Management Account*

The purpose of the account is to manage and administer the unclaimed customer deposits of the former State Bank of South Australia as well as other residual activities (dividends receipts).

**34.1 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.

**35 Taxation**

	2015	2014
	\$'000	\$'000
Stamp duties	1 564 096	1 494 906
Commonwealth Places Mirror - stamp duties	283	931
Payroll tax	1 319 789	1 300 805
Commonwealth Places Mirror - payroll tax	23 095	22 756
Land tax	567 277	571 295
Commonwealth Places Mirror - land tax	1 373	1 381
Emergency Services levy	190 499	99 123
Local Government rate equivalents	4 523	3 466
Income tax equivalents	138 937	178 586
Contributions from Lotteries Commission of South Australia	74 565	73 048
Hindmarsh Island Bridge levy	140	42
Casino Duty	19 179	7 491
<b>Total Taxation</b>	<b>3 903 756</b>	<b>3 753 830</b>

**36 Commonwealth revenues**

	2015	2014
	\$'000	\$'000
<b>Commonwealth General Purpose Grants</b>		
GST revenue grants	5 020 023	4 646 819
Commonwealth Places Mirror taxes	24 752	25 016
<b>Total Commonwealth General Purpose Grants</b>	<b>5 044 775</b>	<b>4 671 835</b>

**Commonwealth Specific Purpose Grants**

Concessions to pensioners and others	—	27 663
Council of Australian Governments Funding arrangements	314 039	669 736
Intergovernmental Agreement on Federal Financial Relations - Recurrent	1 464 115	1 046 044
Intergovernmental Agreement on Federal Financial Relations - Capital	112 005	53 989
Other grants paid to Consolidated Account	—	4 437
First Home Owners Boost	14	4
<b>Total Commonwealth Specific Purpose Grants</b>	<b>1 890 173</b>	<b>1 801 873</b>

**Total Commonwealth revenues**

<b>6 934 948</b>	<b>6 473 708</b>
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**37 Dividends**

	2015	2014
	\$'000	\$'000
Adelaide Convention Centre	920	1 094
Adelaide Entertainments Corporation	5 000	—
Generation Lessor Corporation	5 341	4 855
Homestart Finance	7 137	7 176
Public Trustee Office	1 440	1 528
SA Water Corporation	183 979	196 171
South Australian Government Employee Residential Property	1 706	1 706
South Australian Government Financing Authority	8 870	32 780
<b>Total Dividends</b>	<b>214 393</b>	<b>245 310</b>

**38 Interest revenues**

	2015	2014
	\$'000	\$'000
Interest	83 350	79 510
<b>Total Interest revenues</b>	<b>83 350</b>	<b>79 510</b>

<b>39 Revenues from/Payments to SA Government</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	<b>1 406 543</b>	1 780 673
Appropriations under other acts	<b>40 940</b>	72 820
Other revenue from SA Government	<b>740</b>	—
<b>Total Revenues from SA Government</b>	<b>1 448 223</b>	1 853 493
<b>Payments to SA Government</b>		
Transfer of revenue received on behalf of the Consolidated Account	<b>12 202 599</b>	9 833 448
Other payments to the Consolidated Account	<b>139 507</b>	144 338
Return of surplus cash pursuant to Cash Alignment Policy	<b>108 457</b>	213 645
Dividends paid to Consolidated Account	—	1 655
<b>Total Payments to SA Government</b>	<b>12 450 563</b>	10 193 086
<b>40 Grants and contributions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants and contributions	<b>72 493</b>	270 967
<b>Total Grants and contributions</b>	<b>72 493</b>	270 967
<b>41 Revenues from fees and charges</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee fees	<b>104 160</b>	75 926
Support Services to Parliamentarians	<b>2</b>	1
Other recoveries	<b>438</b>	417
<b>Total Revenue from fees and charges</b>	<b>104 600</b>	76 344
<b>42 Other revenues</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Discounted cash flow valuations for financial assistance loans	<b>13 732</b>	3 701
Repayment of advances	<b>7 463</b>	117 101
Return of cash to Consolidated Account - cash alignment policy	<b>147 168</b>	302 230
Return of capital	<b>145</b>	10 375
Return of deposit account balances	<b>1 966</b>	10 508
Essential Services Commission of SA	<b>7 650</b>	7 354
Support Services to Parliamentarians	<b>12</b>	24
Return of capital - SA Water debt restructure	<b>2 700 000</b>	—
Recoveries DPTI - Indentured Ports	<b>26 059</b>	9 977
Other income	<b>13 231</b>	30 669
<b>Total Other revenues</b>	<b>2 917 426</b>	491 939
<b>43 Employee benefit expenses</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation contributions to various schemes	<b>416 600</b>	422 100
Salaries and wages	<b>12 453</b>	12 222
Long service leave	<b>271</b>	590
Annual leave	<b>881</b>	902
Skills and experience retention leave	<b>9</b>	7
Employment on-costs - superannuation	<b>1 272</b>	1 226
Employment on-costs - other	<b>739</b>	742
Minister's salary, electorate and expense allowance	<b>308</b>	265
Other employee related expenses	<b>33</b>	143
<b>Total Employee benefit expenses</b>	<b>432 566</b>	438 197

