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2011–12 Budget Papers

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Budget Paper 4

2011–12
Agency Statements
Volume 4

*Presented by
The Honourable J.J. Snelling M.P.
Treasurer of South Australia
on the Occasion of the Budget
for 2011–12*

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Agency statements by volume

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Defence SA
Education and Children's Services
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Emergency Services — SAFECOM
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Volume 4

Tourism
Trade and Economic Development
Transport, Energy and Infrastructure
Treasury and Finance
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Introduction

Portfolio statements have been replaced with agency statements. The previous portfolio statements included an additional layer of information, aggregating information by portfolios. This information is no longer required.

The 2011–12 Agency Statements outline financial and non-financial information about the services each agency provides to — and on behalf of — the South Australian community.

To assist readers who may not be familiar with official agency names, the agency statements are presented in alphabetical order as indicated in the list below.

Alphabetical list order	Agency name	Abbreviation
Attorney-General	Attorney-General's Department	AGD
Auditor-General	Auditor-General's Department	
Correctional Services	Department of Correctional Services	DCS
Courts	Courts Administration Authority	CAA
Defence SA	Defence SA	
Education and Children's Services	Department of Education and Children's Services	DECS
Electoral Commission	Electoral Commission of South Australia	ECSA
Emergency Services—CFS	South Australian Country Fire Service	CFS
Emergency Services—MFS	South Australian Metropolitan Fire Service	MFS
Emergency Services—SAFECOM	South Australian Fire and Emergency Services Commission	SAFECOM
Emergency Services—SES	South Australian State Emergency Service	SES
Environment and Natural Resources	Department of Environment and Natural Resources	DENR
Environment Protection Authority	Environment Protection Authority	EPA
Families and Communities	Department for Families and Communities	DFC
Further Education, Employment, Science and Technology	Department of Further Education, Employment, Science and Technology	DFEEST
Health	Department of Health	DH
Planning and Local Government	Department of Planning and Local Government	DPLG
Police	South Australia Police	SAPOL
Premier and Cabinet	Department of the Premier and Cabinet	DPC
Primary Industries and Resources	Department of Primary Industries and Resources	PIRSA
Tourism	South Australian Tourism Commission	SATC
Trade and Economic Development	Department of Trade and Economic Development	DTED
Transport, Energy and Infrastructure	Department for Transport, Energy and Infrastructure	DTEI
Treasury and Finance	Department of Treasury and Finance	DTF
Water	Department for Water	DFW
Zero Waste	Zero Waste SA	ZWSA

Definitions

Agency

An agency is an administrative unit created under the *Public Sector Act 2009* or a statutory authority that is accountable for the delivery of programs on behalf of the government.

Programs and sub-programs

A program is a group of related activities that contribute to achieving one of an agency's — and, in turn, the government's — objectives. Many programs are further divided into sub-programs with more specific objectives.

Overview

The agency statements outline projected agency activity and performance for 2011–12. Each agency statement conforms to the following standard presentation structure:

- Objective — outlines the agency's objectives
- Ministerial responsibilities — identifies the minister responsible for each program/sub-program and identifies any items administered by the agency on behalf of the minister(s)
- Ministerial office resources — details the resources provided to ministerial office(s)
- Workforce summary — summarises the agency's workforce
- Program net cost of services summary — summarises the net cost of agency programs
- Investing expenditure summary — summarises investing expenditure for the agency
- Program/sub-program information — for each agency program/sub-program, provides a description/objective, program summary (expenses and income statement), financial commentary, highlights and targets and performance indicators
- Financial statements — budgeted financial statements for controlled and administered items
- Summary of major variations — commentary on variances and trends in the financial statements.

Presentation of changes in program structures

Where a program or function is transferred between agencies, program information for previous years is reflected in the current program structure of the receiving agency.

In contrast, the agency financial statements line 'net cost of providing services' in the statement of comprehensive income is based on the actual program structure for the agency as it operated or is expected to operate in each year. This distinction in treatment is drawn so that financial statements accurately reflect events while, at the same time, program information is comparable and not duplicated.

Reconciliation of the financial statements to the current program structure is contained in the program net cost of services summary located at the beginning of each relevant agency section.

Financial statements

The estimated financial statements included in the 2011–12 Agency Statements are special purpose financial statements and include, for each agency, a statement of comprehensive income, a statement of financial position and a statement of cash flows.

The format of these estimated financial statements is consistent with the model financial statements (prepared by the Department of Treasury and Finance for statutory reporting requirements) and is consistent with the requirements of AASB 101 *Presentation of Financial Statements* and AASB 107 *Statement of Cash Flows*.

Estimates in these financial statements have been prepared:

- on a basis that is consistent with Australian Accounting Standards (Australian Accounting Standards and/or interpretations that have been issued or amended but are not yet effective have not been adopted early)
- on an accrual basis, except for the statement of cash flows which has been derived from the statement of comprehensive income and statement of financial position to reflect cash payments and receipts
- using historical cost convention, except for certain assets and liabilities that are valued in accordance with the valuation policy applicable.

Consistent with Australian Accounting Standards, estimated transactions and balances that are controlled are budgeted for, and reported on, separately to estimated transactions and balances which are administered but not controlled by the agency.

Ministerial responsibilities

The ministerial responsibilities summary table following provides a comprehensive list of the agencies and programs which fall under the responsibility of each minister and is presented in Ministerial Order of Precedence.

Minister	Agency	Programs
The Hon. MD Rann Premier Minister for Economic Development Minister for Social Inclusion Minister for the Arts Minister for Sustainability and Climate Change	Department of the Premier and Cabinet	1. Cabinet Office
		2. Ethical Standards and Professional Integrity
		3. Strategic Policy Initiatives
		4. Library and Information Services
		5. Access to Art, Museum and Heritage Services and Preservation of State Collections
		6. Arts Industry Development and Access to Artistic Product
		7. Integrated Design Commission
		8. Support Services
	Department of Trade and Economic Development	1. A Strategic Approach to Economic Development
	Defence SA ^(a)	1. Defence Industry Development
		2. Defence Precincts
		3. Workforce Development
The Hon. JR Rau Deputy Premier Attorney-General Minister for Justice Minister for the Urban Development, Planning and the City of Adelaide Minister for Tourism Minister for Food Marketing	Attorney-General's Department	1. Legal Services
		2. Forensic Science
		3. Policy, Planning and Legislation
		4. Police Complaints Authority
		5. Ombudsman Services
		6. Registration Services
		7. Justice Portfolio Services
		8. Building Communities — Equal Opportunity
		9. Building Communities — Advocacy and Guardianship Services
	Courts Administration Authority	1. Court and Tribunal Case Resolution Services
		2. Alternative Dispute Resolution Services
		3. Penalty Management Services
	Electoral Commission of South Australia	1. Electoral Services
	Department of the Premier and Cabinet	9. Capital City
	Department of Planning and Local Government	1. Urban Development and Planning
	South Australian Tourism Commission	1. Destination Development
		2. Tourism Events
		3. Tourism Marketing
The Hon. GE Gago Minister for Regional Development Minister for Public Sector Management Minister for the Status of Women Minister for Consumer Affairs Minister for Government Enterprises Minister for Gambling	Department of Trade and Economic Development	2. Thriving Regions
	Department of the Premier and Cabinet	10. Community Services
		11. Public Sector Performance Commission
	Attorney-General's Department	10. Consumer and Business Affairs
		11. Building Communities — Status of Women
		12. Liquor Regulatory Services
		13. Gambling Regulatory Services
	Department for Transport, Energy and Infrastructure	1. Service SA
	Department of Treasury and Finance	1. Gambling Policy

Minister	Agency	Programs
The Hon. PF Conlon Minister for Transport Minister for Infrastructure Minister for Industrial Relations Minister for State/Local Government Relations	Department for Transport, Energy and Infrastructure	2. Policy and Planning
		3. Transport Infrastructure Services
		4. Transport Safety and Regulation Services
		5. Public Transport Services
		6. State Infrastructure Facilitation
		7. Information and Communication Technology Services
		8. Building Management
		9. Land Services
	Department of the Premier and Cabinet	12. Industrial Relations
The Hon. KO Foley Minister for Defence Industries Minister for Police Minister for Emergency Services Minister Assisting the Premier with the Olympic Dam Expansion Project	Attorney-General's Department	14. Employee Advocacy
	Department of Planning and Local Government	2. State/Local Government Relations
	South Australia Police	1. Public Safety
		2. Crime Prevention and Criminal Justice Services
		3. Road Safety
	South Australian Fire and Emergency Services Commission	1. Fire and Emergency Services Strategic Services and Business Support
	South Australian Country Fire Service	1. Country Fire Service
	South Australian Metropolitan Fire Service	1. South Australian Metropolitan Fire Service
	South Australian State Emergency Service	1. State Emergency Service
The Hon. JD Hill Minister for Health Minister for Mental Health and Substance Abuse Minister for the Southern Suburbs	Department of Primary Industries and Resources	1. Olympic Dam Taskforce
	Department of Health	1. Policy, Clinical Services and Administration
		2. Public Health
		3. Health Services
The Hon. JW Weatherill Minister for Education Minister for Early Childhood Development Minister for Science and Information Economy	Department of Planning and Local Government	3. Office for the Southern Suburbs
	Department of Education and Children's Services	1. Early Years Education and Care (Birth to Preschool)
		2. Education—Early Years Education (R–2)
		3. Education—Primary and Secondary Education (3–12)
The Hon. JM Rankine Minister for Families and Communities Minister for Housing Minister for Ageing Minister for Disability	Department of Further Education, Employment, Science and Technology	1. Science, Technology and Information Economy
	Department for Families and Communities	1. Housing
		2. Families
		3. Disability
		4. Ageing
		5. Communities and Partners
		6. Organisational Capability

Minister	Agency	Programs
The Hon. P Caica Minister for Environment and Conservation Minister for the River Murray Minister for Water	Department of Environment and Natural Resources	1. Natural Resource Stewardship 2. Agency Leadership and Support 3. Botanic Gardens
	Environment Protection Authority	1. Environment and Radiation Protection
	Zero Waste SA	1. Waste Reduction and Resource Recovery
	Department for Water	1. Water Planning Management and Compliance
		2. Murray-Darling Basin
		3. Policy and Programs
		4. Science and Monitoring
The Hon. T Koutsantonis Minister for Mineral Resources Development Minister for Industry and Trade Minister for Small Business Minister for Correctional Services	Department of Primary Industries and Resources	2. Mineral Resources Development
	Department of Trade and Economic Development	3. Globally Integrating the SA Economy
		4. Evolving Businesses in SA
		5. Marketing SA for Economic Growth
		6. Opportunities for Small Business
		7. Corporate Governance
	Department for Correctional Services	1. Rehabilitation and Reparation
		2. Custodial Services 3. Community Based Services
The Hon. MF O'Brien Minister for Agriculture and Fisheries Minister for Forests Minister for Energy Minister for the Northern Suburbs	Department of Primary Industries and Resources	3. Agriculture, Food and Fisheries 4. Forestry Policy
	Department for Transport, Energy and Infrastructure	10. Energy Policy and Regulation
	Department of Planning and Local Government	4. Office for the Northern Suburbs
The Hon. JJ Snelling Treasurer Minister for Employment, Training and Further Education	Department of Treasury and Finance	2. Accountability for Public Sector Resources
		3. Financial Services Provision
		4. Shared Services
		5. State Procurement and Vehicles for Ministers, Leader of the Opposition, MPs and VIPs
	Department of Further Education, Employment, Science and Technology	2. Employment and Skills Formation
The Hon. G Portolesi Minister for Aboriginal Affairs and Reconciliation Minister for Multicultural Affairs Minister for Youth Minister for Volunteers	Department of the Premier and Cabinet	13. Aboriginal Affairs and Reconciliation
	Attorney-General's Department	15. Building Communities — Multicultural, Youth and Volunteers Services
The Hon. TR Kenyon Minister for Recreation, Sport and Racing Minister for Road Safety Minister for Veterans' Affairs	Attorney-General's Department	16. Recreation, Sport and Racing 17. Building Communities — Veterans' Affairs
	Department for Transport, Energy and Infrastructure	11. Road Safety Policy, Planning and Services

- (a) The Minister for Economic Development has delegated powers and functions in relation to Defence SA to the Minister for Defence Industries.

**Agency: South Australian
 Tourism Commission**

Minister for Tourism

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Objective

The objectives of the South Australian Tourism Commission (SATC) are to:

- increase visitor numbers to and within the state by creating awareness of South Australia and its tourism assets in key target markets
- facilitate the development of a competitive, profitable and sustainable tourism industry
- develop a competitive market position
- develop special interest (niche) markets that focus on South Australia's competitive strengths
- build strong networks and partnerships with relevant stakeholders for mutual benefit
- achieve sustainability of environmental and economic benefits
- bid for, and stage, major events.

Ministerial responsibilities

Minister	Programs	Sub-programs ^(a)
The Hon. JR Rau Minister for Tourism	1. Destination Development	1.1 Tourism Development 1.2 Strategy and Policy
	2. Tourism Events	Nil
	3. Tourism Marketing	3.1 Domestic Marketing 3.2 International and Trade Marketing

(a) There has been a change in the sub-program structure for the South Australian Tourism Commission.

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
South Australian Tourism Commission.....	139.8	168.8	167.2
Total	139.8	168.8	167.2

(a) The 2011–12 Budget and 2010–11 Estimated Result reflect the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet).

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 ^(a) Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. Destination Development	10 280	10 432	11 350	13 642
2. Tourism Events	11 753	12 507	12 771	14 069
3. Tourism Marketing	30 980	32 570	30 192	34 035
Total	53 013	55 509	54 313	61 746

(a) Changes to the program structure introduced from 2011–12 have also been reflected in prior years to enhance comparability.

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
Annual programs				
Purchase of Information Technology Equipment ...	134	131	131	557
Total annual programs	134	131	131	557
Total investing expenditure	134	131	131	557

Program 1: Destination Development

Description/objective

To assist the tourism industry by providing statistical research advice and evaluation, industry policy and planning services, facilitating and encouraging investment in tourism development and improving access to and within the state.

Sub-programs

1.1 Tourism Development

1.2 Strategy and Policy

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	3 839	4 262	4 703	4 668
Supplies and services.....	3 560	2 349	2 306	4 053
Depreciation and amortisation expenses.....	122	130	143	123
Grants and subsidies	4 805	5 709	6 053	7 798
Other expenses	30	31	29	186
Total expenses	12 356	12 481	13 234	16 828
Income				
Sales of goods and services.....	2 076	2 049	1 884	3 186
Total income	2 076	2 049	1 884	3 186
Net cost of providing services	10 280	10 432	11 350	13 642

Sub-program 1.1: Tourism Development

Description/objective

To assist the South Australian tourism industry in raising standards, efficiencies and marketability of products and services, improving access for visitors and developing and promoting tourism products that build on the state's competitive strengths. Identify, evaluate, assist and fund tourism infrastructure projects throughout the state.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	10 640	10 964	11 452	15 049
Income	2 073	2 045	1 881	3 180
Net cost of sub-program	8 567	8 919	9 571	11 869

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

The \$0.7 million decrease in net cost is primarily due to a reallocation of tourism development expenditure to Sub-program 3.1 'Domestic Marketing' for the digital distribution project.

2010–11 Estimated Result/2009–10 Actual

The \$3.0 million decrease in net cost is primarily due to:

- once-off expenditure occurring in 2009–10 on attracting additional air services to South Australia
- the implementation of a number of savings initiatives including
 - program efficiencies
 - reductions in development programs
 - a reduction in strategic infrastructure grants.

Highlights 2010–11

- As a result of cooperative marketing efforts supported by the Department of Trade and Economic Development, Adelaide Airport and the airline industry, Air New Zealand and Malaysia Airlines commenced additional direct services into Adelaide from Auckland and Kuala Lumpur respectively.
- SATC met with executives of major airlines and attended an airline route forum providing an opportunity to present detailed presentations to key airlines and route planners to encourage new routes and increased frequency.
- There were 12 cruise ship arrivals at Outer Harbor and a further two arrivals to both Port Lincoln and Kingscote during 2010–11. The Queen Mary 2 arrived for the second year in a row; the largest cruise ship to visit Adelaide, bringing more than 3800 passengers and crew.
- SATC invested in strategic and sustainable tourism infrastructure projects, including outback ballooning in the Flinders Ranges, the redevelopment of the Coober Pedy Airport Terminal and the development of new accommodation at the Clare Country Club.

Targets 2011–12

- Increase domestic and international air access capacity into Adelaide by working with airline partners and stakeholders, as well as hosting 17 cruise ship arrivals to Adelaide, three arrivals to Port Lincoln and one to Penneshaw, again welcoming the Queen Mary 2. The Queen Mary 2 will be visiting twice in March 2012.
- Invest in tourism development that will provide more quality accommodation across the state and additional high-yield tourism experiences in areas such as interactive nature and wildlife and walking tours.

Sub-program 1.2: Strategy and Policy

Description/objective

To collate and distribute statistical information, and coordinate market research about tourism and travel in South Australia. Provide clear vision and direction for the tourism industry and encourage a 'tourism friendly' policy and regulatory environment.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	1 716	1 517	1 782	1 779
Income	3	4	3	6
Net cost of sub-program	1 713	1 513	1 779	1 773

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Completed the Adelaide Hills Regional Strategic Tourism Plan in conjunction with the local councils and Adelaide Hills Tourism and Regional Development Australia—Adelaide Hills, Fleurieu and Kangaroo Island. A tourism plan for Yorke Peninsula was also commenced.
- Progressed the development of an experience development strategy for the Flinders Ranges and commenced work on a product experience gap audit for the Barossa as part of the Commonwealth Government's National Long-Term Tourism Strategy.
- Continued to participate in the National Long-Term Tourism Strategy, with a particular focus on building industry resilience to climate change and identifying investment and regulatory reform needed to make the tourism sector more competitive.
- Made submissions to a wide range of government policy initiatives, including marine parks planning, Department of Environment and Natural Resources' visitor strategy for national parks and reserves, *The 30-Year Plan for Greater Adelaide* and PIRSA's aquaculture policy review as well as more than 20 development plan amendments by local and state government.
- Completed the Commonwealth-funded strategic research study to quantify the impact that regional visitor guides have on holiday makers in South Australia as well as securing additional Commonwealth funding to undertake a research project to measure the influence and customer expectations of visitor information centres.

Targets 2011–12

- Complete a regional strategic tourism plan for Yorke Peninsula in conjunction with the local councils, Department of Environment and Natural Resources and Regional Development Australia — Yorke and Mid North.
- Complete the experience development strategy for the Flinders Ranges and product experience gap audit for the Barossa as part of the National Long-Term Tourism Strategy.
- Progress initiatives under the National-Long Term Tourism Strategy.

Program 2: Tourism Events

Description/objective

To develop the state's event calendar by bidding for and staging major events in South Australia.

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	1 919	1 969	1 897	1 915
Supplies and services.....	12 940	13 017	10 718	13 159
Depreciation and amortisation expenses.....	179	152	149	148
Grants and subsidies.....	3 729	3 903	4 343	5 162
Other expenses	22	15	12	185
Total expenses	18 789	19 056	17 119	20 569
Income				
Sales of goods and services.....	7 036	6 549	4 348	6 500
Total income	7 036	6 549	4 348	6 500
Net cost of providing services	11 753	12 507	12 771	14 069

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.5 million increase in income is primarily due to revenue from the Tasting Australia event which is scheduled to be held in 2011–12.

2010–11 Estimated Result/2010–11 Budget

The \$2.2 million increase in income is primarily due to increased event sponsorship, entry fees and participation fees from hosting the Great Australian Outback Cattle Drive and the Santos Tour Down Under.

The \$1.9 million increase in expenses is primarily due to:

- expenditure associated with the additional event sponsorship
- costs associated with supporting an increased number of participants in the Challenge Tour
- hosting the Legends' Night Dinner.

2010–11 Estimated Result/2009–10 Actual

The \$1.5 million decrease in expenses is primarily due to:

- costs for events staged in 2009–10 that did not continue into 2010–11, including the UCI BMX World Championships
- the majority of expenditure on the 2010 Outback Cattle drive held in July/August being incurred in 2009–10
- a reduction in event activities, including remodelling events and efficiencies.

Highlights 2010–11

- The 13th Santos Tour Down Under, the first as a UCI World Tour event, delivered an estimated economic impact of more than \$43 million to the state.
- A new annual classic car tarmac rally event, Classic Targa Adelaide, was secured, with the first event to be held in September. The event will be managed by international management group Octagon.
- The 2010–11 Regional Events & Festivals Program provided support to 29 events, including the South Australian Living Artists Festival, which recorded more than 383 000 attendees to metropolitan and regional exhibitions over the three week festival, and the SA Wooden Boat Festival, which attracted an estimated 40 000 people.
- Major events secured in 2010–11 included the 2012 Fina World Junior Diving Championships, the 2011 Australian Short Course Swimming Championships and a Holden Netball Test Series game each year from 2011–2013.
- Provided support to the Adelaide Fringe Caravan, which travelled to Sydney and Melbourne promoting the 2011 Adelaide Fringe.

Targets 2011–12

- Manage the Santos Tour Down Under, Tasting Australia and the Credit Union Christmas Pageant to achieve growth in key performance indicators and deliver economic and social benefits for the state.
- Support the staging of the inaugural Classic Targa Adelaide.
- Maintain and continue to build the state's events calendar by introducing new significant events for the state.
- Grow collaborative marketing for the state's key arts, cultural, sport and food and wine events to attract additional visitation to the state.
- Manage the Regional Events & Festivals Program, with a continued focus on supporting events with the capacity to attract visitors and generate expenditure in regional areas.

Program 3: Tourism Marketing

Description/objective

To provide high quality marketing services and develop marketing strategies and campaigns to increase the number of visitors to and within South Australia.

Sub-programs

3.1 Domestic Marketing

3.2 International and Trade Marketing

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	6 228	7 327	6 935	7 582
Supplies and services.....	24 901	26 035	23 666	26 924
Depreciation and amortisation expenses.....	193	212	202	197
Grants and subsidies.....	756	478	1 063	1 251
Other expenses	49	51	43	770
Total expenses	32 127	34 103	31 909	36 724
Income				
Sales of goods and services.....	1 147	1 533	1 717	2 689
Total income	1 147	1 533	1 717	2 689
Net cost of providing services	30 980	32 570	30 192	34 035

Sub-program 3.1: Domestic Marketing

Description/objective

To develop and implement national marketing campaigns and programs to maintain awareness of the state's tourism assets and increase visitation to and within South Australia.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	18 292	18 937	17 540	19 215
Income	665	429	661	694
Net cost of sub-program	17 627	18 508	16 879	18 521

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.9 million decrease in net cost is primarily due to:

- the implementation of savings initiatives

partially offset by

- additional expenditure on direct to consumer marketing activities.

2010–11 Estimated Result/2010–11 Budget

The \$1.6 million increase in net cost is primarily due to enhancements to the SATC's tourism consumer website and associated international consumer websites, including improvements to features, functionality, usability and creativity.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Commenced redevelopment of the South Australia Tourism consumer website to provide improved tools for researching, planning and booking a holiday to South Australia.
- Continued the interstate Isn't It About Time campaign promoting Kangaroo Island, Adelaide and its proximity to wine regions. A range of other regional experiences were also promoted.
- Developed and launched regional marketing campaigns, including a two-year campaign promoting Port Lincoln and the Eyre Peninsula to Adelaide holidaymakers, supporting competitive air flights between Adelaide and Port Lincoln.
- Capitalised on the increased water flows along the Murray River by launching the Go With the Flow campaign in South Australia and Victoria.
- Launched the Industry Cooperative Marketing Fund, which provided marketing grants to tourism operators, leveraging additional industry contributions to market South Australia.
- Supported television partnerships with Channel Nine's Postcards and Channel Seven's Discover and No Leave No Life programs to increase interest in regional holidays in South Australia.

Targets 2011–12

- Launch a redeveloped website <www.southaustralia.com>.
- Increase the number of tourism operators that can be booked online consistent with the growing consumer preference for researching and booking travel online.
- Continue the Industry Cooperative Marketing Fund, with funds being matched from industry.
- Refresh advertising for Kangaroo Island for the interstate market to position it as a 'must do' destination in Australia.
- Continue the Murray River and Eyre Peninsula campaigns in the intrastate market as well as develop an all-of-state intrastate campaign.

Sub-program 3.2: International and Trade Marketing

Description/objective

Position South Australia as a compelling part of an Australian journey for overseas visitors by working cooperatively with trade partners and implementing marketing campaigns to ensure the consumer is aware of South Australia as a holiday destination and that every opportunity is taken to convert this awareness into travel.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	13 835	15 166	14 369	17 509
Income	482	1 104	1 056	1 995
Net cost of sub-program	13 353	14 062	13 313	15 514

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.7 million decrease in net cost is primarily due to the transfer of the management of the South Australian Visitor and Travel Centre to a commercial operator for the provision of information and facilitation of bookings.

2010–11 Estimated Result/2010–11 Budget

The \$0.8 million increase in expenses is primarily due to increased international marketing activity, with a focus on digital marketing.

2010–11 Estimated Result/2009–10 Actual

The \$1.5 million decrease in net cost is primarily due to:

- the hosting of the Australian Tourism Exchange in 2009–10 in South Australia
- the closure of the visitor information outlet at the Adelaide Airport.

Highlights 2010–11

- Conducted a significant cooperative marketing campaign with Qantas Holidays, which included the Cellar Door television commercial appearing on Qantas in-flight television and magazine and national press advertising, as well as offering exclusive ‘chef hosted’ dinners involving Maggie Beer and Mark McNamara. Sales generated by the campaign showed a significant increase in March 2011 compared to the same period last year.
- In conjunction with Singapore Airlines, cooperative marketing activity was undertaken in the UK, Germany, France, Italy, Singapore and China and included digital, radio and magazine advertising as well as newspaper supplements.
- Conducted a television and online brand campaign in New Zealand to further grow demand for South Australia and encourage increased direct airline services into Adelaide.

- A consumer roadshow took place in New Zealand, with nine South Australian operators travelling in six campervans decorated with South Australian imagery. A total of 16 consumer and trade events were conducted across the country with more than 1100 consumers and travel industry representatives in attendance.
- American celebrity chef Tom Colicchio became an ambassador for South Australia in the US, hosting consumer dinners in Los Angeles and New York. The dinners showcased South Australian food and wine and allowed Tom Colicchio to share his South Australian food, wine and travel experiences.
- A number of activities and digital promotions were undertaken in China to raise awareness with consumers and educate travel industry representatives as well as hosting the inaugural South Australian Roadshow with six South Australian operators visiting Guangzhou, Shenzhen and Shanghai.

Targets 2011–12

- Undertake marketing campaigns with domestic travel partners such as Flight Centre, Qantas Holidays and Virgin Australia.
- Relaunch websites in key international markets with stronger imagery, search functionality and online booking capability. Expanded use of social media platforms to raise awareness and engage consumers in conversations about South Australia.
- Partner with Tourism Victoria and Tourism Tasmania to promote the ‘Southern States’ to the US traveller, working with selected travel partners to encourage the US visitor to discover the southern part of Australia.
- Develop working holiday/youth travel focused promotions in the UK, France and Germany.
- Conduct marketing campaigns with key wholesalers in China and continue to run large-scale consumer awareness campaigns in the digital environment on high profile websites targeting the high-end traveller, and developing relevant product in South Australia for the market.
- Deliver consumer- and trade-focused roadshows in the US, NZ and China markets to put South Australian operators directly in touch with travel industry representatives and consumers.

South Australian Tourism Commission

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	9 869	11 195	11 180	11 154
Long service leave	481	494	494	357
Payroll tax	531	603	602	618
Superannuation	921	1 047	1 045	1 027
Other	184	219	214	1 009
Supplies and services				
General supplies and services	40 570	40 389	36 627	44 068
Consultancy expenses	31	31	62	57
Depreciation and amortisation expenses	494	494	494	468
Borrowing costs	—	1	1	11
Grants and subsidies	9 290	10 090	11 459	14 211
Intra-government transfers	800	980	—	—
Other expenses	101	97	84	1 141
Total expenses	63 272	65 640	62 262	74 121
Income				
Commonwealth revenues	—	—	—	210
Intra-government transfers	—	—	—	866
Sales of goods and services	10 259	10 131	7 949	11 345
Net gain or loss from disposal of assets	—	—	—	-101
Other income	—	—	—	55
Total income	10 259	10 131	7 949	12 375
Net cost of providing services	53 013	55 509	54 313	61 746
Income from/expenses to state government				
Income				
Appropriation	53 238	54 640	54 515	59 139
Other income	—	1 076	—	911
Net income from/expenses to state government	53 238	55 716	54 515	60 050
Total comprehensive result	225	207	202	-1 696

South Australian Tourism Commission

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	3 895	3 603	1 591	3 797
Receivables	1 734	1 845	1 291	1 956
Other current assets	70	107	519	68
Total current assets	5 699	5 555	3 401	5 821
<i>Non current assets</i>				
Financial assets	400	400	400	400
Plant and equipment	2 663	3 023	2 693	3 386
Total non-current assets	3 063	3 423	3 093	3 786
Total assets	8 762	8 978	6 494	9 607
Liabilities				
<i>Current liabilities</i>				
Payables	4 391	4 821	1 805	5 255
Short-term borrowings	—	—	—	50
Employee benefits				
Salaries and wages	—	—	—	329
Annual leave	823	834	672	847
Long service leave	247	247	236	247
Other current liabilities	180	180	389	180
Total current liabilities	5 641	6 082	3 102	6 908
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	1 161	1 161	1 189	1 171
Other non-current liabilities	1 092	1 092	1 246	1 092
Total non-current liabilities	2 253	2 253	2 435	2 263
Total liabilities	7 894	8 335	5 537	9 171
Net assets	868	643	957	436
Equity				
Contributed capital	64	64	64	64
Retained earnings	804	579	893	372
Total equity	868	643	957	436

Balances as at 30 June end of period.

South Australian Tourism Commission

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	11 959	13 952	14 152	14 008
Payments for supplies and services	40 755	40 574	36 843	42 502
Interest paid	—	1	1	11
Grants and subsidies	9 290	10 090	11 459	14 211
GST paid	—	—	—	4 770
Intra-government transfers	800	980	—	—
Other payments	378	374	361	300
Cash used in operations	63 182	65 971	62 816	75 802
<i>Cash inflows</i>				
Intra-government transfers	—	—	—	866
Commonwealth receipts	—	—	—	210
Sales of goods and services	10 370	10 242	8 060	11 167
GST received	—	—	—	4 706
Cash generated from operations	10 370	10 242	8 060	16 949
State government				
Appropriation	53 238	54 640	54 515	59 139
Other receipts	—	1 076	—	911
Net cash provided by state government	53 238	55 716	54 515	60 050
Net cash provided by (+)/used in (-) operating activities	426	-13	-241	1 197
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	134	131	131	557
Advances paid	—	—	—	260
Cash used in investing activities	134	131	131	817
Net cash provided by (+)/used in (-) investing activities	-134	-131	-131	-817
Financing activities				
<i>Cash outflows</i>				
Repayment of borrowings	—	50	50	193
Cash used in financing activities	—	50	50	193
Net cash provided by (+)/used in (-) financing activities	—	-50	-50	-193
Net increase (+)/decrease (-) in cash equivalents	292	-194	-422	187
Cash and cash equivalents at the start of the period	3 603	3 797	2 013	3 610
Cash and cash equivalents at the end of the period	3 895	3 603	1 591	3 797

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

Statement of comprehensive income—controlled

Expenses

The \$2.4 million decrease in expenses is primarily due to:

- the implementation of savings initiatives

partially offset by

- additional expenditure on direct to consumer marketing activities.

Income

No major variations.

Statement of financial position—controlled

No major variations.

Statement of cash flows—controlled

Movements in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income and the statement of financial position.

Agency: Department of Trade and Economic Development

Minister for Economic Development

Minister for Regional Development

Minister for Industry and Trade

Minister for Small Business

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Objective

The mission of the Department of Trade and Economic Development (DTED) is to attract new investment to the state and work with new and existing industries to maximise their contribution to economic growth, jobs and investment across South Australia in accordance with South Australia's Strategic Plan.

We do this by helping to build sustainable competitive advantage and maximising value chain opportunities from major projects and the growth of emerging industries.

To achieve the DTED mission, we have set the following strategic objectives:

- foster business sectors within the value chains of the major projects in South Australia
- provide a strong strategic policy framework for economic development
- facilitate investment and trade opportunities in key markets
- lead the marketing of South Australia for economic growth
- support regional communities to maximise economic development opportunities
- support sustainable population growth for economic growth
- develop a high performance organisation engaged with its key stakeholders.

Ministerial responsibilities

Minister	Programs	Sub-programs
The Hon. MD Rann Minister for Economic Development	1. A Strategic Approach to Economic Development	Nil
The Hon. GE Gago Minister for Regional Development	2. Thriving Regions	Nil
The Hon. T Koutsantonis Minister for Industry and Trade Minister for Small Business	3. Globally Integrating the SA Economy	Nil
	4. Evolving Businesses in SA	Nil
	5. Marketing SA for Economic Growth	Nil
	6. Opportunities for Small Business	Nil
	7. Corporate Governance	Nil

Note: Some program numbers have changed due to changes in ministerial responsibilities.

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
Department of Trade and Economic Development.....	122.4	123.9	192.5
Administered items for the Department of Trade and Economic Development.....	—	—	—
Total	122.4	123.9	192.5

(a) The 2011–12 Budget and 2010–11 Estimated Result reflect the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet).

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. A Strategic Approach to Economic Development.....	1 191	1 949	2 052	3 881
2. Thriving Regions	11 342	6 381	11 612	7 081
3. Globally Integrating the SA Economy.....	9 483	12 129	11 673	16 564
4. Evolving Businesses in SA.....	15 136	13 933	15 063	10 087
5. Marketing SA for Economic Growth	3 962	4 396	4 594	4 256
6. Opportunities for Small Business	1 918	3 114	2 684	3 198
7. Corporate Governance.....	8 525	16 720	11 770	12 542
Total	51 557	58 622	59 448	57 609

Reconciliation to agency net cost of providing services

Add: Net cost of programs/function transferred out

Office of the Economic Development Board to the
Department of the Premier
and Cabinet

— — — 1 980

Office of the Olympic Dam Taskforce
to the Department of Primary Industries and
Resources

— 1 862 1 862 1 090

Equals: **Net cost of providing services** (as per
agency statement of comprehensive income)

51 557 60 484 61 310 60 679

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
<i>Other</i>				
Minor works	—	—	—	919
Accommodation fit-out	—	—	—	4 943
Financial assets	—	—	—	1 377
Total other	—	—	—	7 239
Total investing expenditure	—	—	—	7 239

Program 1: A Strategic Approach to Economic Development

Description/objective

This program provides a strong strategic policy framework for economic development. This is delivered through policies and programs that enhance the competitive advantages of our business environment, identifying challenges and opportunities for the state's industries and coordinating government economic development activities in the context of South Australia's Strategic Plan.

The key outcome of this program is to facilitate an attractive, sustainable economic climate for South Australia.

Program summary – expenses and income

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	739	1 568	1 667	2 670
Supplies and services.....	452	345	357	1 094
Grants and subsidies	—	28	28	162
Intra-government transfers	—	8	—	—
Total expenses	1 191	1 949	2 052	3 926
Income				
Other income	—	—	—	45
Total income	—	—	—	45
Net cost of providing services	1 191	1 949	2 052	3 881

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.8 million decrease in net cost is primarily due to the implementation of a new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in operational employee costs.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$1.9 million decrease in net cost is primarily due to:

- the implementation of the new organisation structure, effective 1 January 2011, and associated decrease in operational employee costs (\$1.1 million)
- a savings measure to reduce expenditure on policy activities (\$0.6 million).

Highlights 2010–11

- Developed a greater focus on selected key economic development issues for the state in line with the broader restructure and downsizing of the department following the 2010–11 State Budget.

- Supported the work of the Economic Development Board to deliver improved economic development outcomes, including updating the economic forecasts for the state taking into account the impacts of major projects.
- Consulted on and updated the Industry Participation Policy to boost opportunities for South Australian companies to win contracts in the \$80 billion worth of major projects, either underway or in the pipeline.
- Developed and piloted a survey to assess business land use and infrastructure requirements to improve spatial and regulatory planning for industry.
- Supported the Competitiveness Council to identify, analyse and develop solutions for issues affecting business, including a project to streamline approval processes for industrial land sites.
- Provided economic development advice on implementation of whole of government initiatives and policies such as *The 30-Year Plan for Greater Adelaide*, South Australia's Strategic Plan, Tackling Climate Change, the State Infrastructure Plan and free trade agreements.

Targets 2011–12

- Develop whole of government engagement strategies for China and India.
- Continue to work closely with the Economic Development Board to unlock the economic opportunities from the major projects in South Australia, including value chain opportunities from the proposed Olympic Dam expansion.
- Finalise and implement the Industry Participation Policy to boost opportunities for South Australian companies to win contracts in the \$80 billion worth of major projects either underway or in the pipeline, particularly to maximise the value of the resource projects.
- Continue to work with the Competitiveness Council to identify and deliver further specific initiatives to reduce red tape for business and improve access to industrial land.
- Provide high quality advice to the government on economic development, trade and investment issues.

Program 2: Thriving Regions

Description/objective

This program works with South Australia's regional communities to maximise economic opportunity in these regions to maximise their contribution to the state's economy. It assists to build social capital, promote economic development initiatives and priorities and contribute to the funding of regional economic infrastructure.

The key outcome of this program is to facilitate strong, self-reliant and economically viable regional communities.

Program summary – expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	975	1 154	1 125	1 174
Supplies and services.....	481	503	675	986
Grants and subsidies	9 886	4 805	9 812	5 121
Intra-government transfers	—	—	—	23
Total expenses	11 342	6 462	11 612	7 304
Income				
Commonwealth revenues	—	81	—	53
Other income	—	—	—	170
Total income	—	81	—	223
Net cost of providing services	11 342	6 381	11 612	7 081

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$5.0 million increase in net cost is primarily due to:

- carryover of funds to future years relating to the Riverland Sustainable Futures Fund (\$4.0 million)
- carryover of funds to future years relating to the Enterprise Zone Fund for the Upper Spencer Gulf and Outback (\$1.0 million).

2010–11 Estimated Result/2010–11 Budget

The \$5.2 million decrease in net cost is primarily due to:

- carryover of funds to future years relating to the Riverland Sustainable Futures Fund (\$4.0 million)
- carryover of funds to future years relating to the Enterprise Zone Fund for the Upper Spencer Gulf and Outback (\$1.0 million).

2010–11 Estimated Result/2009–10 Actual

The \$0.7 million decrease in net cost is primarily due to:

- costs relating to the establishment of Regional Development Australia in 2009–10 (\$0.5 million)
- the final tranche of regional development projects occurring in 2009–10 (\$0.7 million)
- the implementation of the new organisation structure, effective 1 January 2011, and associated decrease in all operational costs including employee costs (\$0.3 million)
- costs relating to the Riverland Futures Taskforce in 2009–10 (\$0.2 million)

partially offset by

- the Riverland Sustainable Futures Fund in 2010–11 (\$1 million).

Highlights 2010–11

- Completed the restructure of the delivery of regional services in line with the broader restructure of the department following the 2010–11 State Budget.
- Established the Riverland Sustainable Futures Fund and the Enterprise Zone Fund for the Upper Spencer Gulf and Outback, including setting selection criteria and governance arrangements.
- Approved grants for regional South Australia from the Riverland Sustainable Futures Fund and from the Regional Development Infrastructure Fund including \$0.4 million to the Australian Milling Group towards new storage and processing facilities at the Bowmans Industrial Precinct located between Balaklava and Port Wakefield and \$0.5 million to the District Council of Grant towards a runway upgrade at the Mount Gambier Airport.
- Finalised tender process for a feasibility study into an Upper Spencer Gulf Heavy Industry Hub to identify ways in which South Australian manufacturing companies can maximise their involvement with the growing mining and energy sectors in the region.
- Initiated a regional statement for South Australia to highlight the commitment to building sustainable regional communities.
- Strengthened the Regional Communities Consultative Council (RCCC) to give it a stronger advocacy role for regional communities and a strategic focus on opportunities to maximise the competitive advantage of regions.
- Led the state government engagement with the Commonwealth Government's Regional Development Australia initiative to improve regional development outcomes for South Australia through the Commonwealth Government's Regional Development Australia Fund.

Targets 2011–12

- Complete a regional statement for Regional South Australia.
- Support the economic development of Regional South Australia through facilitating grants under the Regional Development Infrastructure Fund, the Riverland Sustainable Futures Fund and the Enterprise Zone Fund for the Upper Spencer Gulf and Outback.
- Complete the Upper Spencer Gulf Heavy Industry Hub Feasibility Study.
- Ensure the RCCC engages with regional communities on key opportunities emerging in regional South Australia.
- Facilitate consideration of project proposals from South Australia for funding by the Commonwealth Government, including through the Regional Development Australia Fund.

Program 3: Globally Integrating the SA Economy

Description/objective

This program supports sustainable economic growth by building on South Australia's competitive advantages. It includes facilitating investment in major projects across the state and trade and migration activities.

The key outcomes of this program are to present a compelling business case for investment and development in South Australia, develop effective global linkages and a population policy to support sustainable economic activity.

Program summary – expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	3 372	3 891	4 261	4 591
Supplies and services.....	4 729	5 561	4 567	7 392
Borrowing costs	—	—	—	16
Grants and subsidies	2 310	2 276	3 103	2 492
Intra-government transfers	—	1 564	162	3 034
Other expenses	—	5	—	5
Total expenses	10 411	13 297	12 093	17 530
Income				
Commonwealth revenues	328	320	320	442
Intra-government transfers	600	830	—	200
Net gain or loss from disposal of assets	—	—	—	63
Other income	—	18	100	261
Total income	928	1 168	420	966
Net cost of providing services	9 483	12 129	11 673	16 564

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$2.6 million decrease in net cost is primarily due to:

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction in the workforce and an associated decrease in operational employee costs (\$0.6 million)
- a final grant contribution to Film SA in 2010–11 (\$1.2 million)
- 2010–11 savings measures associated with the reduction in migration services (attraction and settlement) (\$1.7 million)
- 2010–11 savings measures associated with ceasing the Careers Promotion Campaign (\$0.1 million)

partially offset by

- increase due to full-year effect of the Gateway Business Program, bringing the total of this program to an ongoing \$1.0 million per annum (\$0.8 million)
- increase in funding to Business SA to support small and medium enterprises (SMEs) in trade missions, trade education, language support and translation, business matching and development of funding assistance proposals (\$0.5 million).

2010–11 Estimated Result/2010–11 Budget

The \$0.5 million increase in net cost is primarily due to:

- a grant contribution to Film SA (\$1.2 million)

partially offset by

- once-off reduced expenditure in the Market Access Program and its replacement, the new Gateway Business Program launched in 2010–11 (\$0.8 million).

2010–11 Estimated Result/2009–10 Actual

The \$4.4 million decrease in net cost is primarily due to:

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in operational employee costs (\$0.6 million)
- a once-off grant payment to Tiger Airways in 2009–10 (\$0.6 million)
- 2010–11 savings measures associated with overseas market strategies (\$1.4 million)
- 2010–11 savings measures associated with the reduction in migration services (attraction and settlement) (\$0.7 million)
- 2010–11 savings measures associated with ceasing the Careers Promotion Campaign (\$0.4 million)
- the cessation of the Market Access Program and launch of the Gateway Business Program (\$0.3 million)
- ICT Industry Export Plan agreement ceasing in 2009–10 (\$0.1 million).

Highlights 2010–11

- Completed the restructure of the delivery of investment, trade and migration services in line with the broader restructure and downsizing of the department following the 2010–11 State Budget.
- Worked with proponents to facilitate and attract new investment into South Australia covering mining proposals, such as the Antofagasta Minerals investment in Monax Mining, and urban development, such as the PMF Projects 25 storey urban development project in the Adelaide central business district.
- Facilitated the potential investment by Deepak Fertilisers who have commenced a three-year feasibility study into the establishment of a \$350 million technical ammonium nitrate manufacturing plant near Whyalla.
- Facilitated investment and trade opportunities in South Australia through inbound missions from companies and international provinces, including CNOOC, a leading Chinese oil and gas producer, and Chengdu, an important economic province of China, and outbound missions promoting South Australia's supply chain development at major resources services and technology conferences such as the International Mining & Machinery Exhibition in India.

- Supported four South Australian companies participating in the Australian Pavilion at Medica, the world's largest health exhibition in Dusseldorf, Germany.
- Developed and launched the new Gateway Business Program to support small to medium-sized firms looking to export, replacing the Market Access Program (MAP).
- Supported the visit by the Premier to China to celebrate the 25th Anniversary of the signing of the Sister State Agreement with Shandong Province.
- Participated in the second of the South Australian hosted events conducted at the Shanghai World Expo Australian Pavilion in China in October 2010.
- Negotiated and implemented the State Migration Plan.

Targets 2011–12

- Assist small to medium-sized firms seeking to export through the \$1 million Gateway Business Program.
- Support SMEs, through Business SA, in trade missions, trade education, language support and translation, business matching and development of funding assistance proposals.
- Facilitate the creation of jobs and investment in the mining, resource services, advanced manufacturing and Cleantech, and other key industry sectors.
- Continue to case manage the potential Deepak Fertilisers Technical Ammonium Nitrate manufacturing plant to satisfy all conditions, including environmental and engagement with the community and regulatory agencies, during the feasibility study.
- Continue to case manage over \$2 billion worth of projects of economic significance to South Australia.
- Ensure South Australia retains its regional status in regard to overseas migration.

Performance indicators^(a)

Migration	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Regional Certifying Body no. certifications				
• Employer certifications	1 000	1 150	1 000	1 281
State sponsorships:				
• State Migration Plan	2 000	1 500	2 000	2 162
• business skills	300	330	375	479
Business migration (permanent) ^(b) :				
• jobs created	120	145	150	171 ^(c)
• investment \$	\$130m	\$120m	\$175m	\$156m
• export \$	\$20m	\$18m	\$26m	No target

- (a) Commonwealth policy changes may impact on the program by changing the eligibility criteria and number of visas available for South Australia during 2011–12. Targets for 2011–12 will need to be reviewed once the Department of Immigration and Citizenship changes have been finalised. State Migration Plan 2010–11 results were affected by the mid-year implementation of the plan.
- (b) The targets for investment are based on the achievements of permanent sponsorship recipients; jobs and exports are based on the achievements of permanent sponsorship recipients over a one-year period. Employment is defined as full-time equivalent employees hired for 12 months continuously prior to the application assessment. Export income figures are provided by the migrants for the 12 months prior to application.
- (c) Employment created 78 full-time and 186 part-time jobs (using current calculations; that is, two part-time equals one full-time job).

Program 4: Evolving Businesses in SA

Description/objective

This program supports businesses to be sustainable, innovative and flexible and to participate in global supply chains. This includes improving their productivity and competitiveness, responding to structural changes and focusing on producing higher value goods and services.

It also supports the growth of key sectors in the South Australian economy through facilitating targeted infrastructure development and maximising supply chain opportunities for South Australian businesses.

The key outcome of this program is to facilitate sustainable business growth.

Program summary – expenses and income

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	3 320	3 088	3 103	2 841
Supplies and services.....	1 695	1 012	783	1 439
Grants and subsidies	10 111	9 912	11 342	6 533
Intra-government transfers	350	337	175	—
Total expenses	15 476	14 349	15 403	10 813
Income				
Commonwealth revenues	200	275	200	111
Intra-government transfers	100	100	100	269
Other income	40	41	40	346
Total income	340	416	340	726
Net cost of providing services	15 136	13 933	15 063	10 087

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.2 million increase in net cost is primarily due to:

- the re-allocation of funds from 2010–11 to future years as part funding for the establishment of the South East South Australian Innovation Investment Fund from
 - the Strategic Industry Development Fund (\$0.8 million)
 - the Cleantech Industry Strategy (Eco-Innovation) (\$0.5 million)
- the full-year impact of Cleantech Industry Strategy (Partnering Program) operating initiative (\$0.4 million)
- an increase in expenses for Tonsley Park relating to the implementation of the masterplan, including early works to facilitate the Sustainable Industries Education Centre (\$0.7 million)
- the full-year effect of the Industry Capability Network (ICN) Participation Policy operating initiative (\$0.1 million)

partially offset by

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in operational employee costs (\$0.4 million)
- a once-off industry support initiative in 2010–11 for development of export contracts for the South Australian car industry (\$0.9 million)
- the implementation of the Electronics and ICT Association 2010–11 savings measure in 2011–12 (\$0.2 million)
- a reduction in the Northern Advanced Manufacturing Group payment in 2011–12 in line with contractual arrangements (\$0.2 million).

2010–11 Estimated Result/2010–11 Budget

The \$1.1 million decrease in net cost is primarily due to:

- the Cleantech Industry Strategy (Eco-Innovation) operating initiative being transferred to the South East South Australian Innovation Investment Fund (\$0.5 million)
- the Strategic Industry Development Fund being transferred to the South East South Australian Innovation Investment Fund (\$0.8 million)

partially offset by

- an increase in Northern Advanced Manufacturing Group support (\$0.2 million).

2010–11 Estimated Result/2009–10 Actual

The \$3.8 million increase in net cost is primarily due to:

- a once-off industry support initiative in 2010–11 for development of export contracts for the South Australian car industry (\$0.9 million)
- the establishment of the Cleantech Industry Strategy operating initiative (including Cleantech Partnering, Eco-Innovation and Business Sustainability Alliance) in 2010–11 (\$1.6 million)
- the establishment of the Strategic Industry Development Fund operating initiative in 2010–11 (\$2.0 million)
- the establishment of the Manufacturing Industries operating initiative (including Small and Medium Enterprise Investment Development, Innovation and Business Sustainability Audit, National Medical Devices Partnering Program and the Manufacturing Thinker in Residence) in 2010–11 (\$1.8 million)

partially offset by

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings initiatives, resulting in a reduction to the workforce and an associated decrease in operational employee costs (\$0.4 million)
- reduced funding associated with Creative Industries program and Innovate SA in 2010–11 (\$0.6 million)
- the transfer of Eco-Innovation to the South East South Australian Innovation Investment Fund (\$0.5 million)
- a transfer to the South East South Australian Innovation Investment Fund in 2010–11 (\$0.8 million).

Highlights 2010–11

- Completed the restructure of the delivery of support to businesses and industry in line with the broader restructure and downsizing of the department following the 2010–11 State Budget.
- Led the master planning process for the Tonsley Park Redevelopment to guide the development of an integrated mixed use employment precinct that will provide a hub for sustainable industry. A sustainable industries education centre was confirmed by the government on the site.
- Led the implementation of the Manufacturing Thinker in Residence Program with Professor Goran Roos, Chairman of VTT Technical Research Centre of Finland. The residency focused on manufacturing policy and strategy, business enterprise innovation, education and research. Ten companies engaged in the program to improve their capacity and growth prospects.
- Developed and launched the Manufacturing Industries initiative including the Small and Medium Enterprise Investment Development Program (\$4 million over four years), the Medical Devices Commercialisation Program (\$2 million over four years) and the \$0.3 million Audits and Access to Concessional Finance Program.
- Developed and launched the Cleantech Industry Strategy including the \$2.2 million Cleantech Partnering Program, the \$2.5 million Eco-Innovation Program and the \$0.3 million Business Sustainability Alliance Energy Efficiency Program.
- Initiated the Industry Capability Initiative to capture opportunities and inputs into growing supply chains from major projects in the high-value manufacturing, knowledge intensive services, clean technology, and resources services and technology sectors.
- Facilitated contracts for Australian suppliers to the value of \$142 million (to 30 April 2011) through the Industry Capability Network South Australia (ICNSA), with \$135 million of these contracts going to South Australian companies.
- Provided policy advice for the development of a \$30 million grant to GM Holden for the Cruze vehicle project, leveraging a further \$149 million from the Commonwealth Government.
- Approved funding for 11 projects under the South Australia Innovation and Investment Fund bringing the total number of projects to 29. The 29 projects provided a total of 1009 new jobs and the generation of over \$139 million in investment into the state.

Targets 2011–12

- Commence development, including preparatory capital works to facilitate the Sustainable Industries Education Centre and initial sustainable industry tenants at Tonsley Park, and secure further tenancies.
- Facilitate the preparation of the Final Report of the Manufacturing Thinker in Residence, Professor Goran Roos, and develop an updated South Australian manufacturing strategy under the direction of the Manufacturing Consultative Council.
- Continue the Industry Capability Initiative to capture opportunities and inputs into growing the supply chains from major projects through engagement with the key sectors.
- Support clean technology product development and commercialisation for small and medium enterprise (SME) manufacturers through the four-year Cleantech Partnering Program.
- Support product development and commercialisation in the medical devices sector through the four-year Medical Devices Commercialisation Program, in partnership with Flinders University and Flinders Partners.
- Assist SME manufacturers to implement and accelerate new capital investment over the four-year program through the Small and Medium Enterprise Investment Development Program.
- Promote resource efficiency, waste reduction and waste re-use in the manufacturing sector through allocating grants from the four-year Eco-Innovation Program.
- Through Innovate SA, pilot the Innovation and Business Sustainability Audit Tool and conduct energy efficiency assessments for selected SMEs.
- Facilitate \$150 million in contracts to Australian companies through the Industry Capability Network SA (ICNSA).

Program 5: Marketing SA for Economic Growth

Description/objective

This program promotes South Australia's strong economy, enviable lifestyle, vibrancy and geography. It has a focus on markets that will contribute significantly to the growth of South Australia's economy.

The key outcome is to facilitate targeted markets having positive perceptions of South Australia.

Program summary – expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	1 255	1 038	1 212	1 216
Supplies and services.....	2 037	2 622	2 632	3 033
Grants and subsidies.....	710	768	790	101
Other expenses	—	8	—	—
Total expenses	4 002	4 436	4 634	4 350
Income				
Other income	40	40	40	94
Total income	40	40	40	94
Net cost of providing services	3 962	4 396	4 594	4 256

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.4 million decrease in net cost is primarily due to:

- the transfer of budget for a research and education focused memorandum of understanding in the European Union, to the Department of the Premier and Cabinet in 2011–12 (\$0.2 million)
- a reduction in the Air Warfare Destroyer budget in 2011–12 in line with program requirements (\$0.2 million).

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Delivered the South Australian Investment Symposium and accompanying Major Developments Directory 2010–11 in November 2010, containing details of \$80 billion worth of major public and private sector projects, either underway or in the pipeline across the state.
- Delivered an Interstate Investment Business Awareness campaign promoting the state's economic environment and major investment opportunities during May 2011, with a key focus on Melbourne and Sydney.
- Delivered the Adelaide—Make the Move interstate migration marketing awareness campaign, targeting skilled people aged 20 to 45, during March and April 2011 to capitalise on the high profile events during that period. A 15 per cent increase in active subscriptions was registered on the Adelaide—Make the Move database at the end of the campaign.
- Led the implementation of the cross-government Business-in-SA franchise <sa.gov.au> which collates and simplifies access to government services and information to South Australian business.

Targets 2011–12

- Influence perceptions of South Australia as a competitive business destination through the delivery of the South Australian Investment Symposium and the updated Major Developments Directory in December 2011.
- Capitalise on major developments in South Australia to continue to build awareness of the state's economic environment and investment opportunities, through the highly-targeted interstate investment business awareness campaign.
- Continue to build positive perceptions of South Australia's employment, affordable housing and lifestyle opportunities, with a focus on skilled people aged 20 to 45 years and support recruitment marketing to attract the workforce required for the completion of the Air Warfare Destroyer project.
- Lead, promote and update the cross-government Business-in-SA franchise which collates and simplifies access to government services and information to South Australian businesses.

Program 6: Opportunities for Small Business

Description/objective

This program supports small businesses in their growth and expansion, complementing the proposed role of the Small Business Commissioner.

The key outcome is to facilitate an environment that supports the sustainable growth of small business in South Australia.

Program summary – expenses and income

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	607	858	704	660
Supplies and services.....	511	813	497	1 110
Grants and subsidies.....	800	1 456	1 483	1 483
Total expenses	1 918	3 127	2 684	3 253
Income				
Other income	—	13	—	55
Total income	—	13	—	55
Net cost of providing services	1 918	3 114	2 684	3 198

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.2 million decrease in net cost is primarily due to:

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in operational employee costs (\$0.2 million)
- the final payment of the business enterprise centres funding agreements resulting from 2010–11 savings measures (\$1.4 million)
- the 2010–11 savings measure associated with other small business programs (\$0.2 million)
- costs associated with the development of legislation for the Small Business Commissioner (\$0.3 million)

partially offset by

- a new operating initiative associated with the implementation of a sustainable delivery mechanism for the provision of services to the small business sector (\$0.9 million).

2010–11 Estimated Result/2010–11 Budget

The \$0.4 million increase in net cost is primarily due to:

- costs associated with the development of legislation for the Small Business Commissioner (\$0.3 million)
- additional work undertaken in response to the Council of Australian Governments agreement to deliver the Business Online Services project (\$0.1 million).

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Developed the legislation for the Small Business Commissioner initiative which will create a statutory position to assist small businesses to resolve disputes in a timely and cost effective manner and to be a strong advocate for the sector promoting better business conduct and a fairer operating environment.
- Collaborated with the Commonwealth and other state and territory governments to:
 - progress an initiative of the Council of Australian Governments to introduce national reforms that aim to achieve an integrated, efficient national economy and single national market
 - deliver an interim national business license and information services (ABLIS) system that will assist businesses in managing their regulatory responsibilities and allow more effective interaction between businesses and all tiers of government.
- Undertook the Small Business Month program in October 2010, to provide small business owners and managers with access to knowledge and tools necessary to improve the management of their businesses.

Targets 2011–12

- Commence the Small Business Support Services Initiative to implement a sustainable delivery mechanism for the provision of services to the small business sector. The new integrated suite of services to small business will utilise engagement with a broad range of industry sector stakeholders to help deliver small business information, guidance and skills development. It includes continuing to collaborate with the Commonwealth and other state and territory governments to deliver:
 - the completed version of ABLIS
 - the Australian Business Account — an online client account for prospective businesses and operators that can be used with all levels of government and provides for tracking of transactions, notifications and subscriptions
 - the ability to initiate other transactions (for example licences and permits) with government online using dynamic electronic, self-filling forms, along with the ability to monitor those transactions and make payments.
- Subject to the passage of legislation, implement and support the Small Business Commissioner initiative by setting up of the Office of the Commissioner, supporting the work of the new commissioner in accordance with the legislation.

Program 7: Corporate Governance

Description/objective

This program includes the effective and efficient deployment of physical, financial and human resources, underpinned by high quality infrastructure systems, to achieve the objectives of the department. It includes providing sound governance systems and practices, successful engagement with clients and stakeholders and a safe and healthy workplace.

The key outcome of this program is a high performance organisation.

Program summary – expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	3 789	9 567	4 132	4 907
Supplies and services.....	3 873	6 207	6 503	5 783
Depreciation and amortisation expenses.....	743	782	676	452
Borrowing costs.....	2	2	—	41
Grants and subsidies.....	—	16	16	7
Intra-government transfers	—	—	—	11
Other expenses	458	518	443	1 441
Total expenses	8 865	17 092	11 770	12 642
Income				
Interest revenue.....	—	—	—	3
Net gain or loss from disposal of assets	—	—	—	-74
Other income	340	372	—	171
Total income	340	372	—	100
Net cost of providing services	8 525	16 720	11 770	12 542

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$8.2 million decrease in net cost is primarily due to:

- targeted voluntary separation packages (TVSPs) and redeployee costs in 2010–11 (\$5.4 million)
- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in operational employee costs (\$0.4 million)
- the 2010–11 savings measure associated with the reduction in departmental operation costs including accommodation, information technology, telecommunications and office support costs (\$1.8 million)
- the implementation of an electronic document records management system in 2011–12 (\$0.4 million).

2010–11 Estimated Result/2010–11 Budget

The \$5.0 million increase in net cost is primarily due to targeted voluntary separation packages (TVSPs) and redeployee costs (\$5.4 million).

2010–11 Estimated Result/2009–10 Actual

The \$4.2 million increase in net cost is primarily due to:

- payment of targeted voluntary separation packages (TVSPs) and an increase in redeployee costs (\$5.1 million)

partially offset by

- the implementation of the new organisation structure, effective 1 January 2011, in line with the department's 2010–11 savings measures, resulting in a reduction to the workforce and an associated decrease in all operational costs (including employee costs) (\$1.1 million).

Highlights 2010–11

- Restructured the department, effective 1 January 2011, to support the savings strategies in the 2010–11 State Budget, including:
 - declaring 81 employees excess, with 48 accepting offers of a targeted voluntary separation package (TVSP)
 - sub-letting level six (812 square metres) of The Conservatory to SA Health.
- Finalised the procurement of an electronic document records management system with Objective Corporation.
- Transferred the Office of the Economic Development Board to the Department of the Premier and Cabinet.
- Transferred the Olympic Dam Taskforce to the Department of Primary Industries and Resources.

Targets 2011–12

- Complete the review of DTED's strategic directions.
- Implement the new electronic document records management system.
- Finalise implementation of the management support system.
- Assess the department against the High Performance Framework.
- Review the risk management framework.

Department of Trade and Economic Development

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	11 725	14 880	13 920	16 169
Long service leave	484	495	405	476
Payroll tax	619	771	922	995
Superannuation	1 019	1 279	1 646	1 766
Other	210	4 259	482	827
Supplies and services				
General supplies and services	12 040	16 064	15 150	19 766
Consultancy expenses	1 738	1 204	1 555	1 942
Depreciation and amortisation expenses	743	782	676	452
Borrowing costs	2	2	—	57
Grants and subsidies	23 817	19 261	26 574	15 899
Intra-government transfers	350	3 151	337	3 093
Other expenses	458	531	443	1 446
Total expenses	53 205	62 679	62 110	62 888
Income				
Commonwealth revenues	528	676	520	606
Intra-government transfers	700	1 035	100	469
Interest revenues	—	—	—	3
Net gain or loss from disposal of assets	—	—	—	-11
Other income	420	484	180	1 142
Total income	1 648	2 195	800	2 209
Net cost of providing services	51 557	60 484	61 310	60 679
Income from/expenses to state government				
Income				
Appropriation	51 390	56 291	61 378	61 804
Other income	—	4 326	—	187
Expenses				
Cash alignment	—	2 927	—	13 891
Net income from/expenses to state government	51 390	57 690	61 378	48 100
Net result	-167	-2 794	68	-12 579
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	—	—	—	11
Total comprehensive result	-167	-2 794	68	-12 568

Department of Trade and Economic Development

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	7 466	6 884	9 237	10 069
Receivables	1 282	1 282	1 453	1 282
Other current assets	100	173	106	173
Total current assets	8 848	8 339	10 796	11 524
<i>Non current assets</i>				
Land and improvements	3 757	4 281	86	4 814
Plant and equipment	238	315	4 441	422
Heritage assets	47	47	62	47
Intangible assets	319	461	306	603
Other non-current assets	60	60	60	60
Total non-current assets	4 421	5 164	4 955	5 946
Total assets	13 269	13 503	15 751	17 470
Liabilities				
<i>Current liabilities</i>				
Payables	4 105	4 105	5 234	4 105
Employee benefits				
Salaries and wages	463	463	410	463
Annual leave	1 372	1 351	1 547	1 496
Long service leave	838	736	755	634
Short-term provisions	54	47	48	40
Other current liabilities	389	389	356	389
Total current liabilities	7 221	7 091	8 350	7 127
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	2 156	2 113	2 951	3 010
Long-term provisions	132	132	106	132
Other non-current liabilities	1 536	1 776	26	2 016
Total non-current liabilities	3 824	4 021	3 083	5 158
Total liabilities	11 045	11 112	11 433	12 285
Net assets	2 224	2 391	4 318	5 185
Equity				
Retained earnings	2 180	2 347	2 668	5 141
Asset revaluation reserve	44	44	33	44
Other reserves	—	—	1 617	—
Total equity	2 224	2 391	4 318	5 185

Balances as at 30 June end of period.

Department of Trade and Economic Development

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	13 891	22 625	17 232	20 032
Payments for supplies and services	13 945	17 508	16 945	21 724
Interest paid	2	2	—	57
Grants and subsidies	23 817	19 261	26 574	15 899
GST paid	—	—	—	4 109
Intra-government transfers	350	3 151	337	3 093
Other payments	451	523	436	399
Cash used in operations	52 456	63 070	61 524	65 313
<i>Cash inflows</i>				
Intra-government transfers	700	1 035	100	469
Commonwealth receipts	528	676	520	526
Interest received	—	—	—	3
GST received	—	—	—	4 390
Other receipts	420	484	180	1 073
Cash generated from operations	1 648	2 195	800	6 461
State government				
Appropriation	51 390	56 291	61 378	61 804
Other receipts	—	4 326	—	187
Payments				
Cash alignment	—	2 927	—	13 891
Net cash provided by state government	51 390	57 690	61 378	48 100
Net cash provided by (+)/used in (-) operating activities	582	-3 185	654	-10 752
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	—	—	—	2 529
Purchase of intangibles	—	—	—	531
Other payments	—	—	—	1 377
Cash used in investing activities	—	—	—	4 437
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment	—	—	—	11
Cash generated from investing activities	—	—	—	11
Net cash provided by (+)/used in (-) investing activities	—	—	—	-4 426

Department of Trade and Economic Development

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash inflows</i>				
Proceeds from restructuring activities	—	—	—	-2 168
Cash generated from financing activities	—	—	—	-2 168
Net cash provided by (+)/used in (-) financing activities	—	—	—	-2 168
Net increase (+)/decrease (-) in cash equivalents	582	-3 185	654	-17 346
Cash and cash equivalents at the start of the period	6 884	10 069	8 583	27 415
Cash and cash equivalents at the end of the period	7 466	6 884	9 237	10 069

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

Statement of comprehensive income—controlled

Expenses

The \$9.5 million decrease in expenses is primarily due to:

- a decrease of \$7.6 million in employee benefit expenses mainly associated with
 - targeted voluntary separation packages (TVSPs) and redeployee costs in 2010–11 (\$5.4 million)
 - the full-year effect of the implementation of the new organisation structure in line with the department's 2010–11 savings measures (\$2.3 million)
- a decrease of \$3.5 million in supplies and services mainly associated with
 - 2010–11 savings measures in migration services (attraction and settlement) (\$1.6 million)
 - a once-off industry support initiative in 2010–11 for development of export contracts for the South Australian car industry (\$0.9 million)
 - implementation of the electronic document records management system in 2011–12 (\$0.4 million)
 - the transfer of budget for a research and education focused memorandum of understanding in the European Union, to the Department of the Premier and Cabinet in 2011–12 (\$0.2 million)
 - transfer of Olympic Dam Taskforce to the Department of Primary Industries and Resources SA (\$0.2 million)
- a decrease in intra-government transfers of \$2.8 million mainly associated with
 - the completion of the grant contribution to Film SA in 2010–11 (\$1.2 million)
 - transfer of Olympic Dam Taskforce to the Department of Primary Industries and Resources SA (\$1.2 million)

partially offset by

- an increase in grants and subsidies associated with the carryover from 2010–11 to future years relating to the Riverland Sustainable Futures Fund (\$4.0 million)
- a carryover from 2010–11 to 2012–13 and 2013–14 relating to the Enterprise Zone Fund for the Upper Spencer Gulf and Outback (\$1.0 million)
- a decrease in the Cleantech Industry Strategy (Eco-Innovation) election commitment in 2010–11 due to transfer to the South East South Australian Innovation Investment Fund (\$0.5 million)
- a decrease in the Strategic Industry Development Fund in 2010–11 due to a transfer to the South East South Australian Innovation Investment Fund (\$0.8 million).

Income

No major variations.

Statement of financial position—controlled

No major variations.

Statement of cash flows—controlled

The movements in cash outflows and inflows are consistent with the changes discussed under the statement of comprehensive income and the statement of financial position.

Agency: Department for Transport, Energy and Infrastructure

Minister for Government Enterprises

Minister for Transport

Minister for Infrastructure

Minister for Energy

Minister for Road Safety

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Objective

The Department for Transport, Energy and Infrastructure (DTEI) has diverse responsibilities in relation to transport systems and services, energy policy and regulation, and infrastructure planning and provision for South Australia.

The department ensures that South Australia's needs for the movement of people and freight, and the delivery of services across the energy, transport and infrastructure sectors are met safely, efficiently, cost-effectively and sustainably. The department also plays a leadership role in the management of public sector building assets, provision of information and communication technology services and infrastructure, administration of the state's lands title system and provision of access to government services for all South Australians.

Ministerial responsibilities

Minister	Programs	Sub-programs
The Hon. GE Gago Minister for Government Enterprises	1. Service SA	Nil
The Hon. PF Conlon Minister for Transport Minister for Infrastructure	2. Policy and Planning	Nil
	3. Transport Infrastructure Services	3.1 Operating and Maintaining Roads
		3.2 Operating and Maintaining Marine Facilities
		3.3 Managing Public Transport Infrastructure Assets
	4. Transport Safety and Regulation Services	4.1 Driver and Vehicle Regulation
		4.2 Transport Safety Regulation
	5. Public Transport Services	5.1 Asset Management
		5.2 Passenger Services
	6. State Infrastructure Facilitation	Nil
	7. Information and Communication Technology Services	Nil
The Hon. MF O'Brien Minister for Energy	8. Building Management	8.1 Facilities Services
		8.2 Project Services
		8.3 Strategic Services
		8.4 Commercial Property Management
		8.5 Government Employee Residential Property Management
	9. Land Services	Nil
	10. Energy Policy and Regulation	10.1 Energy Policy and Programs
		10.2 Technical and Safety Regulation
	11. Road Safety Policy, Planning and Services	11.1 Safer Roads
		11.2 Safety and Community

Administered items

In addition to the above responsibilities, the agency administers the following items on behalf of the ministers:

- Emergency services levy receipts
- Expiation receipts including the Victims of Crime Levy
- Firearm receipts
- Hospital Fund — contribution
- Land Services Group Trust funds
- Major administered projects
- Metropolitan (Woodville, Henley and Grange) Drainage Scheme
- Minister's salary
- Motor Accident Commission receipts
- Passenger Transport Research and Development Fund
- Registration and Licensing collections and disbursements
- Registrar-General and Surveyor-General statutory Act revenues
- Renewable Remote Power Generation Program
- South Western Suburbs Drainage Scheme
- Special Act salaries for the Valuer-General
- Stamp duties receipts.