**Remuneration of Employees**

	<b>2015</b>	<b>2014</b>
	<b>Number of Employees</b>	<b>Number of Employees</b>
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$151 500 to \$161 499	1	1
\$181 500 to \$191 499	—	1
\$411 500 to \$421 499	1	—
<b>Total Number of Employees</b>	<b>2</b>	<b>2</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was **\$576 000** (\$338 000).

The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013).

**44 Supplies and services**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
State's share of GST administration	48 622	51 030
Support Services to Parliamentarians	6 269	5 766
Unclaimed monies	3 256	460
Accommodation and telecommunication	1	—
Consultants	36	19
Contractors and temporary staff	—	2
General administration and consumables	51	96
Other	158	187
<b>Total Supplies and services</b>	<b>58 393</b>	<b>57 560</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 consultants paid/payable (included in supplies and services expense) fell within the following bands:

	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	2	2	3	—
Above \$10 000	1	1	33	1
<b>Total paid/payable to the Consultants engaged</b>	<b>3</b>	<b>3</b>	<b>36</b>	<b>1</b>

**45 Borrowing costs**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on borrowings	312 373	338 080
Interest paid on deposit accounts and other monies	28 211	25 721
<b>Total Borrowing costs</b>	<b>340 584</b>	<b>363 801</b>

The department pays interest on borrowings on behalf of the Treasurer but the debt is not recorded in the Statement of Administered Financial Position. It is disclosed in Statement J of the Treasurer's Statements as well as the Consolidated Financial report for government.

**46 Grants, subsidies and transfers**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent grants, subsidies and transfers	2 156 736	2 094 425
Capital grants, subsidies and transfers	154 001	151 662
<b>Total Grants, subsidies and transfers</b>	<b>2 310 737</b>	<b>2 246 087</b>

<b>47 Depreciation and amortisation expense</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings	31	62
Land Improvements	—	124
<b>Total Depreciation</b>	<b>31</b>	<b>186</b>
<b>Amortisation</b>		
Building fitouts	209	299
<b>Total Amortisation</b>	<b>209</b>	<b>299</b>
<b>Total Depreciation and amortisation expense</b>	<b>240</b>	<b>485</b>
<b>48 Net loss from the disposal of non-current assets</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land Improvements</b>		
Carrying value of land leased	—	( 2 810)
Net loss on derecognition of land improvements	—	( 2 810)
<b>Buildings</b>		
Carrying value of land leased	—	( 187)
Net loss on derecognition of buildings	—	( 187)
<b>Net loss from disposal of assets</b>	<b>—</b>	<b>2 997</b>
<b>49 Other expenses</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Refunds and remissions	43 836	98 721
Payments to Commonwealth Government	24 752	25 016
Bad debts	3 340	306
Doubtful debts	( 1 570)	( 117)
Repayment of borrowings	3 720	3 517
Loans forgiven	12 207	2 525
Other	5 840	24 835
<b>Total Other expenses</b>	<b>92 125</b>	<b>154 803</b>
<b>50 Cash and cash equivalents</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	1 054 721	1 465 372
Promissory notes	24 829	28 419
DTF Loans Administration Account	32 624	128 762
<b>Total Cash and cash equivalents</b>	<b>1 112 174</b>	<b>1 622 553</b>

**Promissory notes**

The Treasurer holds Promissory notes on behalf of the Local Government Disaster Fund where the cash balance of the fund is not immediately required to fund Local Government costs relating to disasters it is invested with the Local Government Finance Authority of South Australia for periods of three months. Promissory notes earn interest at their respective promissory note rates.

**Interest rate risk**

Some deposit accounts 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.



<b>51 Receivables</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	1 331	3 056
Allowance for doubtful debts	( 1 317)	( 2 487)
Accrued revenues	6 030	10 843
Prepayments	—	1
GST input tax recoverable	84	217
<b>Total Current Receivables</b>	<b>6 128</b>	<b>11 630</b>
<b>Non-Current</b>		
Receivables	10	12
<b>Total Non-Current Receivables</b>	<b>10</b>	<b>12</b>
<b>Total Receivables</b>	<b>6 138</b>	<b>11 642</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 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>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	2 487	2 003
Movement in the allowance	( 1 170)	484
<b>Carrying amount at the end of the period</b>	<b>1 317</b>	<b>2 487</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.

Ageing analysis of financial assets - refer to table 67.3 in note 67.

Financial risk management/Financial instruments information - refer to note 67.

<b>52 Other financial assets</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Loans for financial assistance	735	550
Provision for doubtful debts	—	( 400)
<b>Total Current Other financial assets</b>	<b>735</b>	<b>150</b>
<b>Total Other financial assets</b>	<b>735</b>	<b>150</b>

**Movement in the Provision for doubtful debts**

The provision 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 provision for doubtful debts (impairment loss):

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the period	400	1 000
Movement in the provision	( 400)	( 600)
<b>Carrying amount at the end of the period</b>	<b>—</b>	<b>400</b>

Ageing analysis of financial assets and liabilities - refer to table 67.3 in note 67.

Financial risk management/Financial instruments information - refer to note 67.

**53 Non-current assets held for sale**

	2015	2014
	\$'000	\$'000
Land	145	145
Buildings	412	412
<b>Total assets held for sale</b>	<b>557</b>	<b>557</b>

**54 Property, plant and equipment**

	2015	2014
	\$'000	\$'000
<b>Buildings</b>		
At valuation	972	972
Accumulated depreciation	( 63)	( 32)
<b>Total Buildings</b>	<b>909</b>	<b>940</b>
<b>Building fitouts</b>		
At cost	1 731	1 680
Accumulated amortisation	( 1 588)	( 1 377)
<b>Total Building fitouts</b>	<b>143</b>	<b>303</b>
<b>Land</b>		
At valuation	58	58
<b>Total Land</b>	<b>58</b>	<b>58</b>
<b>Work in Progress</b>		
At cost	25	—
<b>Total Work in Progress</b>	<b>25</b>	<b>—</b>
<b>Total Property, Plant and Equipment</b>	<b>1 135</b>	<b>1 301</b>

**Valuation of Non-Current Assets**

A valuation of the land and buildings for the National Wine Centre was performed by Mr Fred Taormina, B.App.Sc. (Val.) A.A.P.I. of VALCORP as at 30 June 2013. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the 40 year lease arrangement with Adelaide University. A revaluation surplus of \$635 000 is held for the revalued land and building. The next revaluation is scheduled for 30 June 2016.

**Impairment**

There were no indications of impairment for property, plant and equipment as at 30 June 2015.

**Reconciliation of property, plant and equipment**

The following table shows the movement of property, plant and equipment during 2014-15:

	Land	Buildings	Building fitouts	Work in progress	Total 2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	58	940	303	—	1 301
Additions	—	—	49	25	74
Depreciation and amortisation expense	—	( 31)	( 209)	—	( 240)
<b>Carrying amount at the end of the period</b>	<b>58</b>	<b>909</b>	<b>143</b>	<b>25</b>	<b>1 135</b>

The following table shows the movement of property, plant and equipment during 2013-14:

	Land	Land improvements	Buildings	Building fitouts	Total 2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	203	2 934	1 601	510	5 248
Additions	—	—	—	92	92
Asset reclassified to assets held for sale	( 145)	—	( 412)	—	( 557)
Disposals	—	( 2 810)	( 187)	—	( 2 997)
Depreciation and amortisation expense	—	( 124)	( 62)	( 299)	( 485)
<b>Carrying amount at the end of the period</b>	<b>58</b>	<b>—</b>	<b>940</b>	<b>303</b>	<b>1 301</b>

**55 Intangible Assets**

	2015	2014
	\$'000	\$'000
<b>Water Licences</b>		
At cost	325	325
<b>Total Water Licences</b>	<b>325</b>	<b>325</b>
<b>Total Intangible Assets</b>	<b>325</b>	<b>325</b>

Water licences transferred to the Treasurer as part of the forward sale of the State's Green Triangle Forest Plantations in 2012. These water licences were retained by the Treasurer after finalising the lease arrangements with OneFortyOne Plantations Pty Ltd.

**Reconciliation of Intangible Assets**

There has been no movement in Intangibles.

**Impairment**

There were no indications of impairment for intangible assets as at 30 June 2015.