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Ministerial office resources

Minister	2011–12 Budget	
	Cost of provision	
	\$000	FTE
The Hon. PF Conlon.....	1 561	9.7

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
Department for Transport, Energy and Infrastructure	2 815.9	2 997.4	2 975.7
Administered items for the Department for Transport, Energy and Infrastructure	1.0	1.0	1.0
Total	2 816.9	2 998.4	2 976.7

(a) The 2011–12 Budget and 2010–11 Estimated Result reflect the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet).

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. Service SA	-360 106	-310 915	-315 337	-294 380
2. Policy and Planning.....	18 724	22 514	20 294	20 258
3. Transport Infrastructure Services.....	-123 438	57 999	-11 596	-76 723
4. Transport Safety and Regulation Services.....	23 046	30 748	23 764	20 427
5. Public Transport Services	209 497	144 758	196 475	182 708
6. State Infrastructure Facilitation.....	10 095	-3 406	-1 294	-1 335
7. Information and Communication Technology Services	5 934	12 219	4 217	5 941
8. Building Management	48 892	43 024	20 859	13 606
9. Land Services	13 361	14 255	12 083	17 655
10. Energy Policy and Regulation	12 950	17 811	12 150	11 061
11. Road Safety Policy, Planning and Services	49 436	46 792	47 117	48 501
Total	-91 609	75 799	8 732	-52 281

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
New projects				
Mid-Block Safety Cameras	257	—	—	—
O-Bahn Interchanges—Upgrade	6 050	—	—	—
Rail Revitalisation—Elizabeth Turnback	8 500	—	—	—
Redbanks Road Gawler—Roundabout	800	—	—	—
Regional Roads—Repair Flood Damage	4 100	5 500	—	—
Rural Point-to-Point Safety Cameras	150	—	—	—
School Pedestrian Crossing Safety Program	300	—	—	—
Train Protection System	2 000	—	—	—
Transport Regulation Management System	900	—	—	—
Total new projects	23 057	5 500	—	—
Existing projects				
Accommodation—77 Grenfell Street Adelaide	—	1 700	—	10 329
Accommodation—101 Grenfell Street Adelaide	—	876	690	114
Adelaide to Melbourne Road Corridor	36 550	16 521	15 450	7 288
Advanced Traffic Management System—Phase 2 & 3	—	—	—	291
Amy Gillet Bikeway	—	1 558	1 500	942
Bakewell Underpass	—	524	—	1
Bus Fleet Replacement Program	23 900	25 255	31 892	25 576
Central Government Network Infrastructure	919	2 235	2 235	2 295
Chain of Responsibility Legislation for Heavy Vehicle Compliance	459	100	500	—
Connected Service Centre Mount Gambier—Department of Families and Communities	—	—	—	2 069
Customer Service Centre Upgrade—Marion	—	1 350	1 200	50
Customer Service Centre Upgrade—Tranmere	1 038	50	100	—
Disability Discrimination Act Compliance	2 900	2 056	2 056	4 824
Drug Driving—IT System	—	—	—	49
DTEI Building Assets—Maintenance and Upgrade	—	1 203	200	1 797
E-business Enhancements—Transport	—	1 126	1 277	1 001
Enhancement of the Graduated Licensing Scheme	—	71	71	—
Glenelg Tram Crossing Overpass	—	23	—	21 373
Glenside Campus Redevelopment—Land Acquisition	—	1 280	—	—
Government Employee Housing	7 000	—	7 000	—
Government Information and Communication Technology Services	3 003	371	371	—
Government Telecommunications Equipment Upgrade	424	1 336	1 340	2 378
Greater Edinburgh Parks	3 526	2 450	6 050	242
Greenways and Cycle Paths	2 175	2 500	2 500	—
Increased Detection of Unregistered/Uninsured Vehicles	226	221	221	247
Intelligent Access Program	—	383	330	186

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
International University Precinct in Victoria Square	—	—	—	3 681
Investing Reimbursement	—	—	—	3 957
Land Services Business Reform	2 839	2 321	5 294	2 226
Land Titling Records Management	—	—	—	17
Level Crossing Safety Upgrade	4 775	2 094	3 254	1 139
Light Rail Extension	6 280	11 391	14 794	114 847
Long Life Roads	8 534	50	8 310	35
Marine Infrastructure—A Safe Marine Transport System	1 738	2 000	3 892	3 454
Marine Safety	571	2 151	1 106	1 652
Marion Interchange	—	111	—	660
Mawson Interchange Land Acquisition	—	—	—	4 177
Mawson Lakes Connector—Section 1	—	—	—	25
Nation Building—Economic Stimulus Plan—Black Spot Program	—	84	—	9 411
National Bike Paths	—	—	—	165
Northern Expressway	7 699	37 570	43 790	193 107
Northern Expressway—Land Acquisition	—	471	—	14 529
North–South Corridor Initiatives	13 940	14 910	14 900	1 060
Oaklands Park—Road Capacity Improvements	—	—	—	126
O-Bahn City Access	—	—	41 000	3 530
Old Stock Exchange Building	—	—	—	1 112
Parliamentary Information & Communications Services ^(a)	1 612	200	200	97
Plant Fleet Replacement Program	6 822	3 941	3 626	4 352
Police Headquarters Relocation	15 760	20 449	18 000	4 551
Port Adelaide Viaduct—Upgrade	—	1 760	—	27 658
Port Augusta Regional Roads Plan and Burgoyne Street Upgrade	2 000	500	500	—
Port Bonython Jetty Refurbishment	27 600	2 300	8 300	—
Port River Expressway—Road and Rail Bridges...	—	2 273	2 347	782
Public Transport—Bus Shelter Replacement	75	700	—	—
Public Transport—Outer Metropolitan Bus Services	—	8 720	10 000	—
Public Transport Infrastructure Upgrade	—	133	—	620
Public Transport Ticketing	21 162	9 841	9 850	3 463
Quarantine Station Land	—	1 150	—	—
Rail Reliability	1 658	6 664	6 341	3 316
Rail Revitalisation	24 672	41 791	42 791	15 919
Rail Revitalisation—Gawler Line Electrification	97 400	15 100	22 100	6 134
Rail Revitalisation—Gawler Line Upgrade	42 421	49 600	49 600	31 194
Rail Revitalisation—Noarlunga Line Electrification	114 432	44 300	71 000	22 426
Rail Revitalisation—Outer Harbor Electrification ...	2 644	—	—	—
Rail Revitalisation—Remaining Network Re- sleeping	27 276	372	—	3 782
Rail Revitalisation—Upgrade Infrastructure and Equipment	2 583	10 776	9 500	8 522
Reaching the Road Safety Target—Safety Camera Program	1 510	1 108	1 450	824

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
Relocation of Rail Yards	—	40 486	20 969	109 483
Replacement of Rail Track Points and Crossings ..	—	536	524	2 494
Replacement of Wet Film Fixed Cameras	—	1 680	1 400	—
Riverside Building—Fit-out.....	—	5 738	5 226	6 488
Road Safety—Reaching the Target	—	—	947	170
Roadside Rest Area Strategy for South Australia ..	6 900	4 343	9 563	2 825
Rural Freight Improvement Program.....	1 408	6 580	2 260	10 280
Rural Road Improvement.....	—	—	—	1 675
Rural Road Safety Program.....	7 900	8 638	9 481	6 437
SA Aquatic & Leisure Centre	—	53 524	58 625	44 009
Safe Railway Pedestrian Crossings	—	1 984	1 636	639
Safer Suburbs Program	—	415	340	1 625
Seaford Rail Line	160 000	90 000	90 000	17 848
Seaford Railcars	40 500	1 000	1 000	412
Short-Term Capacity Measure.....	3 927	8 550	11 330	9 942
Shoulder Sealing.....	5 083	5 161	7 500	9 527
South Road Planning	8 800	6 504	5 500	7 180
South Road Superway	345 130	168 352	148 018	45 089
South Road Underpass of ANZAC Highway.....	—	1 010	943	3 290
South Road Upgrade—Grange Road to Torrens Road.....	—	911	—	1 289
Southern Expressway—Duplication	75 700	5 000	—	360
Speed Enforcement Using Safe-T-Cam.....	—	721	751	413
State and Public Safety Communications Infrastructure.....	—	—	—	634
StateNet Infrastructure Service Continuity	250	1 062	817	2 949
Strategic Regional Roads Program Projects.....	—	—	—	1 394
Sturt Highway—Five Year Upgrade Program.....	3 596	4 600	4 200	605
Torrens Building—Stage 2	—	—	—	39
Tram Purchases.....	—	7 000	7 000	7 000
Upgrading the Sturt Highway	—	10 478	8 612	22 466
Victor Harbor Road/Main Road McLaren Vale—Overpass	8 200	1 100	2 800	49
Victor Harbor Road/South Road Intersection.....	—	3 932	4 174	7 780
Wallaroo to Port Wakefield—Kulpara to Port Wakefield.....	—	38	—	13
World Park 1—ICT Fit-out.....	—	260	260	—
Other minor projects	—	—	—	8
Total existing projects	1 185 517	797 623	870 804	898 014
Annual programs				
Ayers House	108	105	105	33
Commercial Properties	7 559	8 351	5 658	5 625
Energy	340	332	332	410
Fishing Industries Facilities.....	468	457	457	461
Information and Communication Technology.....	597	582	582	809
Minor Projects.....	2 179	2 093	2 315	1 315
Nation Building Minor Works.....	—	910	—	1 638
National Black Spot Program.....	3 905	3 544	4 700	4 566

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
Netley Commercial Park—Minor Works and Refurbishment ^(b)	—	—	2 693	5 047
Public Transport.....	1 088	574	574	306
Purchase of Handsets.....	566	552	552	545
Rail.....	11 310	6 356	6 156	5 987
Railcar Upgrading	—	4 060	3 291	2 581
Residential Properties ^(c)	5 469	5 335	5 335	2 550
Responsive Road Safety Program.....	2 934	3 098	2 764	2 637
Road Resurfacing and Rehabilitation Works	28 134	33 012	30 242	33 369
Rural and Remote.....	10 194	10 842	10 842	13 176
State Black Spot Program.....	5 787	5 180	6 253	5 559
Transport System Responsiveness	4 499	3 731	4 626	4 921
Total annual programs	85 137	89 114	87 477	91 535
Total investing expenditure	1 293 711	892 237	958 281	989 549

(a) Previously named Parliamentary Network Support Group (PNSG)—Organisational Arrangements for Support of Parliamentary ICT Network.

(b) Netley Commercial Park annual program transferred into the Commercial Properties annual program during 2010–11 for administrative efficiency.

(c) Residential Properties relates to the public non-financial corporation entity South Australian Government Employee Residential Properties (SAGERP). In the 2011–12 Capital Investment Statement SAGERP is reported separately to the department.

Program 1: Service SA

Description/objective

Government's single entry point for access to most government services and information through an integrated network of online, phone and face-to-face delivery channels.

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	23 189	22 937	22 691	21 797
Supplies and services.....	22 235	20 528	19 998	25 969
Depreciation and amortisation expenses.....	876	876	897	929
Other expenses	7	9	9	161
Total expenses	46 307	44 350	43 595	48 856
Income				
Intra-government transfers	26	182	—	—
Fees, fines and penalties.....	389 989	338 568	342 027	327 434
Sales of goods and services.....	16 398	16 515	16 905	14 521
Interest revenue.....	—	—	—	198
Other income	—	—	—	1 083
Total income	406 413	355 265	358 932	343 236
Net cost of providing services	-360 106	-310 915	-315 337	-294 380

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$2.0 million increase in expenses is primarily due to additional expenditure associated with increased volumes of vehicle registration and license fee collections.

The \$51.1 million increase in income is primarily due to:

- an increase in the annual driver's licence and associated administration fees, in addition to the level of transactions resulting from historic cyclical renewal patterns for 10-year licences (\$29.5 million)
- an increase in motor vehicle registration and associated administration fees, in addition to a forecast increase in transaction volumes resulting from the elimination of six and nine month renewal periods (\$22.2 million).

2010–11 Estimated Result/2010–11 Budget

The \$3.7 million decrease in income is primarily due to:

- a reduction in the volume of driver's license renewals resulting from a change in consumer renewal patterns (\$7.1 million)

partially offset by

- an increase in the number of motor vehicle registrations (\$3.7 million).

2010–11 Estimated Result/2009–10 Actual

The \$4.5 million decrease in expenses is primarily due to:

- a reclassification in 2010–11 of the Transport and Regulation and User Management Processing System (TRUMPS) maintenance and support costs
- a reallocation of accommodation charges.

The \$12.0 million increase in income is primarily due to increases in motor vehicle registration receipts associated with price and volume increases.

Highlights 2010–11

- The redeveloped Marion Customer Service Centre was opened to the public.
- Commenced the redevelopment of the Tranmere Customer Service Centre.
- Implemented BPAY View as an additional online payment option for vehicle registration renewals.

Targets 2011–12

- Cease issuing registration labels for light vehicles.
- Reduce the number of renewal periods for light vehicles, consistent with interstate practice.
- Complete the redevelopment of the Tranmere Customer Service Centre.
- Expand the range of services available to regional customers through the Service Agent model.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of financial transactions processed per annum	5 600 000	5 336 000	5 400 000	5 321 284
No. of inbound calls to customer contact centre per annum	1 400 000	1 256 000	1 400 000	1 376 632
% growth in vehicle registration and licensing completed online	10%	17%	10%	20%
Average queue waiting times in face-to-face channel	<10:00	11:06	<10:00	9:14
Average wait for an answer in call centre	<05:00	3:12	<05:00	4:33
% of calls answered	>85%	78 %	>85%	71%
Cost per financial transaction	\$8.14	\$8.87	\$8.84	\$8.85
Customer satisfaction level	>85%	65%	>85%	60%

Program 2: Policy and Planning

Description/objective

Development and provision of an effective policy framework, planning and investment advice and strategic planning services surrounding legislation committed to the minister.

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	12 586	12 605	12 597	11 696
Supplies and services.....	5 159	9 255	5 197	8 297
Depreciation and amortisation expenses.....	1	14	2	44
Grants and subsidies.....	816	4 502	2 300	540
Other expenses	1 162	1 198	1 198	81
Total expenses	19 724	27 574	21 294	20 658
Income				
Intra-government transfers	1 000	1 000	1 000	—
Sale of goods and services	—	4 060	—	—
Other income	—	—	—	400
Total income	1 000	5 060	1 000	400
Net cost of providing services	18 724	22 514	20 294	20 258

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$7.9 million decrease in expenses is primarily due to:

- once-off refurbishment works on the Oodnadatta and William Creek airstrips included in the 2010–11 Estimated Result (\$4.1 million)
- grants for the Remote Aerodrome Safety Program included in the 2010–11 Estimated Result (\$2.1 million).

The \$4.1 million decrease in income is due to the reimbursement of refurbishment costs for the Oodnadatta and William Creek airstrips included in the 2010–11 Estimated Result.

2010–11 Estimated Result/2010–11 Budget

The \$6.3 million increase in expenses is primarily due to:

- once-off refurbishment works on the Oodnadatta and William Creek airstrips included in the 2010–11 Estimated Result (\$4.1 million)
- grants for the Remote Aerodrome Safety Program included in the 2010–11 Estimated Result (\$2.1 million).

The \$4.1 million increase in revenue is due to the reimbursement of refurbishment costs for the Oodnadatta and William Creek airstrips included in the 2010–11 Estimated Result.

2010–11 Estimated Result/2009–10 Actual

The \$6.9 million increase in expenses is primarily due to:

- once-off refurbishment works on the Oodnadatta and William Creek airstrips occurring in 2010–11 (\$4.1 million)
- grants for the Remote Aerodrome Safety Program occurring in 2010–11 (\$2.1 million).

The \$4.7 million increase in income is primarily due to:

- a contribution from the Planning and Development Fund towards construction of ‘greenways’ and cycle paths in 2010–11 (\$1.0 million)
- the reimbursement of refurbishment costs for the Oodnadatta and William Creek airstrips in 2010–11 (\$4.0 million).

Highlights 2010–11

- Progressed the certification of state ports and rail access regimes.
- Progressed national policy reforms under the Council of Australian Governments to promote the efficient provision and use of infrastructure.
- Completed concept planning for the Darlington Transport Study.
- Contributed to transit oriented developments by facilitating railway station and transport interchange upgrades.

Targets 2011–12

- Progress national policy reforms under the Council of Australian Governments to promote the efficient provision and use of infrastructure.
- Update the Strategic Infrastructure Plan for South Australia.
- Progress the South Road Planning Study — Regency Park to Anzac Highway.
- Approve and publish the Heavy Vehicle Performance Based Standard (including B-Triples).
- Produce a South Australian freight and ports strategy.

Program 3: Transport Infrastructure Services

Description/objective

The efficient and effective maintenance and operation of traffic control, roads, bridges, ferries, coastal marine, and public transport infrastructure and facilities.

Sub-programs

- 3.1 Operating and Maintaining Roads
- 3.2 Operating and Maintaining Marine Facilities
- 3.3 Managing Public Transport Infrastructure Assets

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	57 982	59 732	58 839	62 946
Supplies and services.....	94 557	97 033	97 176	87 971
Depreciation and amortisation expenses.....	238 276	231 518	202 287	218 980
Grants and subsidies.....	11 836	11 749	12 349	555
Other expenses	1 223	4 716	1 138	5 816
Total expenses	403 874	404 748	371 789	376 268
Income				
Commonwealth revenues.....	506 353	316 276	355 116	425 593
Intra-government transfers	—	3 500	3 470	—
Fees, fines and penalties.....	9 621	8 669	9 750	8 916
Sales of goods and services.....	868	955	968	2 382
Interest revenue.....	751	4 020	4 386	1 514
Net gain or loss from disposal of assets	—	—	—	-1 078
Other income	9 719	13 329	9 695	15 664
Total income	527 312	346 749	383 385	452 991
Net cost of providing services	-123 438	57 999	-11 596	-76 723

Sub-program 3.1: Operating and Maintaining Roads

Description/objective

Provision of services to efficiently and effectively maintain and operate the department's controlled road and bridge infrastructure, including road lighting, traffic signals, management systems and River Murray ferries.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	329 289	321 475	305 769	300 239
Income	265 902	173 202	168 418	380 977
Net cost of sub-program	63 387	148 273	137 351	-80 738

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$7.8 million increase in expenses is primarily due to increased depreciation costs resulting from the revaluation of assets and an accounting policy change in relation to the componentisation of pavement assets.

The \$92.7 million increase in income is primarily due to an increase in Commonwealth revenue for the South Road Superway project in line with investing payments.

2010–11 Estimated Result/2010–11 Budget

The \$15.7 million increase in expenses is primarily due to increased depreciation costs resulting from the revaluation of assets and an accounting policy change in relation to the componentisation of pavement assets.

The \$4.8 million increase in income is primarily due to increased Commonwealth revenue for:

- the Upgrading the Sturt Highway project (\$10.7 million)
- the Adelaide to Melbourne Road Corridor project (\$2.1 million)
- the South Road Planning project (\$1.1 million)

partially offset by reduced Commonwealth revenue for

- the South Road Superway project in line with investing payments (\$6.0 million)
- the Roadside Rest Area project in line with investing payments (\$5.0 million).

2010–11 Estimated Result/2009–10 Actual

The \$21.2 million increase in expenses is primarily due to increased depreciation costs resulting from the revaluations of assets and an accounting policy change in relation to the componentisation of pavement assets.

The \$207.8 million decrease in income is primarily due to lower Commonwealth revenue for:

- the Northern Expressway project in line with scheduled investing expenditure (\$190.6 million)
- the Upgrading the Sturt Highway project in line with scheduled investing expenditure (\$28.9 million).

Highlights 2010–11

- Completed the major infrastructure for the Northern Expressway and the duplication of the Sturt Highway to the Greenock Interchange.
- Completed the signalisation of the Victor Harbor Road/South Road junction.
- Commenced the South Road Superway.
- Undertook the rehabilitation/resurfacing of approximately 700 lane kilometres of road.
- Undertook works as a result of the floods including repairs to the road network, reinstatement of the Cooper Creek ferry and modifications to River Murray infrastructure.
- Installed the state's first extra low voltage (ELV) traffic signal sites at the new 'superschools' and the South Road Superway early works intersections.

Targets 2011–12

- Commence duplication of the Southern Expressway.
- Commence construction of an overpass of Victor Harbor Road at Main Road McLaren Vale.
- Duplicate Commercial Road between Salisbury Highway and Purling Avenue, Salisbury to improve access to the Greater Edinburgh Parks precinct.
- Complete construction of the Burgoyne Street and Princes Highway intersection upgrade.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Average travel speed on arterial roads in Adelaide	38.4 kph	38.6 kph	39.2 kph	39.1 kph
Variability of travel speed (% variability caused by traffic controls and conditions) ^(a)	12.6%	12.6%	12.6%	11.8%
Bridge health index ^(b)	64	64	64	64
Road pavement surface condition—percentage of travel taken on roads with acceptable or better smoothness (a roughness level of less than 110 NRM) ^(c)	91	91	91	91

(a) It is expected that the rate of decline in the average travel speed and variability of travel speed will moderate in 2011–12 as a result of the completion of the Northern Expressway (and the consequent reduction in delays and congestion on the major northern arterial roads) notwithstanding the temporary disruption to traffic patterns caused by the construction of the South Road Superway project.

(b) The health index of a structure reflects a bridge's overall condition relative to its original condition. The higher the number, the better its condition.

(c) National Association of Australian State Road Authorities (NAASRA) Roughness Measure.

Sub-program 3.2: Operating and Maintaining Marine Facilities

Description/objective

Provision of services to efficiently and effectively maintain and operate the department's controlled marine infrastructure.

	2011-12 Budget	2010-11 Estimated Result	2010-11 Budget	2009-10 Actual
	\$000	\$000	\$000	\$000
Expenses	20 062	20 838	19 961	20 411
Income	10 238	10 500	10 104	9 658
Net cost of sub-program	9 824	10 338	9 857	10 753

Financial commentary

2011-12 Budget/2010-11 Estimated Result

No major variations.

2010-11 Estimated Result/2010-11 Budget

No major variations.

2010-11 Estimated Result/2009-10 Actual

No major variations.

Highlights 2010-11

- Refurbished the Moonta Bay, Kingscote and Venus Bay jetties.
- Realigned the Port Augusta Channel and installed 39 new navigation aids.
- Refurbished the Beachport boatyard straddle carrier.
- Repaired the Port Bonython buoys.

Targets 2011-12

- Commence upgrade of the Port Bonython and South End jetties.
- Refurbish the Port Broughton, Largs Bay, Penneshaw, Henley and Rosetta Head jetties.
- Undertake repairs to the Granite Island causeway.
- Undertake maintenance works on the West Lakes revetments.

Sub-program 3.3: Managing Public Transport Infrastructure Assets

Description/objective

Provision of services to efficiently and effectively manage public transport rail and busway infrastructure assets.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	54 523	62 435	46 059	55 618
Income	251 172	163 047	204 863	62 356
Net cost of sub-program	-196 649	-100 612	-158 804	-6 738

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$7.9 million decrease in expenses is primarily due to expenditure associated with bus substitution services for the Belair and Noarlunga Lines upgrade projects included in the 2010–11 Estimated Result.

The \$88.1 million increase in income is primarily due to an increase in Commonwealth revenue associated with:

- the Seaford Rail Line in line with investing expenditure (\$70.0 million)
- the upgrade and electrification of the Gawler rail line in line with investing expenditure (\$22.9 million).

2010–11 Estimated Result/2010–11 Budget

The \$16.4 million increase in expenses is primarily due to:

- increased depreciation costs associated with a reduction in the useful lives of some existing rail assets as a result of the Rail Revitalisation program and relocation of the rail depot—the revision to useful lives was undertaken as part of the revaluation of these assets at 30 June 2010 (\$12.4 million)
- expenditure associated with planning and design activities for the O-Bahn City Access project (\$5.0 million).

The \$41.8 million decrease in income is primarily due to the removal of Commonwealth revenue for the O-Bahn City Access project, which has been cancelled by the Commonwealth.

2010–11 Estimated Result/2009–10 Actual

The \$6.8 million increase in expenses is primarily due to:

- an increase in operating expenditure associated with the Rail Revitalisation investing projects in 2010–11 (\$15.3 million)
- expenditure associated with planning and design activities for the O-Bahn City Access project (\$5.0 million)

partially offset by

- the reallocation of operating expenditure associated with the relocation of the rail yards to Sub-program 5.2 ‘Passenger Services’ (\$13.7 million).

The \$100.7 million increase in income is primarily due to an increase in Commonwealth revenue associated with:

- the Seaford Rail Line project, in line with investing payments (\$72.0 million)
- the Gawler Rail Line project, in line with investing payments (\$27.3 million).

Highlights 2010–11

- Commenced early contractor involvement for the electrification of the Noarlunga, Gawler and Outer Harbor rail lines.
- Completed the relocation of the Adelaide rail yards to Dry Creek.
- Completed the re-sleepering of the Noarlunga rail line (Noarlunga to Oaklands section) and Gawler rail line (Mawson Lakes to Adelaide section), and upgrades to stations.
- Completed the extension of the light rail network to the Adelaide Entertainment Centre.
- Completed new poles and rewiring for the Glenelg tramline.
- Commenced substation replacement/upgrades for the Glenelg tramline.
- Commenced construction of the rail line extension to Seaford.
- Contracted for the acquisition of new electric trains.

Targets 2011–12

- Commence the installation of an automated train protection system.
- Facilitate transit oriented developments around rail stations and transport interchanges.
- Improve Park‘n’Ride facilities at interchanges along the O-Bahn corridor.
- Progress the construction of the rail line extension to Seaford.
- Commence electrification works on the metropolitan rail network.
- Continue rail station upgrades.

Program 4: Transport Safety and Regulation Services

Description/objective

Provision of services that regulate access to the transport system under legislation committed to the minister and to provide advice on transport safety matters.

Sub-programs

4.1 Driver and Vehicle Regulation

4.2 Transport Safety Regulation

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	24 190	24 039	23 460	21 107
Supplies and services.....	22 686	21 778	22 279	23 804
Depreciation and amortisation expenses.....	4 270	3 635	3 562	2 234
Other expenses	982	978	978	299
Total expenses	52 128	50 430	50 279	47 444
Income				
Commonwealth revenues	1 490	663	663	418
Other grants.....	2 480	1 069	1 069	—
Fees, fines and penalties.....	22 857	17 081	23 692	21 082
Sales of goods and services.....	2 061	640	903	3 564
Interest revenue.....	194	229	188	81
Net gain or loss from disposal of assets	—	—	—	1
Other income	—	—	—	1 871
Total income	29 082	19 682	26 515	27 017
Net cost of providing services	23 046	30 748	23 764	20 427

Sub-program 4.1: Driver and Vehicle Regulation

Description/objective

Contribute to the regulation of driver and vehicle access to the transport network.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	17 344	17 021	16 908	16 866
Income	5 408	5 201	10 118	10 811
Net cost of sub-program	11 936	11 820	6 790	6 055

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

The \$4.9 million decrease in income is primarily due to a reallocation of revenue related to personalised number plates to Program 6 ‘State Infrastructure Facilitation’ (\$4.7 million).

2010–11 Estimated Result/2009–10 Actual

The \$5.6 million decrease in income is primarily due to a reallocation of revenue related to personalised number plates to Program 6 ‘State Infrastructure Facilitation’ (\$4.7 million).

Highlights 2010–11

- Implemented new national system for disability parking permits.
- Translated the computer based driver licence theory test into five additional languages.

Targets 2011–12

- Transition of the Vehicle Securities Register to the national Personal Properties Securities Register.

Sub-program 4.2: Transport Safety Regulation

Description/objective

Provision of efficient and effective regulatory services for the safety, behaviour and security of transport system users, rail safety and rail access regulation services.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	34 784	33 409	33 371	30 578
Income	23 674	14 481	16 397	16 206
Net cost of sub-program	11 110	18 928	16 974	14 372

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.4 million increase in expenses is due to the establishment of a project office for the National Rail Safety Reform project.

The \$9.2 million increase in income is primarily due to:

- additional fines revenue associated with unroadworthy vehicles and the installation of Safe-T-Cam on the Dukes Highway (\$5.5 million)
- increased contributions from other states and territories towards the National Rail Reform project (\$1.4 million)
- additional revenue associated with the Transport Regulation Management Systems Enhancements measure in the 2011–12 Budget (\$1.4 million).

2010–11 Estimated Result/2010–11 Budget

The \$1.9 million decrease in income is due to a reallocation of revenue associated with the Bus Accreditation Unit to Sub-program 5.2 'Passenger Services'.

2010–11 Estimated Result/2009–10 Actual

The \$2.8 million increase in expenses is primarily due to the establishment of the project office for the National Rail Safety Reform project.

The \$1.7 million decrease in income is primarily due to:

- the reallocation of revenue associated with the Bus Accreditation Unit to Sub-program 5.2 'Passenger Services' (\$1.9 million)
- the reallocation of RiderSafe revenue to Sub-program 11.2 'Safety and Community' (\$2.0 million) partially offset by
- contributions from other states and territories towards the National Rail Reform project (\$1.6 million).

Highlights 2010–11

- Procurement of the new marine safety patrol vessel 'Kumatpi'.
- Cleared navigational hazards and minimising bank erosion through vessel wash in the River Murray.
- Installed navigational markers in response to drought and flood events.
- Lead the oil spill response at Port Lincoln after the sinking of the tuna boat Appolo S by the grain carrier MV Grand Rodosi.
- Implementation of national compliance and enforcement (speed) reform.
- Implementation of the Intelligent Access Program to manage access and compliance of heavy vehicles.

Targets 2011–12

- Commence heavy vehicle inspection services at new joint DTEI and Department of Primary Industries and Resources checking station at Yamba on the Sturt Highway.
- Procure the second new marine safety compliance vessel to be located at Port Lincoln.
- Implement the full cost recovery of vehicle inspection fees.
- Introduce new and increased penalties for unroadworthy vehicles.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of heavy vehicle inspections ^(a)	6 900	7 500	6 900	6 928
No. of vehicle ID inspections	38 000	38 500	37 000	37 467
% of compliant heavy vehicles at inspection ^(b)	90.0%	92.0%	90.0%	93.2%

(a) Includes heavy vehicles roadworthiness inspections conducted across the state.

(b) For comparison with previous years includes heavy vehicles inspected at weigh stations only.

Program 5: Public Transport Services

Description/objective

Provision of efficient, equitable and accessible public transport services in metropolitan Adelaide and assisting regional councils and communities to deliver diverse passenger transport services to meet local needs.

Sub-programs

5.1 Asset Management

5.2 Passenger Services

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	9 270	11 421	11 445	9 156
Supplies and services.....	299 836	284 183	283 524	263 533
Depreciation and amortisation expenses.....	33 878	26 314	29 858	26 976
Grants and subsidies	22 610	22 034	22 414	21 233
Other expenses	—	—	—	1 494
Total expenses	365 594	343 952	347 241	322 392
Income				
Commonwealth revenues	—	340	340	1 626
Intra-government transfers	210	761	1 183	51 729
Other grants.....	58 272	56 741	56 741	206
Fees, fines and penalties.....	1 986	1 925	—	77 399
Sales of goods and services.....	94 901	91 823	91 823	7 113
Net gain or loss from disposal of assets	—	—	—	-106
Other income	728	47 604	679	1 717
Total income	156 097	199 194	150 766	139 684
Net cost of providing services	209 497	144 758	196 475	182 708

Sub-program 5.1: Asset Management

Description/objective

Provision of services for effective and efficient management of public transport infrastructure.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	43 073	34 747	38 177	35 742
Income	1 237	48 133	1 429	1 198
Net cost of sub-program	41 836	-13 386	36 748	34 544

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$8.3 million increase in expenses is primarily due to:

- planning expenditure for the future upgrade of the Port River Passenger Rail Bridge and the Oaklands Park road capacity improvement project (\$2.9 million)
- increased depreciation costs associated with growth in the bus fleet (\$1.5 million)
- increased depreciation costs resulting from a revaluation of public transport infrastructure assets as at 30 June 2010 (\$4.0 million).

The \$46.9 million reduction in income is due to the recognition of the waiver by the Treasurer of common public sector interest loans relating to various bus fleet and infrastructure assets included in the 2010–11 Estimated Result.

2010–11 Estimated Result/2010–11 Budget

The \$3.4 million reduction in expenses is primarily due to a decrease in depreciation costs associated with a change in depreciation policy in relation to the useful life of rail assets.

The \$46.7 million increase in income is primarily due to the recognition of the waiver by the Treasurer of common public sector interest loans relating to various bus fleet and infrastructure assets included in the 2010–11 Estimated Result (\$46.9 million).

2010–11 Estimated Result/2009–10 Actual

The \$46.9 million increase in income is due to the recognition of the waiver by the Treasurer of common public sector interest loans relating to various bus fleet and infrastructure assets included in the 2010–11 Estimated Result.

Highlights 2010–11

- Expanded the bus fleet through the purchase of new buses for the provision of additional services in the Outer South and Outer North, including Gawler, and for general capacity growth.
- Purchased new buses under the bus replacement program.
- Commenced the design and acquisition process for a new public transport ticketing system that will use smartcard technology.
- Commenced construction of a new customer information centre at the Adelaide Railway Station.

Targets 2011–12

- Progress the rollout of CCTV cameras at stations and interchanges.
- Purchase 28 articulated buses as part of the ongoing bus replacement program.
- Continue with the design and commence implementation of a new public transport ticketing system that will use smartcard technology.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of buses used for Metroticket services	904	864	884	848
% of buses air-conditioned	99%	96%	97%	93%
Cost to run ticketing system per 10 000 ticket validations ^(a)	\$1 200	\$1 166	\$1 350	\$1 202

(a) A new smartcard ticketing system is planned to be implemented in 2012–13.

Sub-program 5.2: Passenger Services

Description/objective

The development and management of contracted passenger transport services within the metropolitan area and regional South Australia. The regulation of public transport services, transport initiatives, concessions and subsidy schemes.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	322 521	309 205	309 064	286 650
Income	154 860	151 061	149 337	138 486
Net cost of sub-program	167 661	158 144	159 727	148 164

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$13.3 million increase in expenses is primarily due to increased rail operating costs associated with the electrification of the rail network.

The \$3.8 million increase in income is primarily due to increased Metroticket revenue associated with indexed fare increases.

2010–11 Estimated Result/2010–11 Budget

The \$1.7 million increase in income is primarily due to a reallocation of revenue associated with the Bus Accreditation Unit from Sub-program 4.2 ‘Transport Safety Regulation’ (\$1.9 million).