**56 Fair value measurement****Fair Value Hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into a three-tier hierarchy based on the level of inputs used in measurement. As at 30 June 2015 the Department had no level 1 and 2 assets, there were no changes to the assets classification between 2014 and 2015.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

**Fair value measurements at 30 June 2015**

	Level 3 \$'000	2015 \$'000
<b>Recurring fair value measurements</b>		
Buildings (note 54)	909	909
Building fitouts (note 54)	143	143
Land (note 54)	58	58
<b>Total recurring fair value measurements</b>	<b>1 110</b>	<b>1 110</b>
<b>Non recurring fair value measurements</b>		
Buildings held for sale (note 53)	412	412
Land held for sale (note 53)	145	145
<b>Total non recurring fair value measurements</b>	<b>557</b>	<b>557</b>
<b>Total</b>	<b>1 667</b>	<b>1 667</b>

**Fair value measurements at 30 June 2014**

	Level 3 \$'000	2014 \$'000
<b>Recurring fair value measurements</b>		
Buildings (note 54)	940	940
Building Fitouts (note 54)	303	303
Land (note 54)	58	58
<b>Total recurring fair value measurements</b>	<b>1 301</b>	<b>1 301</b>
<b>Non recurring fair value measurements</b>		
Buildings held for sale (note 53)	412	412
Land held for sale (note 53)	145	145
<b>Total non recurring fair value measurements</b>	<b>557</b>	<b>557</b>
<b>Total</b>	<b>1 858</b>	<b>1 858</b>

There were no transfers of assets into or out of the level 3 hierarchy in 2015. The department's policy is to recognise transfers into or out of fair value hierarchy levels as at the end of reporting period.

**Valuation techniques and inputs**

All property, plant and equipment is recognised at cost less accumulated depreciation.

In accordance with APF III 'Asset Accounting Framework', property, plant and equipment is only revalued when its fair value at acquisition date exceeds \$1 million and its estimated useful life is greater than 3 years. The department does not control any assets that meet this threshold.

Estimates of residual value and useful life used to calculate accumulated depreciation are not based on observable market data. For this reason all property, plant and equipment is categorised into level 3.

There were no changes in valuation techniques during 2015.

**Reconciliation of recurring fair value measurements - Level 3 at 2014-15**

	Buildings	Building Fitouts	Land
	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>940</b>	<b>303</b>	<b>58</b>
Acquisitions	—	49	—
<b>Subtotal</b>	<b>940</b>	<b>352</b>	<b>58</b>
Depreciation	( 31)	( 209)	—
<b>Subtotal</b>	<b>( 31)</b>	<b>( 209)</b>	<b>0</b>
<b>Carrying amount at the end of the period</b>	<b>909</b>	<b>143</b>	<b>58</b>

**Reconciliation of recurring fair value measurements - Level 3 at 2013-14**

	Buildings	Building Fitouts	Land
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	1 601	510	203
Acquisitions	—	92	—
Reclassifications	( 412)	—	( 145)
Disposals	( 187)	—	—
<b>Subtotal</b>	<b>1 002</b>	<b>602</b>	<b>58</b>
Depreciation	( 62)	( 299)	—
<b>Subtotal</b>	<b>( 62)</b>	<b>( 299)</b>	<b>—</b>
<b>Carrying amount at the end of the period</b>	<b>940</b>	<b>303</b>	<b>58</b>

**57 Payables**

	2015	2014
	\$'000	\$'000
<b>Current</b>		
Creditors - electricity entities lease proceeds	5 875	5 341
Creditors - revenue received on behalf of the Consolidated Account	788 256	1 280 679
Creditors - other	22 638	24 878
Accrued expenses	7 328	16 755
Employment on-costs	185	157
Paid parental leave scheme payable	2	4
<b>Total Current Payables</b>	<b>824 284</b>	<b>1 327 814</b>

**Non-Current**

Creditors - electricity entities lease proceeds	<b>58 988</b>	64 862
Employment on-costs	<b>71</b>	78
Creditors - other	<b>2 500</b>	2 501
Super SA Select Loan	<b>500</b>	500
<b>Total Non-Current Payables</b>	<b>62 059</b>	67 941
<b>Total Payables</b>	<b>886 343</b>	1 395 755

**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 67.4 in note 67.

Categorisation of financial instruments and risk exposure information - refer to note 67.

<b>58 Employee benefits</b>	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
<b>Current</b>		
Accrued salaries and wages	<b>106</b>	46
Annual leave	<b>731</b>	687
Long service leave	<b>352</b>	348
Skills and Experience Retention leave	<b>15</b>	13
<b>Total Current Employee benefits</b>	<b>1 204</b>	1 094
<b>Non-Current</b>		
Long service leave	<b>788</b>	836
<b>Total Non-Current Employee benefits</b>	<b>788</b>	836
<b>Total Employee benefits</b>	<b>1 992</b>	1 930

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2014 (3.5%) to 2015 (3%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flow, results in an increase in the reported long service leave liability.

The net financial effect of the changes in the financial year is an increase in the long service leave liability of \$54 536 and employee benefits expense of \$54 536. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the department left salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills experience and retention leave liability.