2010–11 Estimated Result/2009–10 Actual

The \$22.6 million increase in expenses is primarily due to:

- a reallocation of operating expenditure associated with the relocation of the rail yards from Sub-program 3.3 ‘Managing Public Transport Infrastructure Assets’ (\$13.7 million)
- additional public transport services implemented in 2010–11 (\$6.0 million)
- additional expenditure to build new and upgrade existing bus shelters as part of the government’s Safer, Faster and Easier public transport commitment (\$1.3 million).

The \$12.6 million increase in income is primarily due to:

- an increase in concession reimbursements from other state government agencies due to a greater number of concessional passengers, predominantly Seniors Card holders (\$7.8 million)
- the sale of additional taxi licenses (\$5.7 million)
- a reallocation of revenue associated with the Bus Accreditation Unit from Sub-program 4.2 ‘Transport Safety Regulation’ (\$1.9 million).

Highlights 2010–11

- Retendered and awarded new contracts for the operation of bus services in the Adelaide metropolitan area.
- Increased the number of taxi licences resulting in increased levels of service.
- Introduced additional public transport services in Victor Harbor.

Targets 2011–12

- Commence new contracts with bus operators for the provision of bus services in metropolitan and regional areas.
- Commence new services in the Outer South and Outer North, including Gawler.
- Commence operation of the new customer information centre at the Adelaide Railway Station.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Metropolitan public passenger services:				
• total bus service kilometres (million)	55.1	52.7	48.4	51.4
• total bus boardings (million)	70.0	65.0	69.0	68.4
• % of metropolitan weekday passenger vehicle travel on public transport ^(a)	7.5%	7.4%	7.5%	7.3%
• Passenger journeys in regional areas (million)	1.48	1.48	1.57	1.48
percentage of fully accessible vehicles in metro fleet by:				
• bus ^(b)	86%	83%	83%	78%
• train	100%	100%	100%	100%
• taxi ^(c)	10.1%	9.8%	9.7%	9.5%
• tram ^(d)	100%	100%	100%	100%
percentage of taxi bookings responded to within 30 minutes:				
• access cabs	98.2%	98.2%	98.5%	97.9%
• regular cabs	99%	99%	97%	99%
Passenger Transport InfoLine response times ^(e)	70% of calls to be answered within 30 seconds	54 seconds	45 seconds	54 seconds

(a) Private passenger vehicle travel was calculated using historic Survey of Motor Vehicle Usage (SMVU) data as the SMVU was not conducted in 2008.

(b) Increase in percentage of fully accessible bus fleet through the bus replacement program.

(c) Includes forecast increase in licensed access taxis.

(d) Excludes H-class trams.

(e) Target revised for 2011–12 to reflect current industry measurement practices.

Program 6: State Infrastructure Facilitation

Description/objective

Development and provision of processes to improve analysis, prioritisation and across-government reporting on the progress of state infrastructure projects and facilitation of infrastructure investment.

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	3 241	3 216	3 216	2 641
Supplies and services.....	7 996	17 273	13 075	1 999
Depreciation and amortisation expenses.....	2 661	988	989	35
Grants and subsidies.....	—	302	—	2 000
Other expenses	852	976	976	37
Total expenses	14 750	22 755	18 256	6 712
Income				
Intra-government transfers	—	1 443	700	—
Other grants.....	—	19 563	18 850	7 087
Fees, fines and penalties.....	4 655	4 655	—	—
Sales of goods and services.....	—	500	—	19
Other income.....	—	—	—	941
Total income	4 655	26 161	19 550	8 047
Net cost of providing services	10 095	-3 406	-1 294	-1 335

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$8.0 million decrease in expenses is primarily due to additional funding to progress:

- the design of the Adelaide Oval Redevelopment included in the 2010–11 Estimated Result (\$6.0 million)
- the Brighton Community Performing Arts Centre included in the 2010–11 Estimated Result (\$2.9 million)
- the Riverbank Precinct Master Plan included in the 2010–11 Estimated Result (\$0.5 million).

The \$21.5 million decrease in income is primarily due to:

- the conclusion of Commonwealth and local government funding for the SA Aquatic & Leisure Centre in 2010–11 (\$16.7 million)
- local government funding for the Brighton Community Performing Arts Centre included in the 2010–11 Estimated Result (\$2.9 million).

2010–11 Estimated Result/2010–11 Budget

The \$4.5 million increase in expenses is due to additional expenditure to progress the design of the Adelaide Oval Redevelopment and the Riverbank Precinct Master Plan.

The \$6.6 million increase in income is primarily due to:

- a reallocation of revenue from the licensing of personalised number plates from Sub-program 4.1 'Driver and Vehicle Regulation' (\$4.7 million)
- additional interest income (\$0.5 million)
- funding from the Department of Planning and Local Government for enhancement of the central plaza at the SA Aquatic & Leisure Centre (\$0.7 million).

2010–11 Estimated Result/2009–10 Actual

The \$16.0 million increase in expenses is primarily due to additional expenditure included in the 2010–11 Estimated Result to progress the design of:

- the Adelaide Oval Redevelopment (\$14.0 million)
- the Riverbank Precinct Master Plan (\$0.5 million).

The \$18.1 million increase in income is primarily due to:

- increased Commonwealth and local government funding for the SA Aquatic & Leisure Centre included in the 2010–11 Estimated Result in line with the associated investing expenditure (\$9.9 million)
- a reallocation of revenue from the licensing of personalised number plates from Sub-program 4.1 'Driver and Vehicle Regulation' (\$4.7 million)
- increased local government funding for the Brighton Community Performing Arts Centre in line with the project expenditure (\$2.5 million).

Highlights 2010–11

- Completed the construction of the SA Aquatic & Leisure Centre at Marion.
- Commenced the preparation of a comprehensive master plan for the Riverbank Precinct redevelopment.
- Commenced the preparation of the concept development for the expansion of the Adelaide Convention Centre.
- Commenced detailed design for the Adelaide Oval redevelopment.
- Performed the duties of Coordinator-General overseeing the Commonwealth Government stimulus packages, including the provision of development consents.

Targets 2011–12

- Complete the master plan for the Riverbank Precinct.
- Commence construction on the Adelaide Convention Centre redevelopment.
- Commence the Adelaide Oval Redevelopment.

Program 7: Information and Communication Technology Services

Description/objective

Management of across-government information communication technology (ICT) strategy and innovation, governance and investment, security and critical infrastructure protection, and strategic sourcing.

Program summary — expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	9 480	9 525	9 525	13 221
Supplies and services.....	24 015	27 003	27 046	40 258
Depreciation and amortisation expenses.....	4 917	4 676	5 139	11 079
Grants and subsidies	—	188	—	—
Other expenses	6 746	6 878	6 878	120
Total expenses	45 158	48 270	48 588	64 678
Income				
Intra-government transfers	—	220	—	—
Sales of goods and services.....	32 605	29 219	44 371	58 606
Net gain or loss from disposal of assets	—	—	—	-184
Other income	6 619	6 612	—	315
Total income	39 224	36 051	44 371	58 737
Net cost of providing services	5 934	12 219	4 217	5 941

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$3.1 million decrease in expenses is primarily due to reduced expenditure associated with:

- the regional broadband project (\$1.5 million)
- the provision of central voice network services across government (\$0.6 million).

The \$3.2 million increase in income is primarily due to an increase in recoveries associated with the provision of telecommunication services across government.

2010–11 Estimated Result/2010–11 Budget

The \$8.3 million decrease in income is due to a revision to revenue budgets to align with forecast receipts for across-government ICT charges.

2010–11 Estimated Result/2009–10 Actual

The \$16.4 million decrease in expenses is primarily due to the full-year impact of the transfer of the SA Government Radio Network (SAGRN) to the Attorney-General's Department.

The \$22.7 million decrease in income is primarily due to:

- the full-year impact of the transfer of the SAGRN to the Attorney-General's Department (\$14.0 million)
- a revision to revenue budgets to align with forecast receipts for across-government ICT charges (\$8.3 million).

Highlights 2010–11

- Implemented high availability infrastructure within the government internet gateway.
- Upgraded computing hosting facility environmental services.
- Published guidelines for the use of social media within the public sector—advice on the risks, issues and opportunities afforded by social media.
- Hosted the inaugural Asia–Pacific Government Enterprise Architecture Summit.
- Established contracts for the supply of active devices (switches, routers etc.), PABX maintenance and support services, hosting services, and various software licensing agreements.

Targets 2011–12

- Upgrade the state's computing security and access services to maintain integrity of the network.
- Increase use of government held data sets by industry, academia and the wider community via <data.sa.gov.au>.
- Increase use of the South Australian Government Exchange (SAGE)—a collaboration environment for all Government of South Australia staff and contractors.
- Commence Tranche 3 of strategic ICT procurements.
- Implement stage one of the revised Cyber Security Management Framework.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
% of availability of central ICT infrastructure ^(a) :				
• central data network	99.9%	99.9%	95.0%	99.8%
• internet	99.9%	99.9%	99.0%	99.8%

(a) The previously reported single target for 2009–10 was an average of the targets for the two indicators reported for 2010–11.

Program 8: Building Management

Description/objective

Provision of services to government agencies in relation to the construction and maintenance of buildings and the management of property assets.

Sub-programs

- 8.1 Facilities Services
- 8.2 Project Services
- 8.3 Strategic Services
- 8.4 Commercial Property Management
- 8.5 Government Employee Residential Property Management

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	24 897	25 117	23 744	31 071
Supplies and services.....	243 793	245 815	226 119	249 482
Depreciation and amortisation expenses.....	23 474	23 320	21 936	25 883
Grants and subsidies.....	66	146	66	—
Other expenses	54 718	34 458	26 914	17 220
Total expenses	346 948	328 856	298 779	323 656
Income				
Intra-government transfers	8 715	9 165	9 682	—
Fees, fines and penalties.....	—	—	1	1
Sales of goods and services.....	271 290	264 668	255 181	296 662
Interest revenue.....	2 475	2 475	2 681	2 559
Net gain or loss from disposal of assets	300	-7 569	300	5 424
Resources received free of charge.....	—	7 017	—	30
Other income	15 276	10 076	10 075	5 374
Total income	298 056	285 832	277 920	310 050
Net cost of providing services	48 892	43 024	20 859	13 606

Sub-program 8.1: Facilities Services

Description/objective

Deliver facilities management services to government agencies.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	87 515	85 954	85 991	103 752
Income	95 184	93 523	99 347	92 969
Net cost of sub-program	-7 669	-7 569	-13 356	10 783

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.6 million increase in expenses is primarily due to an increase in costs related to across-government facilities management activities.

The \$1.7 million increase in income is primarily due to an increase in revenue related to across-government facilities management activities.

2010–11 Estimated Result/2010–11 Budget

The \$5.8 million decrease in income is primarily due to a revision of revenue budgets related to across-government facilities management activities.

2010–11 Estimated Result/2009–10 Actual

The \$17.8 million decrease in expenses is primarily due to an increased minor works commitment in 2009–10 for the National School Pride and the School Solar programs.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of facilities management jobs completed	80 500	80 000	80 000	82 000
Value of facilities management jobs completed	\$98m	\$95m	\$95m	\$103.5m
Average management cost as a percentage of the value of services	11.5%	11.5%	11.5%	11.0%

Sub-program 8.2: Project Services

Description/objective

Deliver major building construction projects and manage key building industry relationships.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	6 205	6 766	6 766	10 786
Income	7 612	10 541	10 541	10 914
Net cost of sub-program	-1 407	-3 775	-3 775	-128

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$2.9 million decrease in income is primarily due to the reallocation of fee revenue to other sub-programs within Program 8 'Building Management'.

2010–11 Estimated Result/2010–11 Budget

No variation.

2010–11 Estimated Result/2009–10 Actual

The \$4.0 million decrease in expenses is primarily due to the reallocation of expenditure to other sub-programs within Program 8 'Building Management'.

Highlights 2010–11

- Commenced construction of major building projects including the SA Health and Medical Research Institute, Lyell McEwin Hospital Stage 3 and design of the Adelaide Convention Centre Redevelopment.
- Completed significant building projects including the Railcar Depot Relocation project, Adelaide Entertainment Centre Facility Enhancements and APY Lands Police Station.
- Successfully co-ordinated the delivery of the \$850 million Commonwealth Government Nation Building — Economic Stimulus Plan, Building the Education Revolution program.

Targets 2011–12

- Update the Earthquake Hazard Plan.
- Collaborate with the Integrated Design Commission to develop and implement design strategies for the built environment.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Annual value of major projects managed ^(a)	\$400m	\$580m	\$400m	\$410m
Average management cost as a percentage of the value of construction projects managed	2.0%	1.5%	2.0%	2.0%

(a) The Building the Education Revolution program is not included.

Sub-program 8.3: Strategic Services

Description/objective

Provide policy support and advice on building asset planning, acquisition, maintenance and disposal and promote partnership between government and industry and administer across-government facilities management arrangements.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	1 972	12 646	12 646	8 850
Income	—	—	—	3 310
Net cost of sub-program	1 972	12 646	12 646	5 540

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$10.7 million decrease in expenses is primarily due to facilities management efficiency savings announced in the 2010–11 Budget—savings will be allocated across client agencies once strategies are finalised.

2010–11 Estimated Result/2010–11 Budget

No variation.

2010–11 Estimated Result/2009–10 Actual

The \$3.8 million increase in expenses is primarily due to the reallocation of directorate business services costs from other sub-programs within Program 8 'Building Management'.

The \$3.3 million decrease in income is primarily due to a reallocation of revenue to other sub-programs within Program 8 'Building Management'.

Highlights 2010–11

- Implemented the national prequalification system for contractors of non-residential building projects above \$50 million.
- Commenced a project to develop strategies to implement the extension of facilities management services to all government agencies.

Targets 2011–12

- Progress a project to deliver effective facilities management services to all government agencies.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Hours of asset management advice to government agencies ^(a)	19 000	19 000	19 000	19 000
% improvement in asset management practices across South Australian government agencies over the previous survey year	1.0%	1.0%	1.0%	5.0%
Contract administration costs as a % of facilities management contract throughput	2.7%	2.7%	2.7%	2.7%

(a) The 2011–12 Target will be revised as part of the allocation of facilities management savings to other agencies.

Sub-program 8.4: Commercial Property Management

Description/objective

Procure and manage office accommodation for government agencies and effectively meet property requirements for infrastructure projects.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	226 077	198 812	170 298	177 198
Income	166 388	153 566	139 624	176 837
Net cost of sub-program	59 689	45 246	30 674	361

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$27.3 million increase in expenses is primarily due to:

- the transfer of the Police Headquarters fit-out asset to South Australia Police in 2011–12 (\$40.8 million)

partially offset by

- the transfer out of assets in 2010–11 for the Riverside Building fit-out (\$12.2 million).

The \$12.8 million increase in income is primarily due to:

- the recognition of increased contributions from building owners towards fit-out costs in 2011–12 (\$5.0 million)
- the disposal of the former Commissioner of Highways land and building at Walkerville in 2010–11 (\$7.9 million).

2010–11 Estimated Result/2010–11 Budget

The \$28.5 million increase in expenses is primarily due to:

- a revision to budgeted expenditure for across-government office accommodation services (\$19.5 million)
- the recognition of the transfers of
 - land at Gillman to the Australian Rail Track Corporation (ARTC) (\$4.4 million)
 - land at Mawson Lakes to the City of Salisbury (\$1.2 million).

The \$13.9 million increase in income is primarily due to:

- a revision to the budgeted revenue for across-government office accommodation charges to align with expected recoveries (\$19.7 million)

partially offset by

- the disposal of the former Commissioner of Highways land and building at Walkerville recognised in 2010–11 (\$7.9 million).

2010–11 Estimated Result/2009–10 Actual

The \$21.6 million increase in expenses is primarily due to:

- the once-off expenditure for the Riverside Building fit-out (\$12.2 million)
- the transfers of
 - land at Gillman to the ARTC (\$4.4 million)
 - land at Oaklands Park to the City of Marion (\$5.3 million).

The \$23.3 million decrease in income is primarily due to:

- less fit-out works undertaken on behalf of other agencies in 2010–11 compared to 2009–10 (\$19.7 million)
- property sales exceeding budget in 2009–10 (\$5.4 million).

Highlights 2010–11

- Relocated the department from the former Commissioner of Highways building at Walkerville to Grenfell Street, Adelaide enabling the sale of the Walkerville building.

Targets 2011–12

- Undertake a program to reassess National Australian Built Environment Rating System (NABERS) energy ratings on all government owned central business district commercial buildings.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Area of commercial leases managed	310 000 m ²	313 000 m ²	320 000m ²	313 000m ²
Area of government owned commercial buildings managed ^(a)	270 000 m ²	270 000 m ²	285 000m ²	285,000m ²
Management costs per square metre of government owned commercial buildings ^(a)	\$7.90	\$7.90	\$7.90	\$8.20
Vacancy rate for commercial buildings ^(a)	2.0%	1.0%	2.0%	2.3%
Hectares of land managed ^(b)	58 000	55 000	48 000	50 700
Cost per hectare to manage land ^(c)	\$105.00	\$92.00	\$100.00	\$88.00

(a) Includes government owned office buildings, buildings on land held for future road projects, and buildings used in the course of DTEI business and for other public transport purposes. The 2011–12 Target has been reduced by 15 000m² due to the sale of the Walkerville office building.

(b) 2009–10 result includes rail, marine and road property assets (previously only included road assets).

(c) Reflects rail and road properties only. Marine land includes a vast amount of seabed which is not included in this assessment.

Sub-program 8.5: Government Employee Residential Property Management

Description/objective

Procure and manage regional housing for Government of South Australia employees.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	25 179	24 678	23 078	23 070
Income	28 872	28 202	28 408	26 020
Net cost of sub-program	-3 693	-3 524	-5 330	-2 950

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

The \$1.6 million increase in expenditure is due to increases in land values resulting in higher costs for land tax.

2010–11 Estimated Result/2009–10 Actual

The \$1.6 million increase in expenditure is due to increases in land values resulting in higher costs for land tax.

The \$2.2 million increase in income is primarily due to interest revenue adjustments in 2010–11.

Highlights 2010–11

- Contributed to the development and implementation of a new policy for the provision of government employee housing in South Australia.

Targets 2011–12

- Maintain services to tenants while meeting the objective to reduce the government owned housing stock via the sale of approximately 100 properties.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of residential tenancies managed ^(a)	2 450	2 450	2 430	2 390
No. of government owned residential properties	1 500	1 600	1 600	1 626
No. of leased residential properties from the private market	330	240	220	187
Vacancy rate for residential properties	6.5%	6.5%	6.5%	7.5%
Management costs per residential property per annum	\$1 400	\$1 350	\$1 350	\$1 350

(a) Some properties will have more than one tenancy per annum, resulting in higher numbers of tenancies than properties.

Program 9: Land Services

Description/objective

Provides statutory services and information to the community in relation to land titling, survey, valuation and advice on land administration issues, and development of specialist land administration policy.

Program summary — expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	27 958	28 186	28 136	25 209
Supplies and services.....	13 269	13 403	10 963	17 107
Depreciation and amortisation expenses.....	826	846	838	876
Other expenses	3 078	3 110	3 110	3 680
Total expenses	45 131	45 545	43 047	46 872
Income				
Commonwealth revenues	—	53	—	—
Intra-government transfers	19	140	70	—
Fees, fines and penalties.....	11 766	11 753	11 693	14 995
Sales of goods and services.....	19 981	19 201	19 201	13 714
Other income.....	4	143	—	508
Total income	31 770	31 290	30 964	29 217
Net cost of providing services	13 361	14 255	12 083	17 655

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

The \$2.5 million increase in expenses is primarily due to additional expenditure for the implementation and customisation of the state's land administration system.

2010–11 Estimated Result/2009–10 Actual

The \$1.3 million decrease in expenses is primarily due to a reallocation of accommodation expenditure in 2010–11 to Sub-program 8.4 'Commercial Property Management'.

The \$2.1 million increase in income is primarily due to forecast increased sales of land information products, including search fee enquiries and property interest reports included in the 2010–11 Estimated Result.

Highlights 2010–11

- Completed the Rural Property Address Project.
- Completed back capture and migration of data to the Personal Property Securities Register.
- Completed the procurement process for a replacement land administration system.

Targets 2011–12

- Spatially improve 160 000 land parcels in the Digital Cadastral Data Base (DCDB).
- Transition of DCDB maintenance and delivery from Shared Services SA to the department.
- Introduce the government's Name Search Suppression initiative.
- Progress implementation of the Council of Australian Government's initiative to establish a national personal property security register.
- Continue development and implementation of the Valuation Online Transparency project.
- Continue to prepare South Australia for future participation in the National Electronic Conveyancing System.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No of valuation assessments	880 000	872 000	874 000	863 691
% of valuations where value is upheld	99.60%	99.80%	99.60%	99.83%
% of new valuation records created within 4 weeks following deposit of a plan of division	70.00%	61.00%	70.00%	58.19%
% of documents processed within industry standards for ^(a) :				
• registration	90%	95%	90%	100%
• division	90%	95%	90%	100%

(a) Industry standard is 15 working days for registration and division.

Program 10: Energy Policy and Regulation

Description/objective

Provision of policy advice on energy issues, energy program delivery and regulatory services for the competitive, sustainable, safe and reliable supply and use of energy, for the benefit of the South Australian community.

Sub-programs

10.1 Energy Policy and Programs

10.2 Technical and Safety Regulation

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	8 314	7 982	7 897	6 230
Supplies and services.....	3 885	4 337	3 470	5 177
Depreciation and amortisation expenses.....	404	270	416	184
Grants and subsidies	8 763	12 829	7 817	6 117
Other expenses	59	61	61	68
Total expenses	21 425	25 479	19 661	17 776
Income				
Commonwealth revenues	117	112	112	—
Intra-government transfers	6 341	5 649	5 591	—
Other grants.....	36	36	36	—
Fees, fines and penalties.....	—	—	—	39
Sales of goods and services.....	1 545	1 377	1 346	1 710
Other income	436	494	426	4 966
Total income	8 475	7 668	7 511	6 715
Net cost of providing services	12 950	17 811	12 150	11 061

Sub-program 10.1: Energy Policy and Programs

Description/objective

Provision of policy advice and coordination of energy market reforms, including national reforms, sustainability and energy efficiency. Management of energy programs for the delivery of services to remote areas and in support of energy efficiency and renewable energy.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	17 212	21 673	15 981	14 542
Income	4 072	3 566	3 577	3 407
Net cost of sub-program	13 140	18 107	12 404	11 135

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$4.5 million decrease in expenses is primarily due to additional expenditure included in the 2010–11 Estimated Result, within the Remote Areas Energy Supplies (RAES) scheme, for:

- fuel (\$2.0 million)
- subsidy agreements with the independent owner/operators (\$3.3 million).

2010–11 Estimated Result/2010–11 Budget

The \$5.7 million increase in expenses is primarily due to additional expenditure included in the 2010–11 Estimated Result, within the RAES scheme, for:

- fuel (\$2.0 million)
- subsidy agreements with the independent owner/operators (\$3.3 million).

2010–11 Estimated Result/2009–10 Actual

The \$7.1 million increase in expenses is primarily due to additional expenditure included in the 2010–11 Estimated Result, within the RAES scheme, for fuel and subsidy agreements with the independent owner/operators.

Highlights 2010–11

- National Energy Customer Framework legislation was passed by the South Australian Parliament, as lead legislator.
- As part of the national strategy on energy efficiency, the Ministerial Council on Energy agreed to more stringent national minimum energy performance standards for air conditioners from October 2011.
- Developed new citizen-centric energy and climate change web content on the whole of government website <sa.gov.au>.
- Introduced the Electrical Products (Energy Products) Amendment Bill, increasing the coverage of the current appliance energy efficiency framework.
- Approximately 1300 solar hot water rebates delivered to low income households.

Targets 2011–12

- Introduce new or strengthened Minimum Energy Performance Standards for gas water heaters, air conditioners and lighting.
- Commence the second three-year phase of the Residential Energy Efficiency Scheme from 1 January 2012.
- Continue to provide safe and reliable electricity to 2600 customers across 13 towns in remote areas of the state.
- Continue to deliver solar hot water rebates to low income households.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Proportion of renewable electricity generated ^(a)	28.5%	20.7%	20.7%	18.8%
Proportion of renewable electricity consumed ^(a)	31.5%	22.3%	22.3%	19.8%
% change in energy efficiency of government buildings since 2000–01 ^(b)	21.4%	18.4%	19.6%	16.7%
South Australia's residential energy efficiency index ^(c)	23.46	23.56	24.12	23.45

(a) Targets for the proportion of renewable electricity generated and consumed are based on information provided by the Australian Energy Market Operator in relation to renewable energy generation and consumption forecasts.

(b) The 2010–11 Estimated Result is derived from a linear extrapolation from the baseline and the 2009–10 Actual.

(c) The 2010–11 Target is not directly comparable to the other figures shown, due to updated data series.

Sub-program 10.2: Technical and Safety Regulation

Description/objective

Enforcement, compliance and promotion of technical and safety regulation, and the monitoring and management of emergency events.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	4 213	3 806	3 680	3 234
Income	4 403	4 102	3 934	3 308
Net cost of sub-program	-190	-296	-254	-74

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Completion of the AS/NZS5601 Gas Installations Standard Part 1 and 2.

Targets 2011–12

- Education through road shows, the publication of Regulation Roundup and presentations for continued improvement of the safety and reliability of the electricity and gas supply industry, and the technical competence of the employees within the industry.
- Review of the *Electricity Act 1996* and *Gas Act 1997* to improve legislative effectiveness and operation.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of safety presentations to key stakeholders	185	220	185	204
No. of proactive technical and safety audits	2 250	2 300	2 250	2 220

Program 11: Road Safety Policy, Planning and Services

Description/objective

Provision of policy, planning and services to improve road safety in South Australia.

Sub-programs

11.1 Safer Roads

11.2 Safety and Community

Program summary – expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	7 305	6 841	6 841	8 934
Supplies and services.....	9 400	10 169	9 487	9 820
Depreciation and amortisation expenses.....	650	651	651	616
Grants and subsidies	38 227	35 641	36 204	37 578
Other expenses	1 016	983	983	132
Total expenses	56 598	54 285	54 166	57 080
Income				
Commonwealth revenues	4 700	4 700	4 700	8 579
Intra-government transfers	—	119	—	—
Fees, fines and penalties.....	2 119	2 048	2 048	—
Interest revenue.....	343	626	301	—
Total income	7 162	7 493	7 049	8 579
Net cost of providing services	49 436	46 792	47 117	48 501

Sub-program 11.1: Safer Roads

Description/objective

Provision of efficient and effective services to improve the safety performance of the road network.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	5 991	4 553	4 434	8 450
Income	4 700	4 700	4 700	8 579
Net cost of sub-program	1 291	-147	-266	-129

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.4 million increase in expenses is primarily due to additional expenditure for the Greenways and Cycle Paths project.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$3.9 million decrease in expenses is primarily due to the completion of expenditure on road black spots and level crossings funded under the Commonwealth's Nation Building — Economic Stimulus Plan.

The \$3.9 million decrease in income is primarily due to once-off revenue received in 2009–10 under the Commonwealth's Nation Building — Economic Stimulus Plan for the Black Spot program and the Level Crossing Safety Upgrade program.

Highlights 2010–11

- Completed Stage 2 of the Amy Gillett Bikeway.
- Commenced the Adelaide to Marino cycling path under the Greenways and Cycle Paths project.
- Undertook safety improvements on the South Eastern Freeway and Dukes Highway.
- Contributed to 59 new road safety projects at metropolitan and regional locations across the state under various black spot and responsive road safety programs.
- Completed approximately 200 kilometres of road shoulder sealing, installed 50 kilometres of protective safety barrier and activated five level crossings.

Targets 2011–12

- Continue the Greenways and Cycle Paths project, including the completion of the Adelaide to Marino Rocks section.
- Complete and commission the traffic management system on the South East Freeway from Adelaide to Crafers, including automatic incident detection and installation of CCTV cameras, weather detectors and variable speed limit signs.
- Remove roadside hazards on the Dukes Highway.
- Continue to work with councils on reviews of speed zoning of rural roads.

Performance indicators

	2011–12 Target ^(b)	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Single vehicle run off road casualty crash rate (run off road casualty crashes per 100 million vehicle kilometres travelled on arterial roads) ^(a) :				
• rural	6.70	6.90	7.05	7.75
• urban	2.30	2.40	2.55	2.81

(a) Run off road crashes refer to crashes where a vehicle has left the road out of control, hit a fixed object, or has rolled over.

(b) Based upon the annual average improvement for the past 10 years.

Sub-program 11.2: Safety and Community

Description/objective

Provision of policy and investment advice and community information on road safety and the provision of services on safe and sustainable road use and travel behaviour.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	50 607	49 732	49 732	48 630
Income	2 462	2 793	2 349	—
Net cost of sub-program	48 145	46 939	47 383	48 630

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$1.1 million increase in expenses is primarily due to additional expenditure associated with the replacement of wet film fixed cameras with digital cameras included in 2010–11.

The \$2.8 million increase in income is primarily due to the reallocation of revenue from RiderSafe courses from Sub-program 4.2 ‘Transport Safety Regulation’.

Highlights 2010–11

- Implemented changes to the Graduated Licensing Scheme including 12 month learner driver period, high powered vehicle restrictions and ongoing information to new and young drivers through the dedicated website <MyLicence.sa.gov.au>.
- Implemented new child restraint laws in partnership with key stakeholders.
- Commenced development with the Road Safety Advisory Council of a new South Australian road safety strategy through to 2020.

Targets 2011–12

- Release a South Australian road safety strategy to 2020 and a three-year road safety action plan to 2014.
- Commence operation of the Point-to-Point automated speed enforcement project on Highway One.
- Commence installation of safety cameras at level crossings to deter vehicles failing to stop on red warning light signals or speeding through level crossings.
- Commence design and delivery of a program to increase the numbers of Aboriginal people who obtain and retain a driver’s licence.

Performance indicators

	2011–12 Target^(a)	2010–11 Estimated Result^(b)	2010–11 Target^(c)	2009–10 Actual
No. of fatalities on South Australian road network in one year ^(d)	n.a.	106	90	118
No. of serious injuries on South Australian road network in one year	n.a.	1 050	1 000	1 114
No. of drivers or riders killed with blood alcohol concentration above the legal limit ^(d)	n.a.	19	16	27
No. of young people 16–24 killed or seriously injured on roads ^(d) :				
• killed	n.a.	28		7
• seriously injured	n.a.	241	308 ^(e)	261

(a) The 2011–12 road safety targets are yet to be determined. They will be decided as part of the development of the new South Australian Road Safety Strategy 2020 and based on targets determined by the National Road Safety Strategy, which is yet to be released.

(b) Fatality data from 1 April 2010 to 31 March 2011. Serious injury data from 1 January 2010 to 31 December 2010. Number of drivers/riders killed with a blood alcohol concentration above the legal limit data from 1 January 2010 to 31 December 2010. Young people 16–24 fatal data from 1 April 2010 to 31 March 2011, seriously injured data from 1 January 2010 to 31 December 2010.

(c) The 2010–11 annual targets are based on meeting the South Australian Strategic Plan road safety targets T2.9 ‘Road safety—fatalities’ (less than 90 fatalities by the end of 2010), and T2.10 ‘Road safety—serious injuries’ (less than 1000 serious injuries by the end of 2010).

(d) Note that fatality numbers are small and are likely to fluctuate from year to year.

(e) 2010–2011 Target for the number of young people 16–24 is for fatal and serious injuries combined.

Department for Transport, Energy and Infrastructure Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	173 017	174 510	171 682	162 008
Long service leave	6 524	7 243	7 839	5 715
Payroll tax	8 936	9 128	8 975	9 421
Superannuation	18 902	19 135	18 883	17 964
Other	1 033	1 585	1 012	18 900
Supplies and services				
General supplies and services	746 831	750 577	718 134	733 199
Consultancy expenses	—	200	200	218
Depreciation and amortisation expenses	310 233	293 108	266 575	287 836
Borrowing costs	3 598	4 106	6 114	3 702
Grants and subsidies	35 967	40 459	35 676	32 869
Intra-government transfers	46 351	46 932	45 474	35 154
Other expenses	66 245	49 261	36 131	25 406
Total expenses	1 417 637	1 396 244	1 316 695	1 332 392
Income				
Commonwealth revenues	512 660	322 144	360 931	436 216
Intra-government transfers	16 311	22 179	15 906	51 729
Other grants	60 788	77 409	76 696	7 293
Fees, fines and penalties	442 993	384 699	389 211	449 866
Sales of goods and services	439 649	428 958	437 145	398 291
Interest revenues	3 763	7 350	7 556	4 352
Net gain or loss from disposal of assets	300	-7 569	300	4 057
Resources received free of charge	—	7 017	—	30
Other income	32 782	78 258	20 218	32 839
Total income	1 509 246	1 320 445	1 307 963	1 384 673
Net cost of providing services	-91 609	75 799	8 732	-52 281
Income from/expenses to state government				
Income				
Appropriation	168 429	233 863	256 417	407 530
Other income	—	10 389	—	21 084
Expenses				
Tax equivalents	3 297	3 238	4 464	4 430
Other	1 706	1 706	1 706	5 956
Net income from/expenses to state government	163 426	239 308	250 247	418 228
Net result	255 035	163 509	241 515	470 509
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	40 761	41 934	41 934	9 421 066
Total comprehensive result	295 796	205 443	283 449	9 891 575

Department for Transport, Energy and Infrastructure

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	409 753	535 214	534 248	487 290
Receivables	254 648	256 062	193 219	266 122
Inventories	4 927	4 927	6 661	4 927
Other current assets	12 610	12 610	13 913	12 610
Non-current assets held for sale	23 293	23 293	3 355	23 293
Total current assets	705 231	832 106	751 396	794 242
<i>Non current assets</i>				
Land and improvements	2 251 541	2 292 090	2 221 549	2 200 164
Plant and equipment	18 394 593	17 397 058	8 239 861	16 902 464
Intangible assets	6 059	11 525	7 821	16 991
Other non-current assets	—	—	2 124	—
Total non-current assets	20 652 193	19 700 673	10 471 355	19 119 619
Total assets	21 357 424	20 532 779	11 222 751	19 913 861
Liabilities				
<i>Current liabilities</i>				
Payables	273 205	273 203	171 300	273 206
Employee benefits				
Salaries and wages	1 167	5 649	5 088	6 521
Annual leave	17 144	16 929	17 194	16 749
Long service leave	5 360	5 118	5 358	4 876
Short-term provisions	23 725	23 676	19 950	23 627
Other current liabilities	22 656	22 656	37 501	32 456
Total current liabilities	343 257	347 231	256 391	357 435
<i>Non current liabilities</i>				
Long-term borrowings	50 143	50 626	100 558	65 868
Long-term employee benefits				
Long service leave	74 494	66 494	72 838	58 960
Long-term provisions	7 815	7 627	7 069	7 449
Other non-current liabilities	19 683	18 916	19 097	19 193
Total non-current liabilities	152 135	143 663	199 562	151 470
Total liabilities	495 392	490 894	455 953	508 905
Net assets	20 862 032	20 041 885	10 766 798	19 404 956
Equity				
Contributed capital	1 581 663	1 057 312	1 053 062	625 825
Retained earnings	6 698 053	6 443 018	6 550 295	6 279 510
Asset revaluation reserve	12 582 316	12 541 555	3 163 441	12 499 621
Total equity	20 862 032	20 041 885	10 766 798	19 404 956

Balances as at 30 June end of period.

Department for Transport, Energy and Infrastructure

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	204 434	204 520	200 725	212 090
Payments for supplies and services	755 439	757 041	724 881	1 556 282
Interest paid	3 598	4 106	6 114	3 913
Grants and subsidies	29 315	33 807	28 741	32 421
GST paid	—	—	—	177 123
Intra-government transfers	46 351	46 932	45 474	35 154
Other payments	23 278	20 183	16 595	14 082
Cash used in operations	1 062 415	1 066 589	1 022 530	2 031 065
<i>Cash inflows</i>				
Intra-government transfers	16 311	26 879	15 906	51 729
Commonwealth receipts	512 660	322 144	360 931	439 174
Other grants	60 788	77 409	76 696	7 293
Fees, fines and penalties	442 993	384 699	389 211	449 866
Sales of goods and services	439 983	455 772	437 479	1 070 476
Interest received	3 763	7 350	7 556	4 811
GST received	—	—	—	181 199
Other receipts	36 460	30 667	21 174	30 362
Cash generated from operations	1 512 958	1 304 920	1 308 953	2 234 910
State government				
Appropriation	168 429	233 863	256 417	407 530
Other receipts	—	10 389	—	21 084
Payments				
Tax equivalents	3 297	3 238	4 464	4 430
Other	1 706	1 706	1 706	5 956
Net cash provided by state government	163 426	239 308	250 247	418 228
Net cash provided by (+)/used in (-) operating activities	613 969	477 639	536 670	622 073
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	1 293 711	892 237	958 281	894 699
Purchase of intangibles	—	—	—	13
Cash used in investing activities	1 293 711	892 237	958 281	894 712
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment	30 391	31 496	17 246	19 306
Repayment of advances	22	22	22	—
Cash generated from investing activities	30 413	31 518	17 268	19 306
Net cash provided by (+)/used in (-) investing activities	-1 263 298	-860 719	-941 013	-875 406

Department for Transport, Energy and Infrastructure

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash outflows</i>				
Finance lease payments	483	483	483	2 047
Cash used in financing activities	483	483	483	2 047
<i>Cash inflows</i>				
Capital contributions from state government	524 351	431 487	431 487	373 311
Proceeds from restructuring activities	—	—	—	-145
Cash generated from financing activities	524 351	431 487	431 487	373 166
Net cash provided by (+)/used in (-) financing activities	523 868	431 004	431 004	371 119
Net increase (+)/decrease (-) in cash equivalents	-125 461	47 924	26 661	117 786
Cash and cash equivalents at the start of the period	535 214	487 290	507 587	369 504
Cash and cash equivalents at the end of the period	409 753	535 214	534 248	487 290
Non cash transactions				
Assets acquired under finance lease	—	—	—	1 119
Assets received (+) / donated (-) free of charge	-42 628	-17 399	-19 201	-129
Assumption of liabilities — Revenue	—	47 760	—	—

Administered items for the Department for Transport, Energy and Infrastructure

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	432	424	417	390
Long service leave	—	—	—	13
Payroll tax	—	—	—	8
Superannuation	—	—	—	23
Supplies and services				
General supplies and services	2 522	2 488	2 488	3 388
Borrowing costs	135	149	149	150
Grants and subsidies	80	940	940	2 835
Intra-government transfers	278 763	271 336	271 136	838 555
Other expenses	767 702	721 046	729 383	139 926
Total expenses	1 049 634	996 383	1 004 513	985 288
Income				
Taxation	32 209	31 626	31 226	30 222
Commonwealth revenues	—	862	862	2 732
Intra-government transfers	235 472	228 828	228 828	807 366
Fees, fines and penalties	169 350	140 059	148 396	110 384
Interest revenues	135	149	149	382
Other income	598 352	580 987	580 987	20 729
Total income	1 035 518	982 511	990 448	971 815
Income from/expenses to state government				
Income				
Appropriation	14 091	13 591	13 784	12 896
Net income from/expenses to state government	14 091	13 591	13 784	12 896
Total comprehensive result	-25	-281	-281	-577

Administered items for the Department for Transport, Energy and Infrastructure

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	81 485	81 510	52 285	81 791
Receivables	2 088	2 297	2 286	2 506
Other current assets	11	11	11	11
Total current assets	83 584	83 818	54 582	84 308
Total assets	83 584	83 818	54 582	84 308
Liabilities				
<i>Current liabilities</i>				
Payables	66 769	66 769	12 636	66 769
Short-term borrowings	243	228	228	213
Employee benefits				
Salaries and wages	9	9	3	9
Annual leave	—	—	10	—
Long service leave	8	8	2	8
Other current liabilities	3 608	3 608	28 526	3 608
Total current liabilities	70 637	70 622	41 405	70 607
<i>Non current liabilities</i>				
Long-term borrowings	1 497	1 721	1 725	1 945
Long-term employee benefits				
Long service leave	40	40	42	40
Total non-current liabilities	1 537	1 761	1 767	1 985
Total liabilities	72 174	72 383	43 172	72 592
Net assets	11 410	11 435	11 410	11 716
Equity				
Retained earnings	6 066	6 091	6 067	6 372
Other reserves	5 344	5 344	5 343	5 344
Total equity	11 410	11 435	11 410	11 716

Balances as at 30 June end of period.

Administered items for the Department for Transport, Energy and Infrastructure

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	432	424	417	435
Payments for supplies and services	2 522	2 488	2 488	2 588
Interest paid	135	149	149	150
Grants and subsidies	80	940	940	2 834
Intra-government transfers	278 763	271 336	271 136	929 654
Other payments	767 702	721 046	729 383	20 612
Cash used in operations	1 049 634	996 383	1 004 513	956 273
<i>Cash inflows</i>				
Taxation	32 209	31 626	31 226	30 222
Intra-government transfers	235 472	228 828	228 828	807 362
Commonwealth receipts	—	862	862	2 732
Fees, fines and penalties	169 350	140 059	148 396	110 373
Interest received	135	149	149	582
Other receipts	598 352	580 987	580 987	20 729
Cash generated from operations	1 035 518	982 511	990 448	972 000
State government				
Appropriation	14 091	13 591	13 784	12 896
Net cash provided by state government	14 091	13 591	13 784	12 896
Net cash provided by (+)/used in (-) operating activities	-25	-281	-281	28 623
Investing activities				
<i>Cash inflows</i>				
Repayment of advances	209	209	209	200
Cash generated from investing activities	209	209	209	200
Net cash provided by (+)/used in (-) investing activities	209	209	209	200
Financing activities				
<i>Cash outflows</i>				
Repayment of borrowings	209	209	209	200
Cash used in financing activities	209	209	209	200
Net cash provided by (+)/used in (-) financing activities	-209	-209	-209	-200
Net increase (+)/decrease (-) in cash equivalents	-25	-281	-281	28 623
Cash and cash equivalents at the start of the period	81 510	81 791	52 566	53 168
Cash and cash equivalents at the end of the period	81 485	81 510	52 285	81 791

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

Statement of comprehensive income—controlled

Expenses

The \$21.4 million increase in expenses is primarily due to:

- the transfer of the Police Headquarters fit-out to South Australia Police (\$40.8 million)
- additional depreciation as a result of revaluations and a change in accounting policy affecting useful lives of assets (\$17.1 million)
- additional expenditure provided for new initiatives approved in the 2011–12 Budget including planning studies for a number of new infrastructure projects, road safety initiatives, additional support for the Remote Areas Energy Supplies scheme and enhancements to the Transport Regulation and User Management Processing System (\$7.0 million)
- the impact of initiatives approved in the 2010–11 Budget, including additional outer metropolitan bus services, motor vehicle registration renewal reform and road safety initiatives (\$5.7 million)

partially offset by

- a reduction in expenditure resulting from savings initiatives announced in the 2010–11 Budget, including departmental efficiencies, facilities management efficiencies and rationalisation of information and communication technology services (\$24.3 million)
- a reduction in expenditure associated with the transfer of assets in 2010–11 to other agencies or organisations, including fit-outs for the Riverside Building and land in Oaklands Park, Gillman and Mawson Lakes (\$23.1 million).

Income

The \$188.8 million increase in income is primarily due to:

- additional receipts from Commonwealth National Partnerships, including for the Gawler Line upgrade and electrification, Seaford Rail Line and South Road Superway investing projects (\$200.7 million)
- an increase in receipts from motor vehicle registrations and driver's licence renewals resulting from fee increases and forecast higher volumes included in the 2011–12 Budget (\$51.7 million)

partially offset by

- the recognition of the waiver of the department's common public sector interest rate loans by the Treasurer included in the 2010–11 Estimated Result — the loans were waived effective 1 September 2010 for administrative efficiency purposes, resulting in no budget or net debt impacts across the general government sector (\$47.8 million)
- grants and subsidies income associated with capital contributions towards the SA Aquatic & Leisure Centre (Commonwealth and City of Marion) and the Brighton Community Performing Arts Centre (City of Holdfast Bay) included in the 2010–11 Estimated Result (\$19.6 million)
- a reduction in Commonwealth revenue in 2011–12 due to the completion of the Upgrading the Sturt Highway investing project (\$10.3 million).

Statement of financial position—controlled

The \$824.6 million increase in total assets is primarily due to:

- the increase in non-current assets associated with an expanded investing program in 2011–12, less movements in accumulated depreciation (\$951.5 million)

partially offset by

- a decrease in cash balances held primarily as a result of increased investing expenditure on roads funded by the Highways Fund (\$125.5 million).

Statement of cash flows—controlled

The \$136.6 million increase in net cash provided by operating activities is primarily due to changes discussed above under the statement of comprehensive income, adjusted for non-cash items.

The \$402.6 million increase in net cash used in investing activities is primarily due to an expanded investing program in 2011–12, primarily attributable to the South Road Superway, Southern Expressway — Duplication, Seaford Rail Line and Rail Revitalisation projects.

The \$92.9 million increase in net cash provided by financing activities is primarily due to increased capital contributions from the state government to support non-road investing activities.

Statement of comprehensive income—administered items

The \$53.3 million increase in expenses is primarily due to increased transaction volumes associated with the collection and disbursement of third party insurance premiums, *Real Property Act 1886* charges, and stamp duty.

Statement of financial position—administered items

No major variations.

Statement of cash flows—administered items

The movements in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income and the statement of financial position.

Additional information for administered items

Additional information on administered items is included in the following table.

Additional information for administered items for the Department for Transport, Energy and Infrastructure Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments				
Parliamentary salaries and electorate and expense allowances.....	432	424	417	435
Payments for supplies and services				
Major administered project.....	2 522	2 488	2 488	2 588
Interest paid				
Metropolitan (Woodville, Henley and Grange) Drainage Scheme	21	24	24	24
South Western Suburbs Drainage Scheme	114	125	125	126
Grants and subsidies				
Flood mitigation.....	80	78	78	—
Renewable Remote Power Generation Program.....	—	862	862	2 834
Intra-government transfers				
Courts Administration Authority.....	1 255	1 214	1 214	454
Emergency services levy	43 346	42 561	42 361	40 799
Hospital Fund—contribution	65 648	63 675	63 675	61 808
South Australia Police—expiation notices	16 643	16 127	16 127	38 618
South Australia Police—firearms.....	3 142	3 044	3 044	2 640
State Taxation Office—stamp duties	148 729	144 715	144 715	148 521
Other payments				
Motor Accident Commission	577 519	560 154	560 154	521 914
Registrar-General and Surveyor-General statutory Acts...	169 350	140 059	148 396	111 711
Other minor contributions.....	20 833	20 833	20 833	23 801
Cash used in operations	1 049 634	996 383	1 004 513	956 273
<i>Cash inflows</i>				
Taxation				
Emergency services levy	32 209	31 126	31 226	30 222
Intra-government transfers				
Flood mitigation.....	80	78	78	—
Courts Administration Authority.....	1 255	1 214	1 214	454
Hospital Fund—contribution	65 623	63 650	63 650	61 808
South Australia Police—expiation notices	16 643	16 127	16 127	38 618
South Australia Police—firearms.....	3 142	3 044	3 044	2 640
State Taxation Office—stamp duties	148 729	144 715	144 715	148 521
Renewable Remote Power Generation Program.....	—	862	862	2 732
Other.....	—	—	—	—
Fees, fines and penalties				
Registrar-General and Surveyor-General statutory Acts...	169 350	140 059	148 396	140 595

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Interest received				
Metropolitan (Woodville, Henley and Grange) Drainage Scheme	21	24	24	37
South Western Suburbs Drainage Scheme	114	125	125	313
Interest Received on Real Property Act Trust Account	—	—	—	232
Other receipts				
Motor Accident Commission	577 519	560 154	560 154	521 914
Other minor contributions	20 833	20 833	20 833	23 914
Cash generated from operations	1 035 518	982 511	990 448	972 000
State government				
Appropriation	14 091	13 591	13 784	12 896
Net cash provided by state government	14 091	13 591	13 784	12 896
Net cash provided by (+)/used in (-) operating activities	-25	-281	-281	28 623
Investing activities				
<i>Cash inflows</i>				
Other receipts				
Metropolitan (Woodville, Henley and Grange) Drainage Scheme	13	13	13	13
South Western Suburbs Drainage Scheme	196	196	196	196
Cash generated from investing activities	209	209	209	209
Net cash provided by (+)/used in (-) investing activities	209	209	209	209
Financing activities				
<i>Cash outflows</i>				
Other payments				
Metropolitan (Woodville, Henley and Grange) Drainage Scheme	13	13	13	13
South Western Suburbs Drainage Scheme	196	196	196	196
Cash used in financing activities	209	209	209	209
Net cash provided by (+)/used in (-) financing activities	-209	-209	-209	-209
Net increase (+)/decrease (-) in cash equivalents	-25	-281	-281	28 623
Cash and cash equivalents at the start of the financial year (as at 1 July)	81 510	81 791	52 566	53 168
Cash and cash equivalents at the end of the financial year (as at 30 June)	81 485	81 510	52 285	81 791

**Agency: Department of
Treasury and Finance**

**Minister for Gambling
Treasurer**

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Objective

To ensure that the South Australian public sector is accountable in both policy and financial terms to the government of the day. To provide economic and financial services to, and on behalf of, the Government of South Australia.

Ministerial responsibilities

Minister	Programs	Sub-programs
The Hon. GE Gago Minister for Gambling	1. Gambling Policy	Nil
The Hon. JJ Snelling Treasurer	2. Accountability for Public Sector Resources	2.1 Policy Analysis and Advice 2.2 Budget Financial Management 2.3 Sustainable Budget Commission
	3. Financial Services Provision	3.1 Revenue Collection and Management 3.2 Financing, Insurance and Light Motor Vehicle Fleet Services 3.3 Superannuation Services 3.4 Ministerial Support Services
	4. Shared Services	4.1 Shared Services Reform 4.2 Shared Services Operations
	5. State Procurement and Vehicles for Ministers, Leader of the Opposition, MPs and VIPs	5.1 Procurement Policy and Governance 5.2 Vehicles for Ministers, Leader of the Opposition, MPs and VIPs 5.3 Support Services

Note: Some program numbers have changed due to changes in ministerial responsibilities.

Administered items

In addition to the above responsibilities, the agency administers the following items on behalf of the Treasurer:

- Assets and liabilities held on behalf of the state by the Treasurer
- Consolidated Account items
- Special deposit accounts.

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Ministerial office resources

Minister	2011–12 Budget	
	Cost of provision	
	\$000	FTE
The Hon. JJ Snelling	1 553	9.6

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
Department of Treasury and Finance	1 655.9	1 637.5 ^(c)	1 555.1
Administered items for the Department of Treasury and Finance	167.5	167.5	192.9
Total	1 823.4	1 805.0	1 748.0

(a) The 2011–12 Budget and 2010–11 Estimated Result reflect the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet).

(c) The movement in the 2010–11 Estimated Result from the 2009–10 Actual is primarily due to the number of positions that were vacant as at 30 June 2010.

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. Gambling Policy	341	526	316	351
2. Accountability for Public Sector Resources	19 707	19 514	19 599	20 804
3. Financial Services Provision	35 713	33 099	34 205	33 693
4. Shared Services	15 441	16 289	18 076	12 005
5. State Procurement and Vehicles for Ministers, Leader of the Opposition, MPs and VIPs	8 834	8 406	11 020	11 688
Total	80 036	77 834	83 216	78 541

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
<i>Existing projects</i>				
Shared Services SA e-Procurement System	311	320	631	4 240
Taxation Revenue Management System (RISTEC)	8 785	6 395	14 433	6 074
Software Licences.....	—	2 980	—	—
Total existing projects	9 096	9 695	15 064	10 314
<i>Annual programs</i>				
Annual programs.....	2 971	2 498	2 898	1 775
Total annual programs	2 971	2 498	2 898	1 775
Total investing expenditure	12 067	12 193	17 962	12 089

Program 1: Gambling Policy

Description/objective

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

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	282	313	297	370
Supplies and services.....	61	218	25	37
Depreciation and amortisation expenses.....	6	2	3	4
Other expenses	3	4	3	1
Intra-agency ^(a)	3	8	5	4
Total expenses	355	545	333	416
Income				
Sales of goods and services.....	13	18	17	64
Other income	1	1	—	1
Total income	14	19	17	65
Net cost of providing services	341	526	316	351

(a) Intra-agency expenses represent payments to Shared Services SA for services provided.

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.2 million decrease in the net cost is due to the once-off review in 2010–11 undertaken by the Casino Task Force in relation to the current exclusivity arrangements between the Government of South Australia and the Adelaide Casino Pty Ltd.

2010–11 Estimated Result/2010–11 Budget

As detailed under the 2011–12 Budget/2010–11 Estimated Result.

2010–11 Estimated Result/2009–10 Actual

As detailed under the 2011–12 Budget/2010–11 Estimated Result.

Highlights 2010–11

- Conducted public consultation to determine whether there are arcade games that operate in a manner similar to gaming machines that should be prescribed as unlawful instruments of gambling.
- Established arrangements for, and provided secretariat support to, the Casino Task Force. The Casino Task Force is comprised of representatives from key government agencies and provides advice to government on the long-term operating arrangements that should apply to the Adelaide Casino beyond the exclusivity period, which expires on 30 June 2015.
- Released the fourth progress report of the Responsible Gambling Working Party by the Minister for Gambling and the associated trial evaluation reports for Change Tracker and Playsmart.
- Provided advice and support to the Minister for Gambling in relation to the Select Council on Gambling Reform established by the Council of Australian Governments. Key areas of national reform in relation to electronic gaming machines include pre-commitment, dynamic warning messages, and ATM withdrawal limits.
- Amended the *Gaming Machines Act 1992* to establish a market based trading system for gaming machine entitlements, to create more responsible gambling environments and to reduce the cost and risk associated with regulation.
- Assisted the Office of the Liquor and Gambling Commissioner's project to improve the regulation of collections for charitable purposes.

Targets 2011–12

- Support the outcomes of agreed national gambling reform through the preparation of required amendments to gambling legislation and ongoing monitoring and evaluation of pre-commitment implementation in South Australia.
- Complete the Global Gaming Industries — Maxetag pre-commitment trial and release the Responsible Gambling Working Party's fifth progress report.
- Amend the *Collections for Charitable Purposes Act 1929* to support the Office of the Liquor and Gambling Commissioner's project to improve the regulation of collections for charitable purposes.
- Assist the Council of Australian Governments Select Council on Gambling Reform in the development of a national approach to minimise the harm caused by problem gambling.

Program 2: Accountability for Public Sector Resources

Description/objective

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

Sub-programs

- 2.1 Policy Analysis and Advice
- 2.2 Budget Financial Management
- 2.3 Sustainable Budget Commission

Program summary—expenses and income

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	15 039	15 713	14 910	17 955
Supplies and services.....	5 170	5 217	6 027	5 902
Depreciation and amortisation expenses.....	426	226	275	242
Other expenses	223	201	195	40
Intra-agency ^(a)	190	295	217	281
Total expenses	21 048	21 652	21 624	24 420
Income				
Sales of goods and services.....	1 262	2 061	2 011	3 468
Interest revenue.....	—	—	—	4
Other income	79	77	14	144
Total income	1 341	2 138	2 025	3 616
Net cost of providing services	19 707	19 514	19 599	20 804

(a) Intra-agency expenses represent payments to Shared Services SA for services provided.

Sub-program 2.1: Policy Analysis and Advice

Description/objective

Provide policy advice on a range of issues including state revenue, Commonwealth-state relations, Council of Australian Governments (COAG) matters, economic analysis, National Competition Policy, microeconomic policy and economic conditions; provide strategic analysis of policy issues facing government and the development of appropriate policy frameworks.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	4 952	5 164	5 357	5 841
Income	517	421	418	750
Net cost of sub-program	4 435	4 743	4 939	5 091

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$0.7 million decrease in expenses is primarily due to:

- the implementation of approved savings (\$0.4 million)
- once-off costs for seconded staff in 2009–10 (\$0.2 million).

The \$0.3 million decrease in income is primarily due to once-off cost recovery for seconded staff in 2009–10 (\$0.2 million).

Highlights 2010–11

- Participated in working groups related to the COAG Reform Agenda and the Housing Supply and Affordability Agenda review and implementation and monitoring of Commonwealth-state agreements regarding health, disability, education, skills, early childhood, Indigenous reform and Seamless National Economy.
- Implemented improvements to the ownership framework, governance and financial reporting of public non-financial corporations and public financial corporations, including a review of major projects and capital programs.
- Prepared a quarterly report on major public non-financial corporations for the Sustainable Budget Committee of Cabinet.
- Developed cost-benefit analysis training programs to assist agencies to produce high quality regulatory impact statements to support the decision making of Cabinet.
- Participated in the Heads of Treasuries Review of National Agreements, National Partnerships and implementation plans which were completed in December 2010.

- Participated in several other Heads of Treasuries' reviews including the development of taxation reform principles, a review of horizontal fiscal equalisation and the review of industry sectors/areas that could be the focus of a future competition and regulatory reform process.
- Provided information and advice about the Commonwealth Grants Commission's *Report on GST Revenue Sharing Relativities — 2011 Update* and broader issues associated with horizontal fiscal equalisation.
- Prepared advice on 2011–12 water and sewerage prices and rates for the Treasurer and the Minister for Water.
- Contributed to the development of the proposed Water Industry Bill.

Targets 2011–12

- Implement improvements in governance arrangements, financial management and reporting policy for public non-financial corporations and public financial corporations.
- Provide advice on issues considered in the Commonwealth Government's review of horizontal fiscal equalisation.
- Complete the transition of price regulation and performance reporting of water and sewerage services to the Essential Services Commission of South Australia.
- Prepare and consult on a framework for access to water and sewerage infrastructure services in South Australia.

Sub-program 2.2: Budget Financial Management

Description/objective

Management of the state budget process; provision of policy advice to government on whole of government budgetary and financial issues including financial risk management; monitoring and reporting of financial performance; provision of advice to government on its consolidated financial position, on budgetary and structural reform and facilitation of best practice financial management reforms.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	16 096	15 977	15 756	17 451
Income	824	1 206	1 096	2 043
Net cost of sub-program	15 272	14 771	14 660	15 408

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$1.5 million decrease in expenses is primarily due to the transfer of cost recovery functions to other agencies and implementation of savings in 2010–11.

The \$0.8 million reduction in income is primarily due to the transfer of ICT cost recovery functions to the Department for Transport, Energy and Infrastructure.

Highlights 2010–11

- Completed production of the consolidated Government of South Australia financial statements for 2009–10.
- Prepared the 2010–11 Budget and the 2011–12 Budget incorporating significant improvements to the level of disclosure, including a detailed budget measures statement and revised agency statements.
- Implemented improvements to the monitoring of agency financial performance. This process provides the basis for the preparation of regular reports to the Sustainable Budget Cabinet Committee.
- Assisted in the implementation and monitoring of budget savings measures, including the introduction of a whole of government targeted voluntary separation payment (TVSP) scheme.
- Provided significant support for the South Australian participation in the Commonwealth-state health reform negotiations.
- Coordinated a Government Accounting Information Forum and Government Tax Information Forum covering contemporary financial management issues for personnel from across the Government of South Australia.
- Finalised evaluation of shortlisted bidders for the new Royal Adelaide Hospital private public partnership and selected the preferred proponent.
- Completed the sale of the Commissioner for Highways building at Walkerville and commenced marketing for the sale of the Citi Centre head lease.
- Gained approval and commenced implementation of the revised policy arrangements for regional employee residential housing.
- Assisted in the preparation of a regional impact statement for the South East in relation to the forward timber rotation sale.

Targets 2011–12

- Complete the 2010–11 Government of South Australia consolidated financial statements and produce the 2012–13 Budget.
- Complete a procurement process for whole of government banking arrangements.
- Monitor the implementation of approved savings measures.
- Progress proposals for realising value from some of the state's assets.

Sub-program 2.3: Sustainable Budget Commission

Description/objective

The Sustainable Budget Commission was established to report to the government on proposals to reform the budget determination process and to identify budget improvement measures to return the budget to a sustainable net operating surplus. The commission was supported by a secretariat.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	—	511	511	1 128
Income	—	511	511	823
Net cost of sub-program	—	—	—	305

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.5 million decrease in expenses and income is due to the secretariat support to Sustainable Budget Commission ceasing in December 2010 following delivery of the commission's final report.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

As detailed under the 2011–12 Budget/2010–11 Estimated Result.

Highlights 2010–11

- Provided secretariat support to the Sustainable Budget Commission for the production of the Commission's second and final report.

Program 3: Financial Services Provision

Description/objective

Treasury and Finance 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

- 3.1 Revenue Collection and Management
- 3.2 Financing, Insurance and Light Motor Vehicle Fleet Services
- 3.3 Superannuation Services
- 3.4 Ministerial Support Services

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	42 021	43 067	44 236	46 120
Supplies and services.....	28 286	26 543	27 025	25 637
Depreciation and amortisation expenses.....	3 377	1 186	2 507	1 344
Other expenses	945	873	856	102
Intra-agency ^(a)	700	1 013	775	771
Total expenses	75 329	72 682	75 399	73 974
Income				
Commonwealth revenues.....	—	—	—	313
Fees, fines and penalties.....	1 104	1 255	1 255	—
Sales of goods and services.....	38 353	38 181	39 912	39 650
Investment revenue	—	—	—	10
Other income	159	147	27	308
Total income	39 616	39 583	41 194	40 281
Net cost of providing services	35 713	33 099	34 205	33 693

(a) Intra-agency expenses represent payments to Shared Services SA for services provided.

Sub-program 3.1: Revenue Collection and Management

Description/objective

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.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	39 822	37 856	40 707	40 326
Income	7 871	9 141	10 213	10 529
Net cost of sub-program	31 951	28 715	30 494	29 797

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$2.0 million increase in expenses is primarily due to:

- increased expenditure on the Taxation Revenue Management System (\$3.2 million)

partially offset by

- completion of the Standard Business Reporting Project in 2010–11 (\$1.1 million).

The \$1.3 million decrease in income is primarily due to finalisation of Commonwealth funding for the Standard Business Reporting project in 2010–11 (\$1.1 million).

2010–11 Estimated Result/2010–11 Budget

The \$2.9 million decrease in expenses is primarily due to:

- a once-off reduction in depreciation (\$1.1 million)
- a delay in the implementation of the Taxation Revenue Management System (\$0.3 million)
- implementation of departmental staff savings (\$0.3 million).

2010–11 Estimated Result/2009–10 Actual

As detailed under the 2010–11 Estimated Result/2010–11 Budget.

Highlights 2010–11

- Implemented reforms announced in the 2010–11 Budget, including reforms to first homebuyer assistance, abolition of petrol subsidies, phased abolition of the payroll tax exporter rebate and introduction of a landholder model for stamp duty collections.
- Commenced the second stage of the Taxation Revenue Management System (land tax and emergency services levy).

Targets 2011–12

- Implement the first stage of the new Taxation Revenue Management System (payroll tax) and continue the build phase for the second stage (land tax and emergency services levy).

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Taxation revenue collected by RevenueSA	\$3.2b	\$3.0b	\$3.1b	\$3.0b
\$ increase in revenue resulting from compliance initiatives	\$70m collected	\$70m collected	\$69.8m collected	\$70.3m collected
% of revenue banked on day of receipt	>97%	97.7%	>97%	97.4%
Cost for collection of \$100 tax (on a cash basis)	<75 cents	74 cents	<75 cents	75 cents

Sub-program 3.2: Financing, Insurance and Light Motor Vehicle Fleet Services^(a)

Description/objective

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

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	16 876	16 306	16 237	16 197
Income	15 389	14 931	14 931	14 867
Net cost of sub-program	1 487	1 375	1 306	1 330

(a) Sub-program 3.2 has been renamed for 2011–12 and now also includes Insurance Services (reported as Sub-program 2.4 in the 2010–11 Portfolio Statements) to better reflect the operations of the South Australian Government Financing Authority (SAFA).

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Successfully met the government's funding requirements.
- Renewed the government's catastrophe reinsurance program.

Targets 2011–12

- Meet the government's funding requirements.
- Review the government's catastrophe reinsurance program as required by the new Natural Disaster Relief and Recovery Arrangements.
- Complete the review of alternative management arrangements for the government light motor vehicle fleet.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
% of debt financing demands of the state and its instrumentalities met during year	100%	100%	100%	100%
Yield margins of the South Australian Government Financing Authority (SAFA) benchmark borrowing issues relative to those of other comparable government issues in the Australian market, allowing for differences in issuers' credit ratings and liquidity	Maintenance of borrowing margins relative to other issuers	Borrowing costs relative to other comparable government issuers maintained	Maintenance of borrowing margins relative to other issuers	Borrowing costs relative to other comparable government issuers maintained
% of clients satisfied with SAFA's services ^(a)	90%	95%	90%	95%
No. of new vehicles purchased	3 150	3 000	3 350	3 301
No. of clients issued with agency agreements ^(b)	100% of eligible clients	100% of eligible clients	100% of eligible clients	100% of eligible clients
Comprehensive government catastrophe reinsurance program at a competitive market price	Selected catastrophic risks covered at competitive market prices	Reinsurance program fully placed at competitive market prices	Selected catastrophic risks covered at competitive market prices	Reinsurance program fully placed at competitive market prices
% of clients provided with agency agreements/renewal certificates and invoices by 31 July	80%	85%	80%	85%
\$ operating expense per \$100 premium revenue	<\$5.00	\$4.23	<\$5.00	\$3.96

(a) Criteria include timeliness, cost effectiveness and flexibility in delivery.

(b) Target amended from 2010–11 to refer to a percentage of clients eligible to be issued with an agency agreement rather than a unit figure.

Sub-program 3.3: Superannuation Services

Description/objective

Administration of the various public sector superannuation schemes for the Superannuation Board, as well as the superannuation arrangements for parliamentarians, judges and the Governor; provision of superannuation policy and legislative advice to the Superannuation Board, the Under Treasurer and the Treasurer.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	16 516	16 270	16 154	14 953
Income	16 217	15 332	15 878	14 555
Net cost of sub-program	299	938	276	398

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.9 million increase in income is primarily due to a once-off reduction in cost recovery revenue for capital expenditure from the Superannuation Funds Management Corporation of South Australia in 2010–11 (\$0.4 million).

2010–11 Estimated Result/2010–11 Budget

As detailed under the 2011–12 Budget/2010–11 Estimated Result.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Achieved the majority of 2010–11 performance indicator targets, with substantial progress towards the remainder.

Targets 2011–12

- Achieve 2011–12 performance indicator targets.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of contributors/members in state schemes (activity level indicator):				
• members	185 000	185 000	184 000	184 870
• Triple S Scheme active contributors	33 000	32 200	33 000	32 000
% achievement of service level standards agreed with Super SA Board by 30 June each year	95%	90%	95%	95%
Issue of member statements by 31 August	98%	98%	98%	99%
No. of days to issue Superannuant group certificates from 1 July	14	14	14	7
Benchmarking of administrative costs with industry standards	Continue to remain in the most cost efficient quartile of industry standards while providing additional services to members	Continue to remain in the most cost efficient quartile of industry standards while providing additional services to members	Continue to remain in the most cost efficient quartile of industry standards while providing additional services to members	Remained in the most cost efficient quartile of industry standards while providing additional services to members

Sub-program 3.4: Ministerial Support Services

Description/objective

Operation of Treasurer's Office including departmental support.

	2011-12 Budget	2010-11 Estimated Result	2010-11 Budget	2009-10 Actual
	\$000	\$000	\$000	\$000
Expenses	2 115	2 250	2 301	2 498
Income	139	179	172	330
Net cost of sub-program	1 976	2 071	2 129	2 168

Financial commentary

2011-12 Budget/2010-11 Estimated Result

No major variations.

2010-11 Estimated Result/2010-11 Budget

No major variations.

2010-11 Estimated Result/2009-10 Actual

No major variations.

Program 4: Shared Services

Description/objective

Design, development, implementation and delivery of shared services across government.

Sub-programs

4.1 Shared Services Reform

4.2 Shared Services Operations

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	57 475	58 747	63 181	50 940
Supplies and services.....	31 331	28 404	26 202	28 710
Depreciation and amortisation expenses.....	2 061	2 366	2 585	1 829
Other expenses	521	927	511	—
Intra-agency ^(a)	144	162	161	149
Total expenses	91 532	90 606	92 640	81 628
Income				
Sales of goods and services.....	73 661	71 263	71 718	66 035
Interest revenue.....	—	—	—	837
Other income	852	863	301	223
Intra-agency ^(b)	1 578	2 191	2 545	2 528
Total income	76 091	74 317	74 564	69 623
Net cost of providing services	15 441	16 289	18 076	12 005

(a) Intra-agency expenses represent payments by the Shared Service Reform Office to Shared Services SA for services provided.

(b) Intra-agency income represents receipts from other branches of the department to Shared Services SA for services rendered.

Sub-program 4.1: Shared Services Reform

Description/objective

Design, development and implementation of shared services across government.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	15 513	11 624	15 700	9 915
Income	587	999	1 107	1
Net cost of sub-program	14 926	10 625	14 593	9 914

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$3.9 million increase in expenses is primarily due to the implementation of Tranche 4 of the reform process covering the transition of information and communication technology (ICT) services across government (\$4.4 million).

2010–11 Estimated Result/2010–11 Budget

The \$4.1 million decrease in expenses is primarily due to:

- the transfer of accommodation expenses into Sub-program 4.2 ‘Shared Services Operations’ (\$2.6 million)
- the deferral of expenditure due to delays in the transfer of functions to Shared Services SA (\$2.5 million).