<b>59 Provisions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	74	90
<b>Total Current Provisions</b>	<b>74</b>	<b>90</b>
<b>Non-Current</b>		
Provision for workers' compensation	252	310
<b>Total Non-Current Provisions</b>	<b>252</b>	<b>310</b>
<b>Total Provisions</b>	<b>326</b>	<b>400</b>
<b>Reconciliation of Provisions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>400</b>	<b>448</b>
Payments/other sacrifices of future economic benefits	2	( 9)
Reduction in provisions recognised	( 76)	( 39)
<b>Carrying amount at the end of the period</b>	<b>326</b>	<b>400</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 Office for the Public Sector business unit of the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

<b>60 Other liabilities</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	25	21
<b>Total Current other liabilities</b>	<b>25</b>	<b>21</b>
<b>Non-Current</b>		
Unearned revenue	680	705
<b>Total Non-Current other liabilities</b>	<b>680</b>	<b>705</b>
<b>Total Other liabilities</b>	<b>705</b>	<b>726</b>

All unearned revenue relates to pre-paid lease income. Specifically, 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 which has been recorded as unearned revenue and is being apportioned over the life of the lease.

<b>61 Equity</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Asset revaluation surplus	635	635
Accumulated Surplus/Deficit	231 063	237 082
<b>Total Equity</b>	<b>231 698</b>	<b>237 717</b>

The revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to accumulated surplus when an asset is derecognised.

**62 Unrecognised Contractual Commitments****(a) Remuneration commitments**

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

	2015	2014
	\$'000	\$'000
Not later than one year	2 508	1 919
Later than one year but not later than five years	1 771	2 060
Later than five years	201	338
<b>Total Remuneration commitments</b>	<b>4 480</b>	<b>4 317</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 and motor vehicles.

Office accommodation is leased from the Department of Planning, Transport and Infrastructure. The leases are non-cancellable with terms ranging up to 6 years with some leases having right of renewal. Rent 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:

	2015	2014
	\$'000	\$'000
Not later than one year	1 770	1 288
Later than one year but not later than five years	3 511	1 320
Later than five years	—	37
<b>Total Operating lease commitments</b>	<b>5 281</b>	<b>2 645</b>

**(c) Other commitments**

The department's other commitments primarily relate to distribution of Commonwealth funds to agencies in accordance with Schedule G of the Intergovernmental Agreement on Federal Financial Relations, and Industry Assistance grants.

	2015	2014
	\$'000	\$'000
Not later than one year	33 850	73 524
Later than one year and not later than five years	14 068	20 267
Later than five years	—	1 050
<b>Total Other commitments</b>	<b>47 918</b>	<b>94 841</b>

**63 Contingent Assets and Liabilities**

The following contingent assets and liabilities 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.

On 26 November 2012 the State appointed Tatts Lotteries SA Pty Ltd (Tatts) as its exclusive Master Agent to operate SA Lotteries' brands and products for a term of 40 years, starting 11 December 2012. Under this arrangement the Lotteries Commission of South Australia is required to pay the Master Agent a master agency fee (payment obligation). The Treasurer has unconditionally and irrevocably guaranteed the performance by Lotteries Commission of South Australia of the payment obligation. The Treasurer has also indemnified the Master Agent against any cost, expense, loss or damage that the Master Agent may incur as a direct result of non-compliance by Lotteries Commission of South Australia with the payment obligation. The Treasurer's maximum aggregate liability to the Master Agent under this agreement is limited to an amount equal to the total quantum of Lotteries Commission of South Australia's liability to the Master Agent for the payment obligation.

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 at 30 June 2015 is capped at \$692 000.

Under section 15 of the Government Financing Authority Act 1982, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the State of South Australia. This includes any derivative counterparties default. As at 30 June 2015, derivative credit exposure was \$455.1 million (\$551.5 million).

Under an agreement between Osborne Cogeneration Pty Ltd and 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 \$200 million.

Under an agreement with the South Australian Netball Association, the Treasurer has provided a Deed of Guarantee for the repayment of a loan, which the South Australian Netball Association has with an external banking institution with a total exposure of \$63 621.

Under the Housing Loans Redemption Fund Act 1962 the Treasurer is committed to meet any shortfall in the fund from appropriated general revenue.

The Treasurer has indemnified SAFA against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. This policy resulted in a payable to the Treasurer of \$5.9 million (\$12.2 million).

The Treasurer has agreed to indemnify the Export Finance and Insurance Corporation, the Commonwealth Government's export finance agency, for a guarantee of up to \$291 million to external lenders to the Port Pirie Smelter Transformation Project being undertaken by Nyrstar. The indemnity will be issued 2015-16.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2015 was \$693.3 million (\$678.5 million).

The Unlocking Capital for Jobs Program involves the Government of South Australia providing a partial guarantee for loans made by participating banks to South Australian small and medium enterprises that have expansion or transformation plans and have satisfied the participating bank's normal lending criteria other than the provision of sufficient collateral as security for the loan. The Treasurer's exposure at 30 June 2015 was \$3.5 million out of the \$50 million program limit.