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- In December 2010, Cabinet approved the transition of Tranche 4 (ICT services) from most agencies to Shared Services SA. The main agencies excluded are SA Health, South Australia Police, schools, Courts Administration Authority, Correctional Services and SAFECOM. For larger agencies Tranche 4 will transition only certain services, namely, ICT user support and support of client devices and business productivity tools. For other agencies a wider range of services will transition including communication, hosting and data and network services.

Targets 2011–12

- Commence the transition to Shared Services SA of Tranche 4 (ICT services).
- Continuous improvement and reform of Tranche 1 and 2 services.

Sub-program 4.2: Shared Services Operations

Description/objective

Provision of a comprehensive, cost efficient range of corporate and business services, including the provision of payroll, accounting and financial services to various government agencies and business units.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	76 019	78 982	76 940	71 713
Income	75 504	73 318	73 457	69 622
Net cost of sub-program	515	5 664	3 483	2 091

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$3.0 million decrease in expenses is primarily due to employee and administrative cost savings achieved through the implementation of the e-Procurement purchasing system (\$4.5 million).

2010–11 Estimated Result/2010–11 Budget

The \$2.0 million increase in expenses is primarily due to the transfer of accommodation expenses from Sub-program 4.1 'Shared Services Reform' (\$2.6 million).

2010–11 Estimated Result/2009–10 Actual

The \$7.3 million increase in expenses is primarily due to:

- the transfer of accommodation expenses from Sub-program 4.1 'Shared Services Reform' (\$2.6 million)
- implementation costs for the e-Procurement purchasing system (\$2.0 million)
- the part-year expenses for Tranche 2 (finance and accounting) services transitioned during 2009–10 (\$1.5 million)
- transfer of remaining ICT costs from agencies for transitioned functions (\$1.2 million).

The \$3.7 million increase in income is primarily due to:

- indexation of shared service pricing (\$3.2 million)
- the part-year revenue for Tranche 2 (finance and accounting) services transitioned during 2009–10 (\$1.5 million).

Highlights 2010–11

- Implemented the e-Procurement system, a reform initiative to automate purchasing and accounts payable across government. This initiative commenced in 2010 and by January 2011 it had been rolled out to all in-scope agencies, other than SA Health.
- Rationalised financial systems resulting in savings of \$0.7 million in 2010–11 and ongoing annual savings of \$0.9 million.

- Commenced implementation of an operations performance management system to improve the management of resources and service delivery, and to deliver longer-term efficiencies. The system is currently being used by approximately 230 users, with introduction of a further 340 users scheduled by June 2011.

Targets 2011–12

- Complete the implementation of Shared Services SA's e-Procurement system in SA Health.
- Complete the rollout of operations performance management system across Shared Services SA.
- Commence rationalisation of payroll systems to reduce the number of databases and pay runs.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of accounts payable transactions per annum	2 532 901	2 551 632	2 488 125	1 847 389
No. of accounts receivable transactions per annum ^(a)	1 373 239	696 512	674 441	578 103
No. of employees paid or on payroll database	101 648	103 957	100 749	102 625
No. of general ledger transactions ^(b)	17 288 149	16 856 872	16 053 451	14 086 063
% of accounts payable invoices accurately processed	99.9%	99.9%	99.9%	99.9%
% of accounts receivable invoices raised within 3 days	95.0%	100.0%	95.0%	99.5%
% of employee pays without underpayment or overpayment due to Shared Services SA error	99.5%	99.8%	99.5%	99.7%
% of base pays remitted on time	99.99%	99.5%	99.99%	99.4%
% of bank reconciliations completed within agreed timeframes	90.0%	93.3%	90.0%	87.5%
% of activity statements lodged with ATO by the due date	99.0%	100.0%	99.0%	100.0%
No. of contracts managed ^(c)	12	12	12	11
Value of contracts managed ^(d)	\$900m	\$895m	\$690m	\$669m
Management cost per dollar value of contract ^(e)	\$0.003	\$0.003	\$0.003	\$0.003

(a) This performance indicator for the 2011–12 Target now includes the number of remittances processed. Using the previous definition the 2011–12 Target would have been 735 935.

(b) This performance indicator for the 2011–12 Target has increased reflecting the consolidation of general ledger systems.

(c) In 2010–11, Strategic Contracts managed 12 across government contracts with 68 individual suppliers.

(d) The value of contracts managed relates to the total value over the term of the contracts. The increase in value of contracts managed from 2010–11 is primarily due to the new large market electricity contract having a term of four years compared to the previous two years and higher expenditure under the Temporary Staff Services and Fuel contracts.

(e) The management cost per dollar value of contract includes the cost to establish the across government contracts and the ongoing contract management costs.

Program 5: State Procurement and Vehicles for Ministers, Leader of the Opposition, MPs and VIPs

Description/objective

Treasury and Finance provides a range of services (in addition to those provided by Shared Services SA) to other government agencies including procurement policy, vehicles for ministers, Leader of the Opposition, MPs and VIPs and information and communication technology support services.

Sub-programs

- 5.1 Procurement Policy and Governance
- 5.2 Vehicles for Ministers, Leader of the Opposition, MPs and VIPs
- 5.3 Support Services

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	9 071	8 945	8 364	15 327
Supplies and services.....	17 279	17 589	19 485	13 527
Depreciation and amortisation expenses.....	1 795	778	1 322	883
Other expenses	271	243	240	29
Intra-agency ^(a)	541	713	1 387	1 323
Total expenses	28 957	28 268	30 798	31 089
Income				
Sales of goods and services.....	20 051	19 796	19 766	19 358
Interest revenue.....	—	—	—	3
Other income	72	66	12	40
Total income	20 123	19 862	19 778	19 401
Net cost of providing services	8 834	8 406	11 020	11 688

(a) Intra-agency expenses represent payments to Shared Services SA for services provided.

Sub-program 5.1: Procurement Policy and Governance

Description/objective

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 guidelines development, capability development, and facilitating procurement across government.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	2 427	2 358	2 420	2 181
Income	100	121	120	221
Net cost of sub-program	2 327	2 237	2 300	1 960

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Completed the agency procurement review program (15 reviews completed or underway for 2010–11).
- Developed and implemented the Masters in Management, Strategic Procurement qualification in conjunction with the University of South Australia.
- Secured funding from the Commonwealth Government's Productivity Placements Program to train 101 staff across government in vocational education training (VET) sector procurement diploma and advanced diploma qualifications (commencement in July 2011).
- Developed and implemented six new targeted training courses — 12 sessions attended by 275 staff.
- Implemented the State Procurement Board's e-Induction program.
- Developed a reviewer's guide for use of the board's transaction review team that outlines the standards required for acquisition planning.
- Developed and implemented the board's new strategic plan for 2011–13.
- Developed and implemented one new board guideline and revised and updated eight existing policies/guidelines.

Targets 2011–12

- Finalise agency procurement reviews.
- Develop procurement capability in agencies through targeted training and promotion of VET and post graduate qualifications.

Sub-program 5.2: Vehicles for Ministers, Leader of the Opposition, MPs and VIPs

Description/objective

Provision of a motor vehicle service to ministers, Leader of the Opposition and VIP dignitaries on official state government business together with the provision of parliamentary remuneration vehicles to members of parliament.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	6 686	7 543	6 863	7 901
Income	622	681	228	879
Net cost of sub-program	6 064	6 862	6 635	7 022

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.8 million decrease in the net cost is primarily due to the implementation of savings measures.

2010–11 Estimated Result/2010–11 Budget

The \$0.7 million increase in expenses is due to increased service delivery costs.

The \$0.5 million increase in income is due to user contributions which were not budgeted.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Transitioned the ministerial/VIP fleet from eight cylinder vehicles to six cylinders.

Targets 2011–12

- Provide high-level service to members of parliament.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
No. of motor vehicles provided ^(a)	85	85	86	85

- (a) The number of vehicles reflects both the ministerial chauffeured fleet and the take up of private plated vehicles by members of parliament. A total of 59 out of 69 members of parliament have elected to utilise a private plated vehicle.

Sub-program 5.3: Support Services

Description/objective

Provision of a comprehensive, cost efficient range of information and communication technology (ICT) services including provision of client devices, desktop and technical support and network connectivity to various government agencies and business units.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	19 844	18 367	21 515	21 007
Income	19 401	19 060	19 430	18 301
Net cost of sub-program	443	-693	2 085	2 706

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$1.5 million increase in expenses is primarily due to:

- once-off reduction in information technology procurement expenses in 2010–11 (\$0.6 million)
- once-off reduction in depreciation charges in 2010–11 (\$0.4 million).

2010–11 Estimated Result/2010–11 Budget

The \$3.1 million decrease in expenses is primarily due to:

- once-off reduction in information technology procurement expenses in 2010–11 (\$0.6 million)
- savings in contracted information technology services (\$1.9 million)
- once-off reduction in depreciation charges (\$0.4 million).

2010–11 Estimated Result/2009–10 Actual

As detailed under the 2010–12 Estimated Result/2010–11 Budget.

Treasury and Finance

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	102 013	102 669	106 953	102 373
Long service leave	2 914	3 344	3 299	4 161
Payroll tax	5 438	6 148	6 344	5 769
Superannuation	11 239	11 229	11 192	11 900
Other	2 284	3 395	3 200	6 509
Supplies and services				
General supplies and services	79 456	76 083	76 858	72 155
Consultancy expenses	2 671	1 888	1 906	1 562
Depreciation and amortisation expenses	7 665	4 558	6 692	4 302
Borrowing costs	404	394	394	—
Grants and subsidies	—	—	—	9
Intra-government transfers	—	—	—	87
Other expenses	1 559	1 854	1 411	172
Total expenses	215 643	211 562	218 249	208 999
Income				
Commonwealth revenues	—	1 074	1 074	313
Intra-government transfers	—	477	198	—
Fees, fines and penalties	1 104	1 255	1 255	391
Sales of goods and services	133 340	129 768	132 152	128 184
Interest revenues	800	800	—	854
Other income	363	354	354	716
Total income	135 607	133 728	135 033	130 458
Net cost of providing services	80 036	77 834	83 216	78 541
Income from/expenses to state government				
Income				
Appropriation	78 634	74 622	75 500	95 703
Other income	—	345	—	14 600
Net income from/expenses to state government	78 634	74 967	75 500	110 303
Total comprehensive result	-1 402	-2 867	-7 716	31 762

Treasury and Finance

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	50 682	55 433	39 739	66 028
Receivables	18 462	18 413	18 391	18 364
Total current assets	69 144	73 846	58 130	84 392
<i>Non current assets</i>				
Land and improvements	1 208	1 974	2 449	2 740
Plant and equipment	18 973	10 432	28 619	3 411
Intangible assets	14 692	18 065	3 862	17 065
Other non-current assets	824	824	2	824
Total non-current assets	35 697	31 295	34 932	24 040
Total assets	104 841	105 141	93 062	108 432
Liabilities				
<i>Current liabilities</i>				
Payables	13 252	13 220	11 193	13 191
Employee benefits				
Salaries and wages	2 219	1 874	2 193	2 898
Annual leave	8 624	8 561	8 449	8 506
Long service leave	2 135	2 116	1 753	2 097
Short-term provisions	220	214	1 171	208
Other current liabilities	670	670	1 388	670
Total current liabilities	27 120	26 655	26 147	27 570
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	25 170	24 552	24 349	24 079
Long-term provisions	720	701	488	683
Other non-current liabilities	1 004	1 004	1 674	1 004
Total non-current liabilities	26 894	26 257	26 511	25 766
Total liabilities	54 014	52 912	52 658	53 336
Net assets	50 827	52 229	40 404	55 096
Equity				
Contributed capital	547	547	547	547
Retained earnings	50 172	51 574	39 749	54 441
Asset revaluation reserve	108	108	108	108
Total equity	50 827	52 229	40 404	55 096

Balances as at 30 June end of period.

Treasury and Finance

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	122 812	127 234	131 218	126 819
Payments for supplies and services	82 127	77 971	78 764	70 716
Interest paid	404	394	394	—
Grants and subsidies	—	—	—	9
GST paid	—	—	—	21 267
Intra-government transfers	—	—	—	87
Other payments	1 443	1 361	1 298	4 970
Cash used in operations	206 786	206 960	211 674	223 868
<i>Cash inflows</i>				
Intra-government transfers	—	477	198	—
Commonwealth receipts	—	1 074	1 074	313
Fees, fines and penalties	1 104	1 255	1 255	391
Sales of goods and services	133 340	129 768	132 152	127 132
Interest received	800	800	—	781
GST received	—	—	—	21 913
Other receipts	224	217	217	668
Cash generated from operations	135 468	133 591	134 896	151 198
State government				
Appropriation	78 634	74 622	75 500	95 703
Other receipts	—	345	—	14 600
Net cash provided by state government	78 634	74 967	75 500	110 303
Net cash provided by (+)/used in (-) operating activities	7 316	1 598	-1 278	37 633
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	12 067	8 613	17 362	1 956
Purchase of intangibles	—	3 580	600	9 635
Cash used in investing activities	12 067	12 193	17 962	11 591
Net cash provided by (+)/used in (-) investing activities	-12 067	-12 193	-17 962	-11 591

Treasury and Finance

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash outflows</i>				
Other payments	—	—	—	23 751
Cash used in financing activities	—	—	—	23 751
<i>Cash inflows</i>				
Proceeds from restructuring activities	—	—	—	761
Cash generated from financing activities	—	—	—	761
Net cash provided by (+)/used in (-) financing activities	—	—	—	-22 990
Net increase (+)/decrease (-) in cash equivalents	-4 751	-10 595	-19 240	3 052
Cash and cash equivalents at the start of the period	55 433	66 028	58 979	62 976
Cash and cash equivalents at the end of the period	50 682	55 433	39 739	66 028

Administered items for the Department of Treasury and Finance

Statement of comprehensive income^(a)

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	263	277	278	277
Superannuation ^(b)	4 558	-764 510	-55 410	490 341
Supplies and services				
General supplies and services	51 737	50 137	49 437	42 141
Borrowing costs	812 007	734 362	727 141	691 041
Grants and subsidies	1 517 798	1 670 642	1 924 980	1 653 582
Intra-government transfers	818 902	488 421	659 696	542 527
Other expenses	9 791 965	9 245 646	9 240 125	9 497 941
Total expenses	12 997 230	11 424 975	12 546 247	12 917 850
Income				
Taxation	3 419 927	3 237 957	3 247 679	3 075 134
Tax equivalent revenues	116 505	137 904	107 058	145 661
Commonwealth revenues	6 049 557	5 822 052	5 977 930	5 519 748
Intra-government transfers	10 590	9 012	9 546	6 146
Fees, fines and penalties	89 238	67 819	54 832	29 151
Sales of goods and services	170	165	165	642
Interest revenues	134 232	133 823	133 880	117 766
Dividend income	261 460	276 376	252 280	295 892
Other income	34 548	36 003	33 932	234 412
Total income	10 116 227	9 721 111	9 817 302	9 424 552
State government				
Income				
Appropriation	1 986 613	1 701 343	1 772 511	1 758 960
Expenses				
Cash alignment	—	62 707	—	64 172
Net income from/expenses to state government	1 986 613	1 638 636	1 772 511	1 694 788
Net result	-894 390	-65 228	-956 434	-1 798 510

(a) This statement reflects the consolidated transactions of the Department of Treasury and Finance Consolidated Account items and the Treasury and Finance Administered Items Account.

(b) The 2010–11 year includes a reduction to superannuation expenses representing the use of a higher discount rate to value the unfunded superannuation liability in accordance with Australian Accounting Standards and higher than expected returns achieved by Funds SA in 2010–11. These changes did not have any impact on the cash payments in 2010–11 for past service superannuation.

Administered items for the Department of Treasury and Finance

Statement of financial position^(a)

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	242 100	242 100	2 750 650	2 814 163
Receivables	375 893	775 720	762 864	960 682
Total current assets	617 993	1 017 820	3 513 514	3 774 845
<i>Non-current assets</i>				
Financial assets	3 671 505	2 852 724	2 879 455	2 064 668
Total non-current assets	3 671 505	2 852 724	2 879 455	2 064 668
Total assets	4 289 498	3 870 544	6 392 969	5 839 513
Liabilities				
<i>Current liabilities</i>				
Payables	14 440	14 440	13 575	13 337
Short-term borrowings	3 204 478	2 484 083	2 674 527	2 766 219
Employee benefits				
Superannuation	424 790	408 499	422 901	406 600
Other current liabilities	28 778	28 778	28 840	74 760
Total current liabilities	3 672 486	2 935 800	3 139 843	3 260 916
<i>Non current liabilities</i>				
Long-term borrowings	4 788 072	4 202 881	6 665 561	5 035 897
Long-term employee benefits				
Superannuation	8 317 358	8 325 891	9 018 920	9 071 500
Long-term provisions	6 800	6 800	12 500	6 800
Total non-current liabilities	13 112 230	12 535 572	15 696 981	14 114 197
Total liabilities	16 784 716	15 471 372	18 836 824	17 375 113
Net assets	-12 495 218	-11 600 828	-12 443 855	-11 535 600
Equity				
Retained earnings	-12 495 218	-11 600 828	-12 443 855	-11 535 600
Total equity	-12 495 218	-11 600 828	-12 443 855	-11 535 600

(a) This statement reflects the consolidated transactions of the Department of Treasury and Finance Consolidated Account items and the Treasury and Finance Administered Items Account. The balances are reported as at 30 June end of period.

Administered items for the Department of Treasury and Finance

Consolidated Account items

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash inflows</i>				
Taxation				
Contribution from Lotteries Commission of South Australia.....	80 181	77 957	75 929	92 754
Land tax	598 407	570 773	570 723	553 256
Commonwealth places mirror land tax ^(a)	1 700	1 600	1 600	1 324
Other taxes on property	10	40	10	29
Payroll tax	1 236 500	1 166 200	1 133 500	1 088 855
Commonwealth places mirror payroll tax ^(a)	21 600	20 300	19 800	19 050
Recoup from Recreation and Sport Fund	—	—	200	—
Save the River Murray Levy	25 900	25 000	24 600	23 659
Stamp duties	1 448 735	1 376 735	1 421 635	1 317 840
Commonwealth places mirror stamp duties ^(a)	300	300	300	299
Commonwealth receipts				
Commonwealth general purpose grants				
GST revenue grants	4 492 600	4 250 019	4 411 925	4 099 707
Transitional assistance ^(b)	—	—	—	7 455
Commonwealth specific purpose grants				
Concessions to pensioners and others.....	—	—	—	22 804
Council of Australian Governments funding arrangements	1 556 944	1 523 338	1 519 830	1 461 110
First Home Owners Boost	—	—	—	74 567
Natural disaster relief and recovery arrangements.....	13	2 614	—	—
Interest receipts				
Interest on investments.....	116 281	103 713	103 713	78 242
Interest recoveries	17 951	30 110	30 167	36 573
Dividends and distributions				
Adelaide Convention Centre				
Dividend	—	—	—	1 017
Arrangements with private electricity entities				
Local government rate equivalent	220	214	214	208
Austraining Pty Ltd				
Income tax equivalent	—	—	—	281
Defence SA				
Local government rate equivalent	213	213	213	—
Department for Transport, Energy and Infrastructure				
Income tax equivalent	3 002	3 002	3 002	3 275
Local government rate equivalent	972	949	824	1 442
Flinders Ports				
Payment in lieu of other taxes	—	—	—	1 673

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
ForestrySA				
Dividend	28 431	26 895	29 237	31 067
Income tax equivalent	13 116	13 370	13 503	12 965
Funds SA				
Local government rate equivalent	191	186	179	173
Generation Lessor Corporation				
Dividend	—	1 150	—	—
HomeStart Finance				
Dividend	4 786	5 087	9 173	5 628
Income tax equivalent	2 564	2 725	4 372	3 393
Land Management Corporation				
Dividend	58 685	18 627	49 602	53 603
Income tax equivalent	14 169	13 954	16 643	18 610
Local government rate equivalent	657	545	570	515
Lotteries Commission of South Australia				
Income tax equivalent	7 060	7 420	6 399	8 868
Local government rate equivalent	5	5	5	5
Public Trustee Office				
Dividend	1 363	1 371	1 808	—
Income tax equivalent	721	357	507	—
SA Water Corporation				
Dividend	138 189	167 540	104 456	169 009
Income tax equivalent	91 220	87 566	73 728	82 003
Local government rate equivalent	1 437	1 402	1 373	1 210
South Australian Asset Management Corporation				
Dividend	20 100	4 000	4 000	23 500
South Australian Government Employee Residential Properties				
Dividend	1 706	1 706	1 706	1 706
Income tax equivalent	295	236	1 462	1 474
South Australian Government Financing Authority				
Dividend	8 200	50 000	53 449	11 513
Income tax equivalent	4 100	18 100	8 488	—
South Australian Housing Trust				
Income tax equivalent	—	21 180	—	4 923
TransAdelaide				
Local government rate equivalent	—	—	—	186
Transmission Lessor Corporation				
Dividend	—	—	—	769
West Beach Trust				
Income tax equivalent	437	210	530	180
Other receipts				
Adelaide Entertainment Centre	—	—	—	700
Department for Transport, Energy and Infrastructure ...	4 175	3 471	4 071	390
Essential Services Commission of South Australia	6 408	5 526	5 468	5 356
Guarantee fees	89 238	67 819	54 832	29 150
Independent Gaming Corporation contribution to Gamblers Rehabilitation Fund	2 000	2 000	2 000	2 000
Industry Financial Assistance Deposit Account	616	—	—	—

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Metropolitan Drainage Fund	7	15	7	—
National Tax Equivalent Program	50	50	50	—
Return of cash to Consolidated Account—cash alignment	—	96 556	—	143 901
Return of deposit account balances.....	—	2 071	—	61 898
Return of deposit account balances—superannuation ...	30 000	30 000	30 000	10 400
South Australian Film Corporation.....	—	—	—	400
Sundry fees.....	32	28	28	52
Sundry recoupment.....	138	137	137	656
Unclaimed monies	1 882	1 882	1 882	2 641
United Water.....	—	—	—	669
Total receipts for Consolidated Account	10 133 507	9 806 264	9 797 850	9 574 933
<i>Cash outflows</i>				
Employee benefit payments				
Minister's salary, electorate and expense allowance	263	277	278	277
Grants, subsidies and transfers				
First Home Owner Grants	53 662	49 500	68 474	76 608
Payments to fund Consolidated Account	1 306 604	1 414 652	1 653 069	1 252 313
Total payments appropriated under various acts	53 925	49 777	68 752	76 885
Total payments funded by borrowings	1 306 604	1 414 652	1 653 069	1 252 313
Investing activities				
<i>Cash inflows</i>				
Repayment of advances				
Administered items for Transport, Energy and Infrastructure.....	209	209	209	205
Department of Health.....	1 140	872	872	2 219
Department of Primary Industries and Resources	1 694	1 333	1 000	140
Land Management Corporation	—	—	—	9 435
Minister for Education and Children's Services.....	—	1 500	—	—
Renmark Irrigation Trust	—	116	116	110
SA Country Arts Trust.....	—	—	20	—
South Australian Cricket Association.....	85 000	—	—	—
South Australian Housing Trust	295 498	193 270	193 270	74 789
South Australian Tourism Commission	—	50	50	239
West Beach Trust	—	2 716	—	—
Other repayments	6	—	—	5
Return of capital				
Arts SA.....	—	—	—	2 975
Defence SA.....	6 593	1 910	7 427	2 819
Department of the Premier and Cabinet	—	—	—	14 406
Department for Transport, Energy and Infrastructure ...	—	—	—	4 250
South Australian Asset Management Corporation	716	—	—	52 000
Total receipts for Consolidated Account	390 856	201 976	202 964	163 592

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash inflows</i>				
Borrowings				
Borrowings to fund Consolidated Account	1 306 604	1 414 652	1 653 069	1 252 313
Other				
Deposits with Treasurer	1 365 285	352 167	645 882	628 186
Total borrowings	1 306 604	1 414 652	1 653 069	1 252 313
Total receipts re cash and deposits	1 365 285	352 167	645 882	628 186
<i>Cash outflows</i>				
Other payments				
Deposits with South Australian Government				
Financing Authority	719 972	2 241 924	—	—
Deposits with Treasurer	645 313	682 306	627 403	425 503
Total payments re cash and deposits	1 365 285	2 924 230	627 403	425 503
Net impact on Consolidated Account	10 470 438	9 958 463	9 932 062	9 661 640
Net impact on cash and deposits	—	-2 572 063	18 479	202 683

- (a) Taxes akin to state taxes are levied on activities conducted on Commonwealth places under authority of Commonwealth mirror tax legislation. Revenue is retained by the state.
- (b) Transitional assistance ceased from 2009–10 under the new Intergovernmental Agreement on Federal Financial Relations. The payment received in 2009–10 relates to the 2008–09 year, following the finalisation of the 2008–09 Outcome.

Administered items for the Department of Treasury and Finance

Treasury and Finance Administered Items Account

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments				
Past service superannuation payments	408 500	406 600	406 600	405 800
Police superannuation, guaranteed minimum retirement benefit	1 000	1 000	1 000	41
Payments for supplies and services				
Administration of banking facilities and other services ..	527	527	527	—
National Tax Equivalent Program	60	60	60	2
Repayment of unclaimed monies	350	350	350	404
State share of GST administration costs	50 800	49 200	48 500	41 610
Interest paid				
Interest paid on deposit accounts and other monies	47 985	51 559	55 933	34 588
Interest on borrowings	352 322	310 709	287 692	135 240
Grants, subsidies and transfers				
Adelaide Oval Redevelopment	85 000	506	164	5 463
Charitable and Social Welfare Fund	4 000	4 000	4 000	4 000
Community Development Fund	20 000	20 000	20 000	20 000
Community Wastewater Management Schemes (benefits to households in goods and services)	3 627	3 539	3 539	3 453
Contingency provisions—employee entitlements	160 670	167 192	156 301	198 122
Contingency provisions—investing contingencies	130 670	97 334	63 735	44 263
Contingency provisions—supplies and services	279 043	53 238	268 975	125 845
Department for Families and Communities	3 845	3 845	3 845	3 845
Department for Transport, Energy and Infrastructure ...	6 218	5 526	5 468	5 251
Donation to Pakistan Flood Relief	—	350	—	—
Donation to Pacific Tsunami (Samoa and Tonga) Relief	—	—	—	350
Donation to Penola Storm Relief	—	350	350	—
Donation to SA Tall Ships	—	150	150	—
Donation to Queensland Flood Appeal	—	1 000	—	—
Electricity Operating Account—RESI Corporation	2 260	2 260	2 260	3 607
Emergency services levy—land and business regulations	240	233	233	228
Emergency services levy remissions	74 917	78 122	73 988	80 109
Essential Services Commission of South Australia	671	1 412	651	631
Fire damage and insurance costs (SAICORP Fund No. 2)	7 000	7 000	7 000	26 400
First Home Owners Bonus	11 400	12 000	17 200	38 706
First Home Owners Boost ^(a)	655	5 316	5 316	79 643
Gamblers Rehabilitation Fund	2 000	2 000	2 000	2 000
Industry Financial Assistance Fund	22 098	21 194	28 414	27 412
Land Management Corporation	1 155	890	890	1 490
Metropolitan drainage systems maintenance	1 250	1 836	1 025	100
Ministerial council on gambling	50	50	50	50

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Petrol subsidies.....	—	8 600	7 200	14 483
New Prisons and Secure Facilities project bidders	—	—	—	10 500
Residual electricity entities.....	500	500	500	2 593
SA Water Corporation.....	140 490	173 294	163 175	186 495
South Australian Motor Sport Board	2 416	5 936	5 936	2 445
Sport and Recreation Fund.....	3 500	3 500	3 500	3 500
State Procurement Board	399	390	390	381
Support Services to Parliamentarians.....	19 028	19 693	18 304	18 102
Venture Capital Fund.....	210	500	500	—
Other payments				
Other payments	50	50	50	79
Payments to the South Australian Superannuation Fund	30 000	30 000	30 000	10 400
Refunds and remissions	13 142	53 469	39 612	20 592
Cash used in operations	1 888 048	1 605 280	1 735 383	1 558 223
State government				
Appropriation	1 932 688	1 651 566	1 703 759	1 682 075
Payments				
Cash alignment.....	—	62 707	—	64 172
Net cash provided by state government	1 932 688	1 588 859	1 703 759	1 617 903
Net cash provided by (+)/used in (-) operating activities	44 640	-16 421	-31 624	59 680
Investing activities				
<i>Cash outflows</i>				
Other payments				
Advances granted				
Department of Primary Industries and Resources...	—	3 790	—	—
Flinders Medical Centre Foundation.....	—	5 000	—	—
South Australian Cricket Association.....	—	85 000	—	—
Equity capital contributions				
Adelaide Convention Centre	43 500	5 500	5 000	—
Cash used in investing activities	43 500	99 290	5 000	—
Net cash provided by (+)/used in (-) investing activities	-43 500	-99 290	-5 000	—

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash outflows</i>				
Repayment of borrowings				
South Australian Government Financing Authority	1 140	2 302	2 302	37 281
Cash used in financing activities	1 140	2 302	2 302	37 281
Net cash provided by (+)/used in (-) financing activities	-1 140	-2 302	-2 302	-37 281
Net increase(+)/decrease (-) in cash equivalents	—	-118 013	-38 926	22 399
Cash and cash equivalents at the start of the financial year (as at 1 July)	—	118 013	114 863	95 614
Cash and cash equivalents at the end of the financial year (as at 30 June)	—	—	75 937	118 013

- (a) On 14 October 2008, the Commonwealth Government increased assistance for first home buyers through the introduction of the First Home Owners Boost (FHOB) scheme. This assistance is in addition to the state funded First Home Owners Bonus Scheme introduced in the 2008–09 Budget. The FHOB scheme ceased from 31 December 2009—estimated payments for 2010–11 and 2011–12 reflect the 12 month application period and the timeframes allowed for the construction of new homes.

Administered items for the Department of Treasury and Finance
Other accounts
Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Receipts</i>				
Taxation				
Emergency services levy—state government	2 752	2 648	2 562	2 550
Emergency services levy—other	101 861	99 557	96 800	93 360
Sales of goods and services				
Essential Services Commission of South Australia	44	44	44	155
Gaming Machines Operations Deposit Account	30 622	29 875	29 875	15 741
Housing Loans Redemption Fund.....	2	2	2	—
Independent Gambling Authority.....	—	—	—	93
South Australian Motor Sport Board	23 871	20 923	23 280	23 366
State Procurement Board	60	120	—	-77
Interest received				
Country Price Equalisation Scheme.....	—	—	—	490
Gaming Machines Operations Deposit Account	—	—	—	39
Housing Loans Redemption Fund.....	552	522	522	470
Independent Gambling Authority.....	—	—	—	79
Industry Financial Assistance Deposit Account	56	—	—	247
Local Government Disaster Fund	2 560	2 500	2 500	1 487
South Australian Motor Sport Board	339	325	325	317
Intra-government transfers				
Community Development Fund.....	20 000	20 000	20 000	20 000
Community Emergency Services Fund—state government.....	2 946	2 915	3 136	3 426
Community Emergency Services Fund—other	71 971	75 207	70 852	76 683
Essential Services Commission of South Australia	671	1 412	651	631
Independent Gambling Authority.....	122	155	—	—
Industry Financial Assistance Deposit Account	22 148	21 194	28 414	33 028
South Australian Motor Sport Board	2 616	6 445	6 295	2 445
State Procurement Board	399	390	390	381
Support Services to Parliamentarians.....	19 028	19 693	18 304	19 372
Receipts from government				
Industry Financial Assistance Deposit Account	—	—	—	750
Independent Gambling Authority.....	1 623	1 592	1 592	1 568
Sustainable Budget Commission	—	996	996	1 474
Grants and subsidies				
Intergovernmental Federal Financial Relations.....	2 003 031	2 072 068	2 058 633	2 824 136
Local government concessions.....	8 417	7 995	7 995	2 472
Other receipts				
Community Emergency Services Fund.....	300	650	233	292
Essential Services Commission of South Australia	12 378	9 988	10 140	10 144
Gaming Machines Operations Deposit Account	—	—	—	1 548

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Independent Gambling Authority.....	—	—	—	2
Industry Financial Assistance Deposit Account	200	3 860	200	771
Local Government Disaster Fund	—	—	—	3
South Australian Motor Sport Board	—	—	—	1 069
Support Services to Parliamentarians.....	—	236	—	524
Total receipts	2 328 569	2 401 312	2 383 741	3 139 036
<i>Payments</i>				
Employee benefit payments				
Essential Services Commission of South Australia.....	4 569	3 153	2 926	2 568
Independent Gambling Authority.....	985	969	881	853
South Australian Motor Sport Board	1 346	1 455	557	1 360
State Procurement Board	36	35	35	67
Support Services to Parliamentarians.....	12 724	12 593	12 336	13 448
Payments for supplies and services				
Essential Services Commission of South Australia.....	2 520	2 963	2 310	1 207
Gaming Machines Operations Deposit Account	30 626	29 879	29 879	15 554
Housing Loans Redemption Fund.....	22	22	22	—
Independent Gambling Authority.....	752	770	703	480
Local Government Disaster Fund	40	40	40	40
South Australian Motor Sport Board	25 023	24 098	28 318	25 891
State Procurement Board	417	469	349	266
Support Services to Parliamentarians.....	6 361	6 653	5 966	5 454
Sustainable Budget Commission	—	90	485	1 069
Treasurer's Interest in National Wine Centre	38	37	37	30
Intra-government transfers				
Community Development Fund.....	20 000	20 000	20 000	20 000
Community Emergency Services Fund.....	179 829	180 976	173 583	176 311
Essential Services Commission of South Australia.....	6 408	5 526	5 468	5 356
Industry Financial Assistance Deposit Account	—	1 540	—	—
Intergovernmental Federal Financial Relations.....	1 899 409	2 028 123	2 060 476	2 790 535
Local Government Disaster Fund	—	1 145	—	—
Sustainable Budget Commission	—	906	511	—
Grants and subsidies				
Independent Gambling Authority.....	—	—	—	74
Industry Financial Assistance Deposit Account	23 038	44 048	26 554	14 270
Local government concessions.....	8 417	7 995	7 995	2 187
Local Government Disaster Fund	1 352	3 173	1 318	279
Payments to government				
Industry Financial Assistance Deposit Account	900	1 150	1 150	20 000
Intergovernmental Federal Financial Relations.....	44 176	106 720	106 108	—
Support Services to Parliamentarians.....	—	—	—	1 713
Other payments				
Essential Services Commission of South Australia.....	7	7	8	127
Gaming Machines Operations Deposit Account	—	—	—	1 548
Independent Gambling Authority.....	8	8	8	—
Industry Financial Assistance Deposit Account	616	270	—	925
Local Government Disaster Fund	138	138	138	3

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
South Australian Motor Sport Board	30	28	28	573
State government auctions				
State Procurement Board	6	6	6	—
Support Services to Parliamentarians.....	4	3	2	478
Total payments	2 269 797	2 484 988	2 488 197	3 102 666
Net cash provided by operating activities	58 772	-83 676	-104 456	36 370
Investing activities				
<i>Receipts</i>				
Proceeds from other financial assets				
Industry Financial Assistance Deposit Account	1 460	1 150	1 150	1 812
South Australian Motor Sport Board	—	—	—	400
Total receipts	1 460	1 150	1 150	2 212
<i>Payments</i>				
Purchase of plant and equipment				
Essential Services Commission of South Australia.....	119	193	116	1
Independent Gambling Authority.....	—	—	—	14
South Australian Motor Sport Board	452	350	350	410
Support Services to Parliamentarians.....	380	680	—	—
Granted other financial assets				
Industry Financial Assistance Deposit Account	—	560	560	399
Total payments	951	1 783	1 026	824
Net cash provided by investing activities	509	-633	124	1 388
Net increase (+)/decrease (-) in cash held	59 281	-84 309	-104 332	37 758

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

Controlled items

Statement of comprehensive income—controlled

Expenses

The \$4.1 million increase in expenses is primarily due to:

- increased expenditure on Shared Service reform with the implementation of Tranche 4 of the reform process covering the transition of information and communication technology services across government (\$4.4 million)
- increased expenditure on the development of the Taxation Revenue Management System (\$3.2 million)
- a once-off reduction in information technology procurement and associated depreciation charges in 2010–11 (\$0.9 million)

partially offset by

- savings achieved through the implementation of the e-Procurement purchasing system (\$4.5 million)
- other savings from the implementation of previous budget measures.

Income

No major variations.

Statement of financial position—controlled

No major variations.

Statement of cash flows—controlled

The movements in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income and the statement of financial position.

Administered items

The administered items for the Department of Treasury and Finance include Consolidated Account items, special deposit accounts and the assets and liabilities held on behalf of the state by the Treasurer. The more significant assets and liabilities include cash and deposits at call, loans made to other government entities, past superannuation liabilities and borrowings. For presentation purposes, three cash flow statements have been prepared—Consolidated Account items, Treasury and Finance Administered Items Account, and ‘other accounts’. This format has been used to provide clarity, given the volume of items administered by the department.

The Consolidated Account items statement of cash flows presents administered receipts collected on behalf of the government and paid to the Consolidated Account. The statement also includes administered payments that are funded by specific appropriation authorised in various Acts.

The Treasury and Finance Administered Items Account statement of cash flows presents payments administered on behalf of the government and funded by appropriation authorised in the annual *Appropriation Act*.

The 'other accounts' statement of cash flows presents the receipts and payments for the remaining special deposit accounts administered by the department.

Statement of cash flows—Consolidated Account items

The increase in receipts is primarily due to:

- growth in employer payrolls which results in higher payroll tax receipts in 2011–12
- higher conveyance duty receipts in 2011–12 reflecting the expectation that property market transfers will start to return to more normal levels from the low levels experienced in 2010–11 — solid growth in both property transfers and property values is expected as well as increased revenue from insurance duty
- growth in land values resulting in higher land tax receipts in 2011–12
- higher GST revenue grants receipts in 2011–12 due to growth in the GST revenue pool partially offset by a decrease to South Australia's share of the GST pool consistent with the Commonwealth Grants Commission's *Report on GST Revenue Sharing Relativities — 2011 Update*
- higher distributions from the Land Management Corporation reflecting an increase in forecast sales revenue and the deferral of commercial property sales from 2010–11 to 2011–12

partially offset by

- lower dividends from the South Australian Government Financing Authority (SAFA) as a result of a once-off special dividend payment in 2010–11 reflecting a return of excess capital following a review undertaken of SAFA's ongoing capital requirements
- lower distributions from SA Water reflecting increased operating expenses and borrowing costs associated with major infrastructure projects and water security initiatives.

Statement of cash flows—Treasury and Finance Administered Items Account

The increase in payments is primarily due to:

- higher interest payments on the Treasurer's debt arising from the Consolidated Account borrowings in 2010–11

partially offset by

- abolition of the petrol subsidy scheme from 1 January 2011. No payments are expected to be made in 2011–12
- lower refunds and remission payments in 2011–12 primarily due to a large number of once-off corporate reconstruction payments in 2010–11 and the replacement of the payroll tax trainee rebate scheme with a payroll tax exemption for the wages of apprentices and trainees from 1 July 2010.

Statement of cash flows—other accounts

The decrease in operating payments is primarily due to a \$191.3 million reduction in payments under the Intergovernmental Agreement on Federal Financial Relations (IGA) as a result of:

- a decrease in funding for schools and social housing under the Commonwealth's Nation Building Economic Stimulus Plan and reduced payments for trade training centres

- a reduction in expected payments to the Consolidated Account under the National Partnership Agreement on Improving Public Hospital Services — negotiations have continued with the Commonwealth during 2010–11 to finalise the implementation plan (while some projects have been approved by the Commonwealth, the entire allocation of funding has not been finalised)

partially offset by

- increased payments for road and rail infrastructure under the Nation Building program and the Building Australia Fund (in line with investing expenditure)
- increased payments to SA Water for the Adelaide Desalination Plant.

The \$72.7 million decrease in operating receipts is predominantly due to decreased Commonwealth grants under the IGA (\$69.0 million).

**Agency: Department for
Water**

Minister for the River Murray

Minister for Water

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Objective

The Department for Water's objective is to ensure that there are always sufficient and sustainable water resources in South Australia for our health, our economy, our environment and our lifestyle.

Ministerial responsibilities

Minister	Programs	Sub-programs
The Hon. P Caica Minister for the River Murray Minister for Water	1. Water Planning Management and Compliance	1.1 Water Allocation Planning
		1.2 Licensing and Administration
		1.3 Compliance and Enforcement
	2. Murray-Darling Basin	2.1 Murray-Darling Basin Policy and Planning
		2.2 River Management and Operations
	3. Policy and Programs	3.1 Water Policy
		3.2 Urban Water
		3.3 Major Programs
	4. Science and Monitoring	4.1 Water Science
		4.2 Monitoring and Information

Administered items

In addition to the above responsibilities, the agency administers the following items on behalf of the minister:

- Excess water (fines and penalties)
- Qualco Sunlands Ground Water Control Trust
- South Eastern Water Conservation and Drainage Board.

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
Department for Water	321.2	409.9	578.5
Administered items for the Department for Water	—	—	2.4
Total	321.2	409.9	580.9

(a) The 2011–12 Budget and 2010–11 Estimated Result reflects the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet) and relate to the former Department of Water, Land and Biodiversity Conservation.

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. Water Planning Management and Compliance	1 636	12 859	13 594	18 190
2. Murray-Darling Basin	48 589	62 797	57 139	55 343
3. Policy and Programs	25 669	23 499	26 842	2 869
4. Science and Monitoring.....	14 027	25 814	16 694	15 674
Total	89 921	124 969	114 269	92 076

Reconciliation to agency net cost of providing services

Add: Net costs transferred out:

Natural Resources Management to the Department of Environment and Natural Resources ^(a)	—	—	—	13 375
Biodiversity function to the Department of Primary Industries and Resources ^(b)	—	—	—	3 916
Equals: Net cost of providing services (as per agency statement of comprehensive income)	89 921	124 969	114 269	109 367

(a) Responsibility for natural resources management transferred to the Department of Environment and Natural Resources on 1 July 2010.

(b) Responsibility for biodiversity transferred to the Department of Primary Industries and Resources on 1 July 2010.

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
<i>New projects</i>				
Patawalonga Lake System—Repair and Upgrade	320	—	—	—
South East Drainage System—Maintenance	1 485	—	—	—
Total new projects	1 805	—	—	—
<i>Existing projects</i>				
Budget Management Information System	—	40	—	110
Complementary State Natural Resource Management Program	—	—	—	107
Goolwa Channel Water Level Management Project	—	3 150	—	9 434
River Murray Waste Disposal Stations	398	381	381	443
Total existing projects	398	3 571	381	10 094
<i>Annual programs</i>				
Annual Program	805	2 736	785	6 172
Water Monitoring Equipment	2 984	2 635	4 362	3 601
Total annual programs	3 789	5 371	5 147	9 773
Total investing expenditure	5 992	8 942	5 528	19 867

Program 1: Water Planning Management and Compliance

Description/objective

To manage the prescribed water resources in South Australia, including the provision of planning and management advice and regulatory support for the government, the natural resources management (NRM) boards and the community.

To facilitate the allocation, trading and sustainable use of water resources in South Australia.

Sub-programs

- 1.1 Water Allocation Planning
- 1.2 Licensing and Administration
- 1.3 Compliance and Enforcement

Program summary—expenses and income^(a)

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	9 052	10 428	11 177	13 519
Supplies and services.....	3 542	6 041	5 853	5 752
Depreciation and amortisation expenses.....	1 265	1 134	904	434
Intra-government transfers	3	3	—	1
Other expenses	140	127	135	95
Total expenses	14 002	17 733	18 069	19 801
Income				
Commonwealth revenues	1 350	1 607	1 030	504
Intra-government transfers	—	147	—	—
Other grants.....	21	405	1 186	69
Fees, fines and penalties.....	1 797	1 653	1 091	1 034
Sales of goods and services.....	8 132	—	126	4
Other income ^(b)	1 066	1 062	1 042	—
Total income	12 366	4 874	4 475	1 611
Net cost of providing services	1 636	12 859	13 594	18 190

(a) Corporate net cost of providing services has been allocated across the programs.

(b) Data for previous years has been disaggregated to facilitate comparison.

Sub-program 1.1: Water Allocation Planning

Description/objective

To provide policy, scientific and technical advice and support to the natural resources management (NRM) boards in their work to develop and review water allocation plans for the minister's consideration. At 1 July 2010, there were 19 existing water allocation plans in South Australia.

To work in partnership with NRM boards and other agencies to administer water allocation plans.

To provide commentary on applications under the *Development Act 1993* to the Department of Planning and Local Government.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	2 103	2 470	2 602	2 932
Income	136	106	—	—
Net cost of sub-program	1 967	2 364	2 602	2 932

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.4 million decrease in expenses is primarily due to the sub-program's contribution to department savings measures (\$0.3 million).

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$0.5 million decrease in expenses is primarily due to the sub-program's contribution to targeted voluntary separation packages (TVSPs) paid in 2009–10 (\$0.2 million).

Highlights 2010–11

- Supported the South Australian Murray-Darling Basin NRM Board in having the water allocation plan for the Peake, Roby and Sherlock Prescribed Wells Area adopted.
- Assisted the Adelaide and Mount Lofty Ranges NRM Board to progress the draft Western Mount Lofty Ranges Water Allocation Plan to community consultation.
- Assisted the South Australian Murray-Darling Basin NRM Board to progress the draft Eastern Mount Lofty Ranges Water Allocation Plan to community consultation.

Targets 2011–12

- Support the NRM boards in finalising four draft water allocation plans for the minister's consideration in the following prescribed areas:
 - Western Mount Lofty Ranges
 - Eastern Mount Lofty Ranges
 - Murray Mallee
 - Lower Limestone Coast.

- Support the NRM boards in progressing draft water allocation plans for the following prescribed areas:
 - Northern Adelaide Plains/Central Adelaide Plains
 - Musgrave and Southern Basins
 - Noora
 - River Murray.
- Implement two National Water Commission projects by implementing an adaptive management and continuous improvement framework for water allocation plans.
- Work in collaboration with the Department of Planning and Local Government to reduce the number of applications under the *Development Act 1993* requiring referral to the department for assessment.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Quantity				
No. of <i>Development Act 1993</i> application referrals processed ^(a)	306	400	400	406
No. of <i>Development Act 1993</i> policy referrals processed ^(a)	70	150	250	172
Timeliness				
% of development applications processed within statutory timeframes	100%	99%	100%	99%

(a) Decrease in the referrals as a result of working collaboratively with the Department of Planning and Local Government.

Sub-program 1.2: Licensing and Administration

Description/objective

To implement water allocation plans, including the issuing of water licences and permits. This includes management of the allocation of prescribed water resources and water meters and the collection of metered water use data.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	8 953	12 215	12 347	13 455
Income	10 749	4 021	3 336	1 542
Net cost of sub-program	-1 796	8 194	9 011	11 913

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$10.0 million decrease in net cost is primarily due to:

- an increase in income as a result of cost recovery for water planning and management (\$7.5 million)
- a decrease in expenses due to the sub-program's contribution to department savings measures (\$1.7 million).

There is also a \$1.0 million decrease in expenses and income due to the National Water Initiative Mount Lofty Ranges Prescription and South East Agreements.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$3.7 million decrease in net cost is primarily due to:

- a decrease in expenses due to the National Water Initiative South East Agreement (\$1.4 million)
- an increase in income as a result of charging for the sale of water (\$1.0 million)
- an increase in income due to the National Water Initiative Mount Lofty Ranges Prescription Agreement (\$1.0 million).

Highlights 2010–11

- Achieved Council of Australian Governments' reform program agreed service standards for processing River Murray allocation and entitlement applications.
- Reduced the time taken to process water trade between South Australia, Victoria and New South Wales for River Murray water entitlements by 35 per cent by completing the National Water Market System Interoperability project.
- Completed volumetric conversion of the Clare and Barossa prescribed water resource areas (468 water licences).
- Implemented the Tintinara Water Allocation Plan including the volumetric conversion of 433 area based licences.
- Implemented a centralised accounts receivable system across the state to manage all incoming water levy and non-levy invoices and debt recovery.

Targets 2011–12

- Issue at least 50 per cent of existing user water licences in the Western Mount Lofty Ranges.
- Issue at least 50 per cent of existing user water licences in the Eastern Mount Lofty Ranges.
- In support of the Murray Mallee Water Allocation Plan:
 - re-issue 80 per cent of the 203 current Mallee area based licences with volumetric allocations
 - determine 80 per cent of the 29 existing user licence applications for the Mallee expansion areas.
- Work with the Commonwealth Government and other jurisdictions to begin development of a national common registry system.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Quantity				
No. of water licences issued ^(a)	3 400	6 382	6 000	5 673
No. of water permits issued	3 000	2 108	3 500	3 802
No. of water authorisations issued	300	187	250	572

(a) The decrease between the 2010–11 Estimated Result and the 2011–12 Target reflects the projected licence activity.

Sub-program 1.3: Compliance and Enforcement

Description/objective

To undertake compliance, investigation, enforcement and training activities pursuant to the *Natural Resources Management Act 2004*, *Native Vegetation Act 1991*, *River Murray Act 2003*, *South Eastern Water Conservation and Drainage Act 1992* and the *Upper South East Dryland Salinity and Flood Management Act 2002*.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	2 946	3 048	3 120	3 414
Income	1 481	747	1 139	69
Net cost of sub-program	1 465	2 301	1 981	3 345

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$0.7 million increase in income is primarily due to the National Water Compliance and Enforcement Program (\$0.8 million).

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$0.7 million increase in income is primarily due to the National Water Compliance and Enforcement Program (\$0.6 million).

Highlights 2010–11

- Received and responded to 132 alleged breaches of the *Natural Resources Management Act 2004* and 21 alleged breaches of the *River Murray Act 2003*.
- Undertook a program of auditing water meters in the Murraylands and Northern Adelaide Plains.
- Undertook an audit of the accuracy of data on bores in the McLaren Vale Prescribed Wells Area.
- Signed a five-year National Water Compliance and Enforcement Program funding deed with the Commonwealth Government. The first tranche of funding for the National Framework for Compliance and Enforcement was received in January 2011 and the first phase of the Compliance and Enforcement Project commenced.

Targets 2011–12

- Focus on targeted investigations, based on sound risk assessment practices, in support of the National Water Compliance and Enforcement Program and manage prosecutions where required.

Program 2: Murray-Darling Basin

Description/objective

To develop policy, plans and programs, and manage river operations for the purpose of achieving a healthy, functioning River Murray that will continue to support communities, industries and ecosystems.

Sub-programs

2.1 Murray-Darling Basin Policy and Planning

2.2 River Management and Operations

Program summary—expenses and income^(a)

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	3 855	6 074	5 050	5 245
Supplies and services.....	20 971	22 847	14 168	11 868
Depreciation and amortisation expenses.....	1 055	2 485	2 183	1 433
Grants and subsidies.....	28 666	27 874	29 002	25 002
Intra-government transfers	1 286	1 463	2 789	3 087
Other expenses	4 560	13 247	14 397	21 303
Total expenses	60 393	73 990	67 589	67 938
Income				
Commonwealth revenues.....	—	3 202	—	6 851
Intra-government transfers	—	5 395	7 403	3 829
Other grants.....	4 008	7 532	277	—
Sales of goods and services.....	7 229	5 593	2 636	1 914
Net gain or loss from disposal of assets	—	-11 104	—	—
Other income ^(b)	567	575	134	1
Total income	11 804	11 193	10 450	12 595
Net cost of providing services	48 589	62 797	57 139	55 343

(a) Corporate net cost of providing services has been allocated across the programs.

(b) Data for previous years has been disaggregated to facilitate comparison.

Sub-program 2.1: Murray-Darling Basin Policy and Planning

Description/objective

To develop policy solutions, strategies and plans for the sustainable management of South Australian Murray-Darling Basin water resources, including representation of the government on state and national groups, leading the government's response to the Basin Plan and Murray-Darling Basin Agreement reforms.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	33 640	33 070	32 374	28 063
Income	173	126	—	1 520
Net cost of sub-program	33 467	32 944	32 374	26 543

Financial commentary

2011–12 Budget/2010–11 Estimated Result

No major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

The \$6.4 million increase in net cost is primarily due to:

- an increase in expenses due to the state's contribution to remediation of the Hume Dam wall (\$2.7 million)
- a decrease in income due to the once-off sale in 2009–10 of additional water purchased by South Australia through The Living Murray program (\$1.5 million)
- an increase in expenses due to the state's contribution to the Murray-Darling Basin Authority (\$1.1 million).

Highlights 2010–11

- Developed a coordinated Government of South Australia response to the Guide to the proposed Basin Plan.
- Developed and agreed at Basin Officials Committee the water storage and improved water sharing arrangements under the Murray-Darling Basin Agreement.
- Negotiated the allocation of 376 gigalitres of environmental water to priority sites along the South Australian River Murray, including the Lower Lakes.
- Completed the development and implementation of the River Murray Drought Water Allocation Decision Framework for 2010–11.
- Finalised the development of the 2011–12 River Murray Water Allocation Decision Framework.
- Revised the Living Murray 'Icon Sites' environmental water plans for the Lower Lakes, Coorong and Murray Mouth and the Chowilla Floodplain.

Targets 2011–12

- Develop and submit a strategic and comprehensive Government of South Australia response to the proposed Basin Plan.
- Represent South Australia's interests in progressing the Murray-Darling Basin Agreement.
- Develop a strategic framework for environmental water management and negotiate allocation of environmental water from the Commonwealth Environmental Water Holder and The Living Murray program for South Australian River Murray priority sites.
- Continue to implement strategies and actions to maintain a positive balance on the Murray-Darling Basin salinity register.

Sub-program 2.2: River Management and Operations

Description/objective

To coordinate and implement River Murray water sharing and river operations policy for multiple benefits such as water security, irrigation, salinity and environmental benefits.

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses	26 753	40 920	35 215	39 875
Income	11 631	11 067	10 450	11 075
Net cost of sub-program	15 122	29 853	24 765	28 800

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$14.7 million decrease in net cost is primarily due to:

- the budgeted write-off of the Goolwa Channel regulators (\$11.1 million)
- a decrease in expenses due to the reducing repayment schedule for the once-off purchase of 50 gegalitres of water in 2008–09 for the Lower Lakes from the Save the River Murray Fund (\$6.0 million)
- a decrease in expenses due to the finalisation of the National Action Plan for Water Quality and Salinity (NAP) payments for the Salt Interception Scheme program (\$3.8 million)
- a decrease in expenses due to the completion of The Living Murray program (\$2.6 million)

partially offset by

- a decrease in income due to the finalisation of the NAP Salt Interception Scheme program (\$5.4 million)
- a decrease in income due to proposed funding of the removal of the Goolwa Channel regulators (\$3.2 million).

2010–11 Estimated Result/2010–11 Budget

The \$5.1 million increase in net cost is primarily due to:

- the budgeted write-off of the Goolwa Channel regulators (\$11.1 million)

partially offset by

- an increase in income from the Murray-Darling Basin Authority for environmental water management projects (\$2.0 million)
- a decrease in expenses due to the transfer of funds to investing for the purchase of land under the Salt Interception Scheme program (\$1.8 million)
- a decrease in expenses due to the reducing repayment schedule for the once-off purchase of 50 gegalitres of water in 2008–09 for the Lower Lakes from the Save the River Murray Fund (\$1.5 million).

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Continued with the construction of the Murtho Salt Interception Scheme and commenced preliminary works for the Pike Scheme.
- Secured a Lower Lakes environmental reserve of 170 gegalitres to reduce the risk of acidification in the Lower Lakes.
- Completed urgent remediation works for government owned levee banks.
- Continued management of the riverbank collapse hazard program, mitigating risks to property and lives.
- Continued to implement the Living Murray environmental management plans for ‘icon sites’ in South Australia.
- Completed upgrades to Blanchetown and Goolwa waste disposal stations.
- Completed the Noora Basin Sustainability project to ensure the long-term future of the basin for River Murray salinity management.
- Completed the partial removal of the Goolwa Channel regulator at Clayton and the partial removal of the Narrung Bund.
- Commenced complete removal of the Narrung Bund.
- Completed the 2011–12 South Australian River Murray Annual Operating Plan.

Targets 2011–12

- Optimise delivery of environmental water secured for key River Murray sites in South Australia through the annual environmental watering plan and river operations plan.
- Implement the agreed Murray-Darling Basin Agreement Schedule G (water storage) and Schedule H (water sharing).
- Complete the construction and commissioning of the Murtho Salt Interception Scheme.
- Complete the full removal of the Narrung Bund and undertake the full removal of the Goolwa Channel regulator at Clayton along with the completion of all project planning activities for the full removal of the Currency Creek regulator.
- Prepare the 2012–13 South Australian River Murray Annual Operating Plan.
- Develop the long-term carryover of unused water allocation arrangements for implementation in 2012–13.

Program 3: Policy and Programs

Description/objective

To provide a statewide water policy focus and lead the delivery of Water for Good to develop policies and strategies with a focus on the diversification of urban water supplies, including stormwater harvesting.

Sub-programs

- 3.1 Water Policy
- 3.2 Urban Water
- 3.3 Major Programs

Program summary—expenses and income^(a)

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses				
Employee benefit expenses	6 863	7 836	7 485	10 129
Supplies and services.....	22 437	16 861	11 424	16 412
Depreciation and amortisation expenses.....	940	838	590	459
Grants and subsidies.....	32 265	17 176	25 554	87 019
Intra-government transfers	22 075	17 533	25 144	17 568
Other expenses	105	96	89	108
Total expenses	84 685	60 340	70 286	131 695
Income				
Taxation.....	740	760	943	759
Commonwealth revenues.....	50 778	29 997	36 944	116 515
Intra-government transfers	2 694	3 179	2 276	8 314
Other grants.....	2 866	1 305	1 000	—
Fees, fines and penalties.....	—	—	12	129
Sales of goods and services.....	1 863	1 478	1 786	1 084
Interest revenue.....	25	76	—	1 392
Other income ^(b)	50	46	483	633
Total income	59 016	36 841	43 444	128 826
Net cost of providing services	25 669	23 499	26 842	2 869

(a) Corporate net cost of providing services has been allocated across the programs.

(b) Data for previous years has been disaggregated to facilitate comparison.

Sub-program 3.1: Water Policy

Description/objective

To lead the development of innovative policy solutions across government to ensure that the long-term future of South Australia's water supplies meet the state's economic, environmental and social needs as well as Council of Australian Governments (COAG) and state/national water reform commitments.

To facilitate state and national water reform commitments and lead development and review of legislation.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	19 448	26 604	34 493	104 340
Income	18 457	19 401	21 986	108 868
Net cost of sub-program	991	7 203	12 507	-4 528

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$6.2 million decrease in net cost is primarily due to:

- a decrease in Murray Futures program expenses relating to
 - Irrigation Pipelines (\$5.6 million)
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$4.7 million)
 - Riverine Recovery (\$0.7 million)
- an increase in income for decommissioning of the Narrung Bund (\$0.8 million)

partially offset by

- a decrease in Murray Futures program income relating to
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$4.1 million)
 - Riverine Recovery (\$2.0 million).

There is also a \$4.6 million increase in expenses and income due to additional Commonwealth revenue and associated expenditure for the Water and Wastewater in Remote Communities project.

2010–11 Estimated Result/2010–11 Budget

The \$5.3 million decrease in net cost is primarily due to:

- a decrease in Murray Futures program expenses for the Adaptive Management of the Coorong, Lower Lakes and Murray Mouth project (\$9.3 million)
- an increase in Murray Futures program income for the Riverine Recovery Project (\$5.6 million)

partially offset by

- a decrease in Murray Futures program income for the Adaptive Management of the Coorong, Lower Lakes and Murray Mouth project (\$8.5 million)
- an increase in Murray Futures program expenses relating to
 - Riverine Recovery (\$0.7 million)
 - Irrigation Pipelines (\$0.4 million).

2010–11 Estimated Result/2009–10 Actual

The \$11.7 million increase in net cost is primarily due to:

- a decrease in Murray Futures program income relating to
 - Irrigation Pipelines (\$87.1 million)
 - the Goolwa Channel project (\$6.0 million)
 - Potable Pipelines (\$5.6 million)
- an increase in Murray Futures program expenses relating to
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$6.5 million)
 - Riverine Recovery (\$0.7 million)

partially offset by

- a decrease in Murray Futures program expenses relating to
 - Irrigation Pipelines (\$75.6 million)
 - Potable Pipelines (\$5.6 million)
- an increase in Murray Futures program income relating to
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$5.9 million)
 - Riverine Recovery (\$3.6 million)
- a decrease in expenses on the Water For Good communications (\$2.4 million).

Highlights 2010–11

- Released an exposure draft of the Water Industry Bill 2010 which provides for independent economic regulation of water services providers, and undertook consultation on the Bill.
- Released the Eyre Peninsula Regional Demand and Supply Statement (RDSS), and commenced development of an RDSS for the Northern and Yorke region.
- Developed and signed an implementation plan with the Commonwealth Government for expenditure of funding for water conservation projects and infrastructure upgrades in the remote communities of Amata and Mimili.
- Finalised the Natural Resources Management (Review) Amendment Bill 2010 and Natural Resources Management (Commercial Forests) Amendment Bill 2010 for introduction into parliament.
- Delivered South Australia's response to the National Water Initiative biennial assessment and conducted an annual assessment of the Water Management Partnership Agreement.
- Completed the first annual review of Water for Good and released the Water for Good annual statement in November 2010.

Targets 2011–12

- Participate in the Council of Australian Governments' (COAG) review of the National Water Initiative and implement the agreed COAG water reform actions.
- Develop and release the Northern and Yorke RDSS, and commence development of the South Australian Arid Lands RDSS and the Alinytjara Wilurara RDSS.
- Introduce the Water Industry Bill 2010 into parliament which provides for independent economic regulation of water service providers.
- Commence implementation of water conservation projects in Amata and Mimili remote communities.
- Complete the review of the *River Murray Act 2003* and develop a new implementation strategy.

Sub-program 3.2: Urban Water

Description/objective

To develop policy and strategies for achieving sustainable management of the state's urban water resources to meet current and future requirements, with a focus on water sensitive urban design, the diversification of water supplies, including stormwater and wastewater reuse and desalination.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	45 773	15 843	22 492	8 282
Income	35 866	11 310	16 315	5 472
Net cost of sub-program	9 907	4 533	6 177	2 810

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$5.4 million increase in net cost is primarily due to delivery of the Stormwater Management Program—there is a \$30.5 million increase in expenses and a \$24.9 million increase in income from the Commonwealth relating to this program.

2010–11 Estimated Result/2010–11 Budget

The \$1.6 million decrease in net cost is primarily due to revised milestones relating to the Stormwater Management Program—there is a \$6.0 million decrease in expenses and a \$4.3 million decrease in income from the Commonwealth relating to this program.

2010–11 Estimated Result/2009–10 Actual

The \$1.7 million increase in net cost is primarily due to delivery of the Stormwater Management Program—there is a \$6.7 million increase in expenses and a \$5.7 million increase in income from the Commonwealth relating to this program.

Highlights 2010–11

- Progressed development of the stormwater strategy for Greater Adelaide, to achieve the long-term goal of harvesting 60 gigalitres per year in Greater Adelaide by 2050.
- Provided strong investment, in partnership with the Commonwealth, in stormwater harvesting and reuse projects, including the funding for nine stormwater projects, allowing Greater Adelaide to be on track to exceed stormwater harvesting targets of 20 gigalitres per year by 2013.
- Reviewed and consulted on the governance of the Stormwater Management Authority and the 2006 State and Local Government Stormwater Management Agreement.
- Progressed the review of water sensitive urban design approaches with the aim of introducing targets in 2011 and mandatory measures in 2013.
- Assisted in the development of a program to improve the water use efficiency of public and privately owned buildings, including the development of a 'Go Retro!' improving water efficiency in publicly owned buildings discussion paper.

Targets 2011–12

- Release an updated Stormwater Management Agreement.
- Introduce a state government policy for water sensitive urban design including targets and detailing how such approaches will be mandated and linked to the planning system.
- Progress work to improve the water efficiency of public and commercial buildings, linking with other sustainability initiatives as appropriate.
- Commence implementation of the Stormwater Strategy and development of a stormwater masterplan.
- Complete three of the eight stormwater harvesting and reuse schemes across Greater Adelaide and continue to pursue opportunities to increase stormwater and wastewater recycling.

Sub-program 3.3: Major Programs

Description/objective

To develop, deliver and oversee major infrastructure programs, water reform in the South East, and undertake investigations and business case preparations for future management of key state water infrastructure.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	19 464	17 893	13 301	19 073
Income	4 693	6 130	5 143	14 486
Net cost of sub-program	14 771	11 763	8 158	4 587

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$3.0 million increase in net cost is primarily due to:

- an increase in Murray Futures program expenses for the Riverine Recovery Project (\$7.6 million)
- an increase in expenses for the operations and maintenance of the South East Drainage System (\$3.9 million)
- a decrease in income for the National Action Plan for Water Quality and Salinity (NAP) program (\$2.1 million)
- a decrease in income for the National Water Initiative (NWI) Reflows Agreement for the Upper South East Program (\$0.8 million)

partially offset by

- a decrease in expenses for the NWI Reflows Agreement (\$6.8 million)
- a decrease in expenses for the NAP program for the Upper South East Program (\$3.1 million).

2010–11 Estimated Result/2010–11 Budget

The \$3.6 million increase in net cost is primarily due to:

- an increase in expenses for the NAP program (\$1.0 million)
- an increase in expenses due to the realignment of maintenance and depreciation for the Barcoo Outlet (\$0.9 million)
- an increase in Murray Futures program expenses for the Riverine Recovery Project (\$0.8 million)
- an increase in expenses for River Murray flood communications (\$0.3 million)
- an increase in expenses for the NWI Reflows Agreement for the Upper South East Program (\$0.2 million).

2010–11 Estimated Result/2009–10 Actual

The \$7.2 million increase in net cost is primarily due to:

- a decrease in income for the NAP program (\$4.5 million)
- a decrease in income for the NWI Reflows Agreement for the Upper South East Program (\$4.3 million)
- an increase in expenses for the NWI Reflows Agreement for the Upper South East Program (\$3.9 million)
- an increase in expenses for River Murray flood communications (\$0.3 million)

partially offset by

- a decrease in expenses for the NAP program for the Upper South East Program (\$3.7 million)
- a decrease in Murray Futures program expenses for the Riverine Recovery Project (\$1.7 million).

Highlights 2010–11

- Completed the National Action Plan for Salinity and Water Quality Closure Report for the Upper South East Dryland Salinity and Flood Management Program including the completion of the drainage network and Western Floodway construction.
- Completed consultation on the South East Drainage System Operation and Management Bill 2010.
- Completed initial maintenance works on the Northern Gates of the Patowalonga Lake System.
- Provided South Australia's response to the draft Commonwealth due diligence assessment reports for both the Coorong, Lower Lakes and Murray Mouth and Riverine Recovery projects.
- Obtained funding approval from the Commonwealth Government and endorsement by the Public Works Committee for the Riverine Recovery Project early on-ground works.
- Finalised the South East Water Science Review and prepared the Lower Limestone Coast Water Allocation Plan policy issues discussion paper for consultation.
- Coordinated the preparation of River Murray Flood Watch notifications for the community.

Targets 2011–12

- Establish arrangements for the rehabilitation of the Glenelg and Northern Gates of the Patawalonga Lake System.
- Establish an integrated operations and maintenance program for both the Upper South East and Lower South East drainage programs.
- Commence delivery of environmental improvement and water savings measures under the Riverine Recovery Project.
- Complete the delivery of the Riverine Recovery Project early on-ground works at Pike, Yatco and Katfish Reach.
- Negotiate funding with the Commonwealth to establish a floodway to transport drainage water from the Lower South East to the Coorong and enhance wetlands along the route.
- Finalise the Lower Limestone Coast Water Allocation Plan policy issues discussion paper for consideration.
- Complete the River Murray flood preparedness review.

Program 4: Science and Monitoring

Description/objective

To provide scientific expertise and the application of knowledge for effective management of the state's water resources. Leadership in science with a primary focus on analysing water resource data, supporting sustainable economic development, undertaking scientific investigations to expand the government's knowledge base, promoting collaborative research alliances, improving policy and providing input to strategies aimed at sustainable management and use of the state's water resources.

Sub-programs

4.1 Water Science

4.2 Monitoring and Information

Program summary—expenses and income^(a)

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	9 315	11 418	11 619	11 928
Supplies and services.....	7 448	13 981	11 859	15 336
Depreciation and amortisation expenses.....	3 584	3 069	3 113	1 396
Grants and subsidies.....	5 341	5 338	—	495
Intra-government transfers	3	223	900	398
Other expenses	144	139	140	58
Total expenses	25 835	34 168	27 631	29 611
Income				
Commonwealth revenues	75	2 875	78	9 007
Intra-government transfers	114	1 539	597	940
Other grants.....	46	841	4 190	—
Sales of goods and services.....	11 505	3 031	5 980	3 941
Interest revenue.....	—	—	—	34
Other income ^(b)	68	68	92	15
Total income	11 808	8 354	10 937	13 937
Net cost of providing services	14 027	25 814	16 694	15 674

(a) Corporate net cost of providing services has been allocated across the programs.

(b) Data for previous years has been disaggregated to facilitate comparison.

Sub-program 4.1: Water Science

Description/objective

To provide expert science and knowledge for effective water resource management. Leadership in science with a primary focus on analysing natural resource data and undertaking scientific investigations to expand the government's knowledge base, promoting collaborative research alliances, improving policy and developing innovative management strategies.

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Expenses	12 957	18 126	12 106	12 280
Income	3 195	3 774	4 185	3 045
Net cost of sub-program	9 762	14 352	7 921	9 235

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$4.6 million decrease in net cost is primarily due to:

- an increase in income as a result of cost recovery for water planning and management (\$2.5 million)
- a decrease in expenses due to the sub-program's contribution to department savings measures (\$1.5 million).