The Treasurer unconditionally and irrevocably guarantees to each beneficiary the due and punctual payment and performance by the Adelaide Convention Centre Corporation of the Corporation's obligations to that beneficiary. On 25 June 2015, Cabinet approved the establishment of a new public corporation, the Adelaide Venue Management Corporation (AVMC) from 1 August 2015, via the merger of the Adelaide Entertainments Corporation and the Adelaide Convention Centre Corporation. In accordance with the Government Gazette published on 25 June 2015, the assets, rights and liabilities of the Adelaide Convention Centre Corporation will transfer to the Adelaide Venue Management Corporation. This will include the guarantee provided by the Treasurer.

The Treasurer has indemnified the fund of the Local Government Association (LGA) Mutual Liability Scheme for any admitted claim in the nature of a general liability that the LGA in respect of the Mutual Liability Scheme becomes legally liable to pay. For liability risks not covered under the State Government's liability reinsurance program, the indemnity is capped at \$50 million for any one such admitted claim. Any losses that exceed the State Government's liability reinsurance program limits and the \$50 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the State Government.

#### 64 Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
<b>(a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period</b>		
Statement of Cash Flows	1 112 174	1 622 553
Statement of Financial Position	1 112 174	1 622 553
	2015	2014
	\$'000	\$'000
<b>(b) Reconciliation of net cash (used in) provided by operating activities to net result</b>		
Net cash (used in) provided by operating activities	( 510 555)	23 991
<b>Add Non cash items</b>		
Depreciation and amortisation expense	( 240)	( 485)
Bad debts expenses	( 3 340)	( 306)
Doubtful debts expenses	1 570	117
Discounted cash flow valuations for financial assistance loans - other revenues	13 732	3 701
Movements in financial assistance loans	495	—
Loans forgiven	( 12 207)	( 2 525)
Net loss on disposal of assets	—	( 2 997)
<b>Movement in assets / liabilities</b>		
Decrease in receivables	( 5 504)	( 171)
Decrease in other financial assets (not operating)	585	( 439)
Decrease (increase) in payables	509 412	( 227 796)
(Increase) decrease in employee benefits	( 62)	( 88)
Decrease in provisions	74	48
Decrease in other liabilities	21	35
<b>Net result</b>	<b>( 6 019)</b>	<b>( 206 915)</b>

**65 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	<b>INCOME</b>						
35	Taxation	713 249	734 710	3 190 507	3 019 120	3 903 756	3 753 830
36	Commonwealth revenues	—	—	6 934 948	6 473 708	6 934 948	6 473 708
37	Dividends	214 393	245 310	—	—	214 393	245 310
38	Interest revenues	77 094	73 108	6 256	6 402	83 350	79 510
39	Revenues from SA Government	1 448 223	1 853 493	—	—	1 448 223	1 853 493
40	Grants and Contributions	71 466	270 541	1 027	426	72 493	270 967
41	Revenue from fees and charges	104 160	75 926	440	418	104 600	76 344
42	Other revenues	2 892 664	460 112	24 762	31 827	2 917 426	491 939
	<b>TOTAL INCOME</b>	<b>5 521 249</b>	<b>3 713 200</b>	<b>10 157 940</b>	<b>9 531 901</b>	<b>15 679 189</b>	<b>13 245 101</b>
	<b>EXPENSES</b>						
39	Payments to SA Government	12 450 563	10 193 086	—	—	12 450 563	10 193 086
43	Employee benefit expenses	—	—	432 566	438 197	432 566	438 197
44	Supplies and services	3 768	3 276	54 625	54 284	58 393	57 560
45	Borrowing costs	338 361	361 767	2 223	2 034	340 584	363 801
46	Grants, subsidies and transfers	2 215 936	2 098 877	94 801	147 210	2 310 737	2 246 087
47	Depreciation and amortisation expense	—	—	240	485	240	485
48	Net loss from disposal of non-current assets	—	—	—	2 997	—	2 997
49	Other expenses	8 598	9 334	83 527	145 469	92 125	154 803
	<b>TOTAL EXPENSES</b>	<b>15 017 226</b>	<b>12 666 340</b>	<b>667 982</b>	<b>790 676</b>	<b>15 685 208</b>	<b>13 457 016</b>
	<b>FINANCIAL ASSETS</b>						
50	Cash and cash equivalents	1 112 174	1 622 553	—	—	1 112 174	1 622 553
51	Receivables	413	10 874	5 725	768	6 138	11 642
52	Other financial assets	—	—	735	150	735	150
	<b>TOTAL FINANCIAL ASSETS</b>	<b>1 112 587</b>	<b>1 633 427</b>	<b>6 460</b>	<b>918</b>	<b>1 119 047</b>	<b>1 634 345</b>
	<b>FINANCIAL LIABILITIES</b>						
57	Payables	859 508	1 361 854	26 835	33 901	886 343	1 395 755
58	Employee benefits	—	—	1 992	1 930	1 992	1 930
59	Provisions	—	—	326	400	326	400
60	Other liabilities	—	—	705	726	705	726
	<b>TOTAL FINANCIAL LIABILITIES</b>	<b>859 508</b>	<b>1 361 854</b>	<b>29 858</b>	<b>36 957</b>	<b>889 366</b>	<b>1 398 811</b>