There is also a \$2.4 million decrease in expenses and income primarily due to:

- the completion of the New Town Water Supply Bores projects (\$1.1 million)
- the substantial completion of the Great Artesian Basin Allocating Water and Maintaining Springs project (\$0.7 million)
- the completion of National Water Commission projects (\$0.6 million).

2010–11 Estimated Result/2010–11 Budget

The \$6.0 million increase in expenses is primarily due to the state's contribution to the Goyder Institute for Water Research (\$5.0 million).

2010–11 Estimated Result/2009–10 Actual

As detailed under 2010–11 Estimated Result/2010–11 Budget.

Highlights 2010–11

- Established the Goyder Institute for Water Research (\$50 million over five years), including the appointment of the first director and endorsement of the research plan.
- Produced groundwater status reports for the Baroota, Central Adelaide Plains, Northern Adelaide Plains, McLaren Vale, Southern Basins and Musgrave prescribed wells areas and Clare and Barossa prescribed water resource areas.
- Investigated and modelled the impact of climate change upon rainfall run off and recharge to groundwater in the Northern and Yorke and Eyre Peninsula regions.
- Commenced a project to assess the extent and capacity of potential groundwater sources in the Far North area of the state to help underpin mining development.
- Developed a draft environmental water evaluation and management framework and significantly progressed work to develop a tool to identify and classify water dependent ecosystems (WDEs), assess risks to WDEs and develop a groundwater dependent ecosystem atlas for the state.
- Conducted groundwater assessments for the non prescribed water resources within the Eyre Peninsula, Northern and Yorke and Alinytjara Wilurara regions. Assessments and draft reports were also prepared for the Kangaroo Island and the Arid Lands regions.
- Continued to collaborate with Flinders University to ensure the success of the National Centre for Groundwater Research and Training. The department worked closely with the centre as it confirmed its research program and provided logistical and planning support to establish a ‘super science site’ for intensive field research.
- Continued to progress River Murray modelling, including further development of a flow and salt model to estimate salt loads under future management scenarios, working with the eWater Cooperative Research Centre to further develop and test the Source Rivers model and River Murray modelling to support river operations and management.
- Established groundwater scholarship for Indigenous students.

Targets 2011–12

- Implement the Facilitating Long-term Outback Water Solutions (FLOWS) project to improve our knowledge about the location and capacity of water resources in the state’s Far North to accelerate sustainable mining and energy related development.
- Improve the understanding of potential climate change impacts on priority water resources to inform future water supply and development planning.
- Complete groundwater status reports for priority prescribed wells areas to support enhanced regional demand and supply planning.
- Complete assessments of the non-prescribed water resources of the state to identify development opportunities and ensure that appropriate management strategies are able to be implemented.
- Support the delivery of priority research projects under the Goyder Institute for Water Research.
- Improve the security of community town water supplies in partnership with SA Water.
- Provide technical and scientific input to the development of water allocation policy for the state’s groundwater and surface water resources.

Sub-program 4.2: Monitoring and Information

Description/objective

The provision of leadership in the collection, storage and communication of water resource data and information, the management and maintenance of the state's water resource monitoring assets and the management of the department's information capability. A range of operational support services are also provided to support water resource development in the state.

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses	12 878	16 042	15 525	17 331
Income	8 613	4 580	6 752	10 892
Net cost of sub-program	4 265	11 462	8 773	6 439

Financial commentary

2011–12 Budget/2010–11 Estimated Result

The \$7.2 million decrease in net cost is primarily due to:

- an increase in income as a result of cost recovery for water planning and management (\$5.9 million)
- a decrease in expenses due to the sub-program's contribution to department savings measures (\$1.2 million).

There is also a \$2.0 million decrease in expenses and income primarily due to:

- the completion of the Great Artesian Basin Sustainability Initiative project (\$1.0 million)
- the completion of Bureau of Meteorology projects (\$0.8 million).

2010–11 Estimated Result/2010–11 Budget

The \$2.2 million decrease in income is due to fee for service revenue reductions for science based services due to market conditions.

2010–11 Estimated Result/2009–10 Actual

The \$6.3 million decrease in income is primarily due to the completion of the National Water Initiative Implementation Agreement (\$5.5 million).

Highlights 2010–11

- Launched the WaterConnect website to connect communities with the latest information and data about South Australia's water resources and water related initiatives through a single portal.
- Extended, upgraded and modernised water monitoring and information systems within the state including the conversion of 116 monitoring sites to IP (internet protocol) telemetry.
- Established nine new groundwater monitoring wells and six new surface water gauging stations, completed stabilisation works to protect two major weir structures, upgraded 20 existing monitoring platforms, installed 30 new telemetered groundwater monitoring platforms and installed 165 standalone groundwater monitoring platforms.

- Monitored salinity and water levels in the state's 146 groundwater monitoring networks (4075 monitoring wells) and flow, water quality and meteorological monitoring of data at 175 surface water monitoring sites.
- Successfully delivered acid sulphate monitoring of the transition from drought to high flows and then recession in the River Murray.
- Commissioned and maintained water supply process control infrastructure in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands and other Aboriginal communities.
- Oversaw the drilling of 13 wells in the McLaren Vale Prescribed Wells Area as part of the establishment of the Willunga Super Science Site, a \$3.3 million dollar program being led by the National Centre for Groundwater Research and Training and supported by the department.

Targets 2011–12

- Ensure ongoing regular data collection and reporting on the condition of the state's water resources on the WaterConnect website.
- Enhance the WaterConnect website to provide additional user functions for the provision of water information to the community, industry and stakeholders.
- Obtain further Commonwealth Government investment in monitoring and information infrastructure from the Bureau of Meteorology's Modernisation and Extension of Hydrologic Monitoring Systems Fund.
- Commence water monitoring system upgrades as part of a structured investment strategy on Eyre Peninsula and in the Eastern and Western Mount Lofty Ranges.
- Oversee the drilling of an additional 30 wells at the Willunga Super Science Site to enable further research to be undertaken on the flows from the fractured rock highlands into the basin and to further investigate the interactions between surface and groundwater resources in this area.
- Undertake works associated with the implementation of the Great Artesian Basin Monitoring Network Program and the Great Artesian Basin Sustainability Initiative Phase 3.

Department for Water

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	24 184	29 885	28 556	40 286
Long service leave	1 090	1 305	1 635	2 186
Payroll tax	1 214	1 484	1 746	2 413
Superannuation	2 534	3 009	3 285	4 504
Other	63	73	109	4 336
Supplies and services				
General supplies and services	54 298	59 630	42 989	57 692
Consultancy expenses	100	100	315	928
Depreciation and amortisation expenses	6 844	7 526	6 790	3 772
Grants and subsidies	66 272	50 388	54 556	113 474
Intra-government transfers	23 367	19 222	28 833	25 846
Other expenses	4 949	13 609	14 761	21 568
Total expenses	184 915	186 231	183 575	277 005
Income				
Taxation	740	760	943	759
Commonwealth revenues	52 203	37 681	38 052	134 260
Intra-government transfers	2 808	10 260	10 276	17 520
Other grants	6 941	10 083	6 653	1 170
Fees, fines and penalties	1 797	1 653	1 103	1 168
Sales of goods and services	28 729	10 102	10 528	9 654
Interest revenues	25	76	—	1 427
Net gain or loss from disposal of assets	—	-11 104	—	—
Other income	1 751	1 751	1 751	1 680
Total income	94 994	61 262	69 306	167 638
Net cost of providing services	89 921	124 969	114 269	109 367
Income from/expenses to state government				
Income				
Appropriation	79 488	95 034	97 793	98 331
Other income	—	5 372	—	14 728
Net income from/expenses to state government	79 488	100 406	97 793	113 059
Net result	-10 433	-24 563	-16 476	3 692
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	—	—	—	15 477
Total comprehensive result	-10 433	-24 563	-16 476	19 169

Department for Water Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	2 915	22 495	4 502	28 899
Receivables	17 046	6 696	13 372	16 346
Inventories	132	132	—	1 708
Other current assets	—	155	155	—
Total current assets	20 093	29 478	18 029	46 953
<i>Non current assets</i>				
Land and improvements	3 617	3 635	1 863	3 701
Plant and equipment	86 756	84 038	81 319	93 654
Intangible assets	8 640	12 192	7 791	14 357
Total non-current assets	99 013	99 865	90 973	111 712
Total assets	119 106	129 343	109 002	158 665
Liabilities				
<i>Current liabilities</i>				
Payables	19 316	19 351	13 661	20 017
Employee benefits				
Salaries and wages	503	476	270	1 504
Annual leave	2 220	2 207	2 265	3 028
Long service leave	554	578	371	759
Short-term provisions	156	151	149	146
Total current liabilities	22 749	22 763	16 716	25 454
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	8 603	8 414	7 444	10 436
Long-term provisions	514	493	440	473
Total non-current liabilities	9 117	8 907	7 884	10 909
Total liabilities	31 866	31 670	24 600	36 363
Net assets	87 240	97 673	84 402	122 302
Equity				
Contributed capital	10 893	10 893	10 893	10 893
Retained earnings	26 151	36 584	38 790	61 213
Asset revaluation reserve	50 196	50 196	34 719	50 196
Total equity	87 240	97 673	84 402	122 302

Balances as at 30 June end of period.

Department for Water

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	28 724	36 925	36 506	53 122
Payments for supplies and services	54 433	59 765	43 339	61 003
Grants and subsidies	66 272	50 388	54 556	124 821
GST paid	—	—	—	434
Intra-government transfers	23 367	19 222	28 833	36 267
Other payments	4 924	13 584	14 736	14 462
Cash used in operations	177 720	179 884	177 970	290 109
<i>Cash inflows</i>				
Taxation	740	760	943	835
Intra-government transfers	2 808	10 260	10 276	22 057
Commonwealth receipts	52 203	37 681	38 052	134 260
Other grants	6 941	10 083	6 653	1 170
Fees, fines and penalties	1 797	1 653	1 103	1 274
Sales of goods and services	18 729	20 102	20 528	15 819
Interest received	25	76	—	1 393
GST received	—	—	—	18 151
Other receipts	1 401	1 401	1 401	1 848
Cash generated from operations	84 644	82 016	78 956	196 807
State government				
Appropriation	79 488	95 034	97 793	98 331
Other receipts	—	5 372	—	14 728
Net cash provided by state government	79 488	100 406	97 793	113 059
Net cash provided by (+)/used in (-) operating activities	-13 588	2 538	-1 221	19 757
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	5 992	7 864	5 528	14 371
Purchase of intangibles	—	1 078	—	5 496
Cash used in investing activities	5 992	8 942	5 528	19 867
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment	—	—	—	8
Cash generated from investing activities	—	—	—	8
Net cash provided by (+)/used in (-) investing activities	-5 992	-8 942	-5 528	-19 859

Department for Water Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Financing activities				
<i>Cash inflows</i>				
Capital contributions from state government	—	—	—	2 729
Cash generated from financing activities	—	—	—	2 729
Net cash provided by (+)/used in (-) financing activities	—	—	—	2 729
Net increase (+)/decrease (-) in cash equivalents	-19 580	-6 404	-6 749	2 627
Cash and cash equivalents at the start of the period	22 495	28 899	11 251	26 272
Cash and cash equivalents at the end of the period	2 915	22 495	4 502	28 899

Administered items for the Department for Water

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	—	—	—	336
Long service leave	—	—	—	5
Payroll tax	—	—	—	8
Superannuation	—	—	—	12
Other	17	17	17	47
Supplies and services				
General supplies and services	1 593	1 637	1 551	2 734
Consultancy expenses	—	—	—	17
Depreciation and amortisation expenses	1 360	1 360	1 360	1 681
Grants and subsidies	4 775	6 599	6 599	9 298
Intra-government transfers	11 194	10 869	9 887	55 708
Other expenses	269	269	271	539
Total expenses	19 208	20 751	19 685	70 385
Income				
Taxation	9 125	7 965	6 083	6 757
Commonwealth revenues	—	1 931	1 931	17 413
Intra-government transfers	2 069	2 022	2 018	8 559
Other grants	—	—	—	120
Fees, fines and penalties	—	—	—	2 707
Sales of goods and services	—	80	—	962
Interest revenues	—	—	—	895
Net gain or loss from disposal of assets	—	—	—	-326
Other income	250	250	250	188
Total income	11 444	12 248	10 282	37 275
Income from/expenses to state government				
Income				
Appropriation	6 844	7 569	8 469	11 370
Other income	—	—	—	14 500
Net income from/expenses to state government	6 844	7 569	8 469	25 870
Net result	-920	-934	-934	-7 240
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	—	—	—	82 517
Total comprehensive result	-920	-934	-934	75 277

Administered items for the Department for Water

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	6 127	6 171	3 584	24 115
Receivables	8 008	7 964	4 683	5 921
Inventories	43	43	18	265
Total current assets	14 178	14 178	8 285	30 301
<i>Non current assets</i>				
Interests in joint ventures	718 059	718 059	666 505	718 059
Land and improvements	129	129	446	33 102
Plant and equipment	56 670	57 590	26 762	58 537
Total non-current assets	774 858	775 778	693 713	809 698
Total assets	789 036	789 956	701 998	839 999
Liabilities				
<i>Current liabilities</i>				
Payables	4 755	4 755	3 893	5 307
Employee benefits				
Salaries and wages	18	18	—	12
Annual leave	70	70	70	82
Long service leave	20	20	17	27
Other	15	15	5	15
Total current liabilities	4 878	4 878	3 985	5 443
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	16	16	—	47
Total non-current liabilities	16	16	—	47
Total liabilities	4 894	4 894	3 985	5 490
Net assets	784 142	785 062	698 013	834 509
Equity				
Retained earnings	504 640	505 560	501 022	545 650
Asset revaluation reserve	279 502	279 502	196 991	288 859
Total equity	784 142	785 062	698 013	834 509

Balances as at 30 June end of period.

Administered items for the Department for Water

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	17	17	17	355
Payments for supplies and services	1 593	1 637	1 551	3 040
Grants and subsidies	4 775	6 599	6 599	9 061
GST paid	—	—	—	5
Intra-government transfers	11 194	10 869	9 887	54 808
Other payments	269	269	271	849
Cash used in operations	17 848	19 391	18 325	68 118
<i>Cash inflows</i>				
Taxation	9 054	7 894	6 012	6 464
Intra-government transfers	2 069	2 022	2 018	8 559
Commonwealth receipts	—	1 931	1 931	17 413
Other grants	—	—	—	120
Fees, fines and penalties	27	27	27	2 598
Sales of goods and services	—	80	—	1 101
Interest received	—	—	—	884
GST received	—	—	—	152
Other receipts	250	250	250	193
Cash generated from operations	11 400	12 204	10 238	37 484
State government				
Appropriation	6 844	7 569	8 469	11 370
Other receipts	—	—	—	14 500
Net cash provided by state government	6 844	7 569	8 469	25 870
Net cash provided by (+)/used in (-) operating activities	396	382	382	-4 764
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	440	429	429	632
Cash used in investing activities	440	429	429	632
Net cash provided by (+)/used in (-) investing activities	-440	-429	-429	-632
Financing activities				
<i>Cash inflows</i>				
Proceeds from restructuring activities	—	-17 897	-17 897	—
Cash generated from financing activities	—	-17 897	-17 897	—
Net cash provided by (+)/used in (-) financing activities	—	-17 897	-17 897	—
Net increase (+)/decrease (-) in cash equivalents	-44	-17 944	-17 944	-5 396
Cash and cash equivalents at the start of the period	6 171	24 115	21 528	29 511
Cash and cash equivalents at the end of the period	6 127	6 171	3 584	24 115

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

The administered items include the income, expenses, assets, liabilities and cash flows pertaining to the South Eastern Water Conservation and Drainage Board. This differs from the Department for Water general purpose financial reports, which do not recognise this reporting entity as administered.

Statement of comprehensive income—controlled

Expenses

The \$1.3 million decrease in expenses is primarily due to:

- a decrease in Murray Futures program expenses following the substantial completion of projects relating to
 - Irrigation Pipelines (\$5.6 million)
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$4.7 million)
- the completion of projects under the National Action Plan for Water Quality and Salinity program including
 - the Upper South East Program (\$6.8 million)
 - the Salt Interception Scheme (\$3.8 million)
- the cessation of the River Murray Drought Program as a result of improved water inflow conditions (\$8.9 million)
- a decrease in payments related to the National Water Initiative Reflows Agreement following substantial completion of the project (\$6.8 million)
- a decrease in expenses due to the reducing repayment schedule for the once-off purchase of 50 gegalitres of water in 2008–09 for the Lower Lakes from the Save the River Murray Fund (\$6.0 million)
- the completion of The Living Murray initiative (\$2.7 million)

partially offset by an increase in expenses for

- the Stormwater Management Program (\$30.5 million)
- the Murray Futures program Riverine Recovery Project (\$7.6 million)
- the Water and Wastewater in Remote Communities project (\$4.6 million).

Income

The \$33.7 million increase in income is primarily due to:

- an increase in Commonwealth funding for the Stormwater Management Program (\$24.9 million)
- cost recovery for water planning and management (\$15.9 million)
- the budgeted write-off of the Goolwa Channel regulators (\$11.1 million)
- an increase in Commonwealth funding for the Water and Wastewater in Remote Communities project (\$4.6 million)

partially offset by

- a decrease in Commonwealth funding due to the completion of projects under the National Action Plan for Water Quality and Salinity program including
 - the Salt Interception Scheme (\$5.4 million)
 - the Upper South East Program (\$2.2 million)

- a decrease in funding from the Murray-Darling Basin Authority for environmental water management projects (\$6.5 million)
- a decrease in Commonwealth funding due to the substantial completion of Murray Futures program projects relating to
 - Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$4.1 million)
 - Riverine Recovery (\$2.0 million)
- a decrease in Commonwealth funding due to the substantial completion of the National Water Initiative agreements for
 - the Mount Lofty Ranges prescription (\$1.0 million)
 - reflows (\$0.8 million).

Statement of financial position—controlled

The \$10.4 million decrease in net assets is primarily due to:

- a reduction in cash related to various issues (\$19.6 million), including
 - a draw down on the department’s accrual appropriation funds in 2011–12 (\$4.8 million)
 - payment for the Murray Futures Riverine Recovery Project (\$4.5 million)

partially offset by

- an increase in receivables that are expected to be collected at the end of 2011–12 (\$10.4 million).

Statement of cash flows—controlled

The movement in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income and the statement of financial position.

Statement of comprehensive income—administered items

Expenses

The \$1.5 million decrease in expenses is primarily due to the payment of once-off Commonwealth revenue received on behalf of the Stormwater Management Authority.

Income

The \$0.8 million decrease in revenue is primarily due to:

- once-off Commonwealth revenue received on behalf of the Stormwater Management Authority (\$1.9 million)

partially offset by

- an increase in water levy revenue due to the cessation of levy waivers under the drought program (\$0.8 million).

Statement of financial position—administered items

No major variations.

Statement of cash flows—administered items

The movements in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income.

Additional information for administered items

Additional information on administered items is included in the following table.

Additional information for administered items for Department for Water

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments				
Minister's salary	—	—	—	198
South Eastern Water Conservation and Drainage Board	17	17	17	—
Payments for supplies and services				
South Eastern Water Conservation and Drainage Board	1 593	1 637	1 551	2 759
Grants and subsidies				
Qualco Sunlands.....	250	250	250	—
Stormwater Management Authority Grant.....	4 525	6 349	6 349	4 308
GST paid				
Net GST paid	—	—	—	5
Intra-government transfers				
NRM Levy	9 125	8 851	7 869	—
South Eastern Water Conservation and Drainage Board	2 069	2 018	2 018	1 969
Other payments				
Qualco Sunlands—payments to Consolidated Account ...	250	250	250	813
South Eastern Water Conservation and Drainage Board	19	19	21	36
Cash used in operations	17 848	19 391	18 325	10 088
<i>Cash inflows</i>				
Taxation				
NRM Levy ^(a)	9 054	7 894	6 012	—
Intra-government transfers				
South Eastern Water Conservation and Drainage Board	2 069	2 022	2 018	1 969
Commonwealth receipts				
Stormwater Management Authority Grant.....	—	1 931	1 931	—
Fees, fines and penalties				
NRM Levy	27	27	27	—
Sales of goods and services				
South Eastern Water Conservation and Drainage Board	—	80	—	1 101
GST received.....	—	—	—	152
Other receipts	250	250	250	175
Cash generated from operations	11 400	12 204	10 238	3 397

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
State government				
Appropriation				
NRM Levy relief	—	886	1 786	—
Qualco Sunlands.....	250	250	250	250
Minister's salary	—	—	—	219
Stormwater Management Authority Grant.....	4 525	4 415	4 415	4 308
South Eastern Water Conservation and Drainage Board	2 069	2 018	2 018	1 969
Net cash provided by state government	6 844	7 569	8 469	6 746
Net cash provided by (+)/used in (-) operating activities	396	382	382	55
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment				
South Eastern Water Conservation and Drainage Board	440	429	429	632
Cash used in investing activities	440	429	429	632
Net cash provided by (+)/used in (-) investing activities	-440	-429	-429	-632
Financing activities				
<i>Cash inflows</i>				
Proceeds from restructuring activities.....	—	-17 897	-17 897	—
Cash generated from financing activities	—	-17 897	-17 897	—
Net cash provided by (+)/used in (-) financing activities	—	-17 897	-17 897	—
Net increase (+)/decrease (-) in cash equivalents	-44	-17 944	-17 944	-577
Cash and cash equivalents at the start of the financial year (as at 1 July)	6 171	24 115	21 528	5 739
Cash and cash equivalents at the end of the financial year (as at 30 June)	6 127	6 171	3 584	5 162

Additional information for administered items for Department for Water

Reconciliation to statement of cash flows

	2011–12 Budget \$000	2010–11 Estimated Result \$000	2010–11 Budget \$000	2009–10 Actual \$000
Reconciliation to operating payments				
Operating payments (as per additional information for administered items)	17 848	19 391	18 325	10 088
<i>Add:</i> Transferred out:				
Administered items for the Department of Environment and Natural Resources	—	—	—	57 024
Administered items for the Department of Primary Industries and Resources	—	—	—	1 006
Equals: Operating payments (as per administered items statement of cash flows)	17 848	19 391	18 325	68 118
Reconciliation to operating receipts				
Operating receipts (as per additional information for administered items)	11 400	12 204	10 238	3 397
<i>Add:</i> Transferred out:				
Administered items for the Department of Environment and Natural Resources	—	—	—	33 130
Administered items for the Department of Primary Industries and Resources	—	—	—	957
Equals: Operating receipts (as per administered items statement of cash flows)	11 400	12 204	10 238	37 484

- (a) The NRM Fund transferred to DENR on 1 July 2010. In previous years, NRM taxation revenue was collected and disbursed through the NRM Fund. The NRM Fund is now included in the operating activities transferred to DENR in the 'Reconciliation to statement of cash flows'. From 2010–11, DFW will collect the NRM Levy taxation revenue and transfer it to DENR for receipt into the NRM Fund.

Agency: Zero Waste SA

Minister for Environment and Conservation

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Objective

To eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling based on an integrated strategy for the state.

Ministerial responsibilities

Minister	Programs	Sub-programs
The Hon. P Caica Minister for Environment and Conservation	1. Waste Reduction and Resource Recovery	Nil

Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

Workforce summary

Agency	FTEs as at 30 June		
	2011–12 Budget ^(a)	2010–11 Estimated Result ^(a)	2009–10 Actual ^(b)
Zero Waste SA	22.0	22.0	21.0
Total	22.0	22.0	21.0

(a) The 2011–12 Budget and 2010–11 Estimated Result reflect the established FTE caps.

(b) The 2009–10 Actual FTEs are based on data collected by the Office for Ethical Standards and Professional Integrity (Department of the Premier and Cabinet).

Program net cost of services summary

Program	Net cost of services			
	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
1. Waste Reduction and Resource Recovery	-7 379	-2 972	-3 076	-3 543
Total	-7 379	-2 972	-3 076	-3 543

Investing expenditure summary

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
Investments	\$000	\$000	\$000	\$000
Existing projects				
Waste Management Trial — Anangu Pitjantjatjara Yankunytjatjara Lands	—	—	—	24
Total existing projects	—	—	—	24
Total investing expenditure	—	—	—	24

Program 1: Waste Reduction and Resource Recovery

Description/objective

To eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling based on an integrated strategy for the state.

Program summary—expenses and income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses	2 271	2 224	2 223	2 281
Supplies and services.....	2 714	3 034	2 931	3 905
Depreciation and amortisation expenses.....	—	—	—	52
Grants and subsidies.....	3 426	4 084	3 869	3 088
Intra-government transfers	—	—	—	86
Other expenses	12	12	12	12
Total expenses	8 423	9 354	9 035	9 424
Income				
Commonwealth revenues	—	215	—	—
Intra-government transfers	15 087	11 288	11 288	11 814
Other grants.....	160	268	268	554
Interest revenue.....	555	555	555	601
Net gain or loss from disposal of assets	—	—	—	-2
Total income	15 802	12 326	12 111	12 967
Net cost of providing services	-7 379	-2 972	-3 076	-3 543

Financial commentary

2011–12 Budget/2010–11 Estimated Result

Refer to summary of major variations.

2010–11 Estimated Result/2010–11 Budget

No major variations.

2010–11 Estimated Result/2009–10 Actual

No major variations.

Highlights 2010–11

- Provided assistance to industry, businesses, local and state government to implement resource efficiency initiatives focusing on reducing the amount of waste to landfill by minimising resource use, and the energy and water tied up in using resources.
- Provided infrastructure grant funding of \$1.6 million to eight metropolitan recycling and resource recovery businesses in Adelaide, to increase recovery of materials and reduce the amount of waste sent to landfill.

- Provided financial support to 29 South Australian regional councils, plus Broken Hill, for the collection of 19 086 unwanted televisions as a result of the Commonwealth Government's analogue to digital switchover. This equates to the diversion of 428 tonnes of electrical waste from landfill.
- Provided infrastructure grant funding of \$2.0 million to ten regional councils and seven recycling and resource recovery businesses, to enhance resource recovery of materials in country South Australia.
- Continued funding the household hazardous waste and farm chemicals collection service across ten metropolitan and three non-metropolitan council areas in South Australia.
- Provided financial support for the implementation of the Back-Light program for the recycling of household fluorescent tubes, lamps and globes through access to 50 Mitre 10 stores across South Australia.
- Provided financial incentives of \$0.7 million to three metropolitan and three non-metropolitan councils to implement household food waste recycling incorporated with council kerbside green organics collection services.

Targets 2011–12

- Put in place the new South Australia's Waste Strategy 2011–15 by August 2011.
- Continue to provide financial support to metropolitan and non-metropolitan councils for the implementation of household food waste recycling as part of council kerbside green organics collection services.
- Continue to provide assistance to industry, businesses, local and state government to implement resource efficiency initiatives focussing on reducing waste to landfill by minimising resource use, and the energy and water tied up in using these resources.
- Continue with financial support for the Back-Light program for the recycling of household fluorescent tubes, lamps and globes through access to 50 Mitre 10 stores across South Australia.
- Continue with the household hazardous waste and farm chemicals collection service across council areas in South Australia with up to 12 collections planned for 2011–12.
- Finalise the review into the solid waste levy.
- Provide financial support for sustainable markets and innovation (industry investment incentives) to increase and support markets for recycled products.

Performance indicators

	2011–12 Target	2010–11 Estimated Result	2010–11 Target	2009–10 Actual
Reduction of waste to landfill	30 000 tonnes^(a) reduction	25 000 tonnes ^(b) reduction	45 000 tonnes ^(b) reduction	36 700 tonnes reduction

(a) The target reflects the anticipated reduction of waste to landfill, primarily as result of the Environment Protection (Waste to Resources) Policy 2010 which prohibits the disposal of certain types of waste to landfill.

(b) The movement between the 2010–11 Target and 2010–11 Estimated Result is due to major infrastructure development in metropolitan Adelaide increasing the disposal of contaminated soil to landfill.

Zero Waste SA

Statement of comprehensive income

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Expenses				
Employee benefit expenses				
Salaries, wages, annual and sick leave	1 909	1 857	1 856	1 589
Long service leave	45	55	55	141
Payroll tax	103	102	102	101
Superannuation	199	196	196	201
Other	15	14	14	249
Supplies and services				
General supplies and services	2 588	2 910	2 807	3 836
Consultancy expenses	126	124	124	69
Depreciation and amortisation expenses	—	—	—	52
Grants and subsidies	3 426	4 084	3 869	3 088
Intra-government transfers	—	—	—	86
Other expenses	12	12	12	12
Total expenses	8 423	9 354	9 035	9 424
Income				
Commonwealth revenues	—	215	—	—
Intra-government transfers	15 087	11 288	11 288	11 814
Other grants	160	268	268	554
Interest revenues	555	555	555	601
Net gain or loss from disposal of assets	—	—	—	-2
Total income	15 802	12 326	12 111	12 967
Net cost of providing services	-7 379	-2 972	-3 076	-3 543
Income from/expenses to state government				
Income				
Other income	—	—	—	159
Net income from/expenses to state government	—	—	—	159
Total comprehensive result	7 379	2 972	3 076	3 702

Zero Waste SA

Statement of financial position

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Assets				
<i>Current assets</i>				
Cash and cash equivalents	28 913	21 522	21 080	18 615
Receivables	64	64	76	64
Total current assets	28 977	21 586	21 156	18 679
<i>Non current assets</i>				
Plant and equipment	288	288	343	288
Other non-current assets	—	13	13	—
Total non-current assets	288	301	356	288
Total assets	29 265	21 887	21 512	18 967
Liabilities				
<i>Current liabilities</i>				
Payables	1 587	1 587	659	1 587
Employee benefits				
Salaries and wages	15	15	—	60
Annual leave	118	118	134	124
Long service leave	76	77	47	78
Other current liabilities	8	8	17	8
Total current liabilities	1 804	1 805	857	1 857
<i>Non current liabilities</i>				
Long-term employee benefits				
Long service leave	547	547	515	547
Total non-current liabilities	547	547	515	547
Total liabilities	2 351	2 352	1 372	2 404
Net assets	26 914	19 535	20 140	16 563
Equity				
Retained earnings	26 914	19 535	20 140	16 563
Total equity	26 914	19 535	20 140	16 563

Balances as at 30 June end of period.

Zero Waste SA

Statement of cash flows

	2011–12 Budget	2010–11 Estimated Result	2010–11 Budget	2009–10 Actual
	\$000	\$000	\$000	\$000
Operating activities				
<i>Cash outflows</i>				
Employee benefit payments	2 259	2 289	2 288	2 225
Payments for supplies and services	2 714	3 034	2 931	2 972
Grants and subsidies	3 426	4 084	3 869	3 088
Intra-government transfers	—	—	—	86
Other payments	12	12	12	21
Cash used in operations	8 411	9 419	9 100	8 392
<i>Cash inflows</i>				
Intra-government transfers	15 087	11 288	11 288	11 814
Commonwealth receipts	—	215	—	—
Other grants	160	268	268	554
Sales of goods and services	—	—	—	41
Interest received	555	555	555	572
Cash generated from operations	15 802	12 326	12 111	12 981
State government				
Other receipts	—	—	—	159
Net cash provided by state government	—	—	—	159
Net cash provided by (+)/used in (-) operating activities	7 391	2 907	3 011	4 748
Investing activities				
<i>Cash outflows</i>				
Purchase of property, plant and equipment	—	—	—	24
Cash used in investing activities	—	—	—	24
Net cash provided by (+)/used in (-) investing activities	—	—	—	-24
Net increase (+)/decrease (-) in cash equivalents	7 391	2 907	3 011	4 724
Cash and cash equivalents at the start of the period	21 522	18 615	18 069	13 891
Cash and cash equivalents at the end of the period	28 913	21 522	21 080	18 615

Summary of major variations

The following commentary relates to variations between the 2011–12 Budget and the 2010–11 Estimated Result.

Statement of comprehensive income—controlled

Net cost of providing services

The \$4.4 million decrease in net cost is primarily due to:

- an increase in revenue due to increased intra-government transfers from the Environment Protection Authority for solid waste levy receipts (\$3.8 million)
- a decrease in expenditure on the Recycling at Work grants program (\$0.5 million).

Statement of financial position—controlled

The \$7.4 million increase in net assets is due to the increase in deposits of cash and cash equivalents in the Waste to Resources Fund.

Statement of cash flows—controlled

The movements in cash outflows and inflows are consistent with the changes discussed above under the statement of comprehensive income.

Accounting standards

The financial statements included in the 2011–12 Agency Statements are special purpose financial statements.

Estimates in these financial statements have been prepared on a basis consistent with:

- Australian Accounting Standards, except where these notes indicate otherwise
- accounting policies expected to be used in preparing historically-orientated general purpose financial statements for that year—the same accounting policies have been used for the subsequent forecast years (forward estimates).

Reporting entities

The financial statements include all estimated assets, liabilities, incomes and expenses of individual agencies.

Consistent with Australian Accounting Standards, estimated transactions and balances that are controlled are budgeted for, and reported on, separately to estimated transactions and balances which are administered but not controlled by the agency.

Activities that are ‘controlled’ are those where the agency delivers services and governs the financial and operating policies so as to obtain benefits from these activities and assets in the pursuit of its objectives.

Generally, activities that are ‘administered’ on behalf of the government exist where an agency has no discretion to alter the resources provided or determine how they are spent.

Basis of accounting and measurement

The estimated financial statements include a statement of comprehensive income, a statement of financial position and a statement of cash flows.

The format of these estimated financial statements is consistent with the model financial statements (prepared by the Department of Treasury and Finance for statutory reporting requirements) and is consistent with the requirements of AASB 101 *Presentation of Financial Statements* and AASB 107 *Statement of Cash Flows*.

The accrual basis of accounting has been applied in the preparation of the estimated financial statements whereby estimated assets, liabilities, equity, incomes and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Assets

Most government assets are valued at their written down current cost. Otherwise, agencies adopt one of the following measurement bases:

- market/fair value — the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction (in many cases agencies use written down current cost as a proxy for fair value)
- net market value — the market value after deducting costs expected to be incurred were the asset to be exchanged
- current cost — the lowest cost at which the gross service potential of that asset could currently be obtained in the normal course of operations.

All non-current tangible assets, with a cost of acquisition greater than \$1 million and a useful life of more than three years, are required to be valued at fair value unless excluded from the scope of Australian Accounting Standard AASB 116 *Property, Plant and Equipment* and/or an alternative valuation is specified by another accounting standard.

All intangible assets are measured at cost.

Depreciation and amortisation

All non-current assets having limited useful lives are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The most common method used for calculating depreciation expense is the straight line method.

Certain heritage assets have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of those assets.

Assets acquired under finance leases are amortised over the period during which the government is expected to benefit from use of the leased asset.

Employee benefits

Employee benefits (including salaries and wages, annual leave, long service leave, sick leave and superannuation benefits) reflect those benefits accrued as a result of services provided by employees up to the reporting date.

Short-term employee benefits (due to be settled within 12 months after the end of the reporting period in which the employee rendered the services) are measured at a nominal amount based on the remuneration