**66 Budgetary Reporting and Explanations of major variances between budget and actual amounts**

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

Statement of Administered Comprehensive Income	Note	Original Budget <sup>1</sup> \$'000	Actual \$'000	Variance \$ \$'000	Variance Explanation
<b>Income</b>					
Taxation	35	3 773 300	3 903 756	( 130 456)	
Commonwealth revenues	36	5 227 428	6 934 948	(1 707 520)	1
Dividends	37	167 248	214 393	( 47 145)	
Interest revenues	38	83 667	83 350	317	
Revenues from SA Government	39	1 432 287	1 448 223	( 15 936)	
Grants and contributions	40	—	72 493	( 72 493)	
Revenues from fees and charges	41	107 945	104 600	3 345	
Other revenues	42	1 626 648	2 917 426	(1 290 778)	2
<b>Total Income</b>		<b>12 418 523</b>	<b>15 679 189</b>	<b>(3 260 666)</b>	
<b>Expenses</b>					
Payments to SA Government	39	12 112 275	12 450 563	( 338 288)	
Employee benefit expenses	43	( 170 109)	432 566	( 602 675)	
Supplies and services	44	49 810	58 393	( 8 583)	
Borrowing costs	45	747 801	340 584	407 217	
Grants, subsidies and transfers	46	340 376	2 310 737	(1 970 361)	3
Depreciation and amortisation expense	47	—	240	( 240)	
Other expenses	49	30 118	92 125	( 62 007)	
<b>Total Expenses</b>		<b>13 110 271</b>	<b>15 685 208</b>	<b>(2 574 937)</b>	
<b>Net result</b>		<b>( 691 748)</b>	<b>( 6 019)</b>	<b>( 685 729)</b>	4

<sup>1</sup> Original budget information refers to the budget amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

**Variance Explanations:****1. Commonwealth Revenues**

The \$1.708 billion favourable variance against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$1.576 billion) being recorded in the department's Administered financial statements while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

## 2. Other Revenues

The \$1.291 billion favourable variance against the original budget is primarily due to:

- The original budget includes the Consolidated Account result (\$1.574 billion) while the Administered financial statements do not include the actual consolidated result as this is disclosed in the Treasurer's Statements.
- Other revenues includes \$2.07 billion received from SA Water as a once-off return of capital to the Consolidated Account. This revenue passes through DTF Administered items to the Consolidated Account. The original budget for the Statement of Comprehensive Income does not include this transaction against Other revenues.
- Other revenues includes the return of surplus cash (\$147 million), the original budget does not provide for this transaction. The budget for this transaction is provided through the Mid Year Budget Review and forms part of the 2014-15 revised budget.

## 3. Grants, Subsidies and Transfers

The \$1.967 billion unfavourable variance against the original budget is primarily due to payments to agencies (\$1.606 billion) in relation to the Intergovernmental Agreement on Federal Financial Relations and a payment to the Community Emergency Services Fund (\$216 million) being recorded in the Administered financial statements while the associated budgets are disclosed as part of the Statement of cash flows for Other Accounts which does not form part of the Statement of Comprehensive Income original budget amount.

## 4. Net Result

The \$686 million favourable variance between the net result as per the original budget and the actual result is primarily due to:

- Income being \$3.392 billion above budget predominantly in relation to Commonwealth Revenues (refer variance explanation 1) and Other Revenues (refer variance explanation 2).
- Expenses being \$2.731 billion above budget primarily due to higher Grants, Subsidies and Transfers (refer variance explanation 3) as well as an increase in Payments to SA Government due to higher receipts being paid through to the Consolidated Account. Employee Benefits Expenses also exceeded budget due to (a) the original budget including the revaluation of unfunded superannuation liability (-\$171 million) while the actual revaluation is not recorded in the Administered financial statements, it is recorded in Consolidated Financial Report for government and (b) the actual expenses include the past superannuation liability payment (\$416 million) while the original budget for the Statement of Comprehensive Income does not provide for this transaction. These increases in expenses are offset by a reduction in Borrowing Costs against the original budget (\$407 million) which is due to the original budget including an amount for nominal interest on superannuation (\$442.9 million) while the actual borrowing costs do not include this transaction.

## 67 Financial risk management/Financial instruments

### 67.1 Financial risk management

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

**Table 67.2 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.

**2015**

Category of financial asset and financial	Statement of Financial Position line item	Note	Carrying amount 2015 \$'000	Fair value 2015 \$'000
<b>Financial assets</b>				
Cash and cash	Cash and cash equivalents	50,64	1 112 174	1 112 174
Loans and receivables	Receivables <sup>(1) (2)</sup>	51	1 331	1 331
Held to maturity	Other financial assets	52	735	735
	<b>Total Financial Assets</b>		<b>1 114 240</b>	<b>1 114 240</b>
<b>Financial liabilities</b>				
Financial liabilities at	Payables <sup>(1)</sup>	57	875 756	875 756
	<b>Total Financial Liabilities</b>		<b>875 756</b>	<b>875 756</b>

**2014**

Category of financial asset and financial	Statement of Financial Position line item	Note	Carrying amount 2014 \$'000	Fair value 2014 \$'000
<b>Financial assets</b>				
Cash and cash	Cash and cash equivalents	50,64	1 622 553	1 622 553
Loans and receivables	Receivables <sup>(1) (2)</sup>	51	3 056	3 056
Held to maturity	Other financial assets	52	150	150
	<b>Total Financial Assets</b>		<b>1 625 759</b>	<b>1 625 759</b>
<b>Financial liabilities</b>				
Financial liabilities at	Payables <sup>(1)</sup>	57	1 375 760	1 375 760
	<b>Total Financial Liabilities</b>		<b>1 375 760</b>	<b>1 375 760</b>

<sup>(1)</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. All amounts recorded are carried at cost.

<sup>(2)</sup> Excludes prepayments which do not meet the definition of a financial asset as per AASB 132.

**Fair value**

The Department of Treasury and Finance does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair value due to the short term nature of these. Refer to notes 51 and 57.

### 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 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 and other financial assets, there is no evidence to indicate that the financial assets are impaired. Refer to notes 51 and 57 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 67.3 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>2015</b>				
<b>Not impaired</b>				
Other financial assets	—	—	735	735
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	1 317	1 317
<b>Total</b>	—	—	2 052	2 052
<b>2014</b>				
<b>Not impaired</b>				
Other financial assets	—	—	150	150
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	2 487	2 487
<b>Total</b>	—	—	2 637	2 637

<sup>(1)</sup> Receivable amounts disclosed here exclude amounts relating to statutory receivables. They are carried at cost.

### Liquidity risk

Liquidity risk arises from the possibility that 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 67.4 represent the department's maximum exposure to financial liabilities.

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

**Table 67.4 Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	2015 Contractual maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>Financial assets</b>				
Cash and cash equivalents	1 112 174	1 112 174	—	—
Receivables	1 331	1 331	—	—
Other financial assets	735	735	—	—
<b>Total financial assets</b>	<b>1 114 240</b>	<b>1 114 240</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	875 756	816 768	—	58 988
<b>Total financial liabilities</b>	<b>875 756</b>	<b>816 768</b>	<b>—</b>	<b>58 988</b>

	Carrying amount \$'000	2014 Contractual maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>Financial assets</b>				
Cash and cash equivalents	1 622 553	1 622 553	—	—
Receivables	3 056	3 056	—	—
Other financial assets	150	150	—	—
<b>Total financial assets</b>	<b>1 625 759</b>	<b>1 625 759</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	1 375 760	1 310 898	—	64 862
<b>Total financial liabilities</b>	<b>1 375 760</b>	<b>1 310 898</b>	<b>—</b>	<b>64 862</b>

#### 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.

## 68 Transferred Functions

### 2014-15

There were no restructures during 2014-15.

### 2013-14

As a result of a committal of acts proclamation outlined in the Government Gazette on 1 August 2013, the Department took on responsibility for the Local Government Taxation Equivalents Fund (LGTEF) as prescribed in the *Local Government Finance Authority Act 1983*. Assets relating to this fund were transferred to the Department effective as per the gazette date.



	Total \$'000
Current assets	
Cash and cash equivalents	6
Receivables	1
Total Assets	<u>7</u>
Current liabilities:	
Payables	<u>—</u>
Total liabilities	<u>—</u>
Net assets transferred	<u>7</u>

Total income and expenses attributable to the Local Government Taxation Equivalents Fund for 2013-14 were:

	DPC 1.7.13 to 31.07.13 \$'000	DTF 1.8.13 to 30.06.14 \$'000	Total \$'000
Interest income	—	4	4
Other income	—	1 392	1 392
Total Income	<u>—</u>	<u>1 396</u>	<u>1 396</u>
Grants and subsidies	—	1 398	1 398
Total expenses	<u>—</u>	<u>1 398</u>	<u>1 398</u>
Net result	<u>—</u>	<u>( 2)</u>	<u>( 2)</u>

#### 69 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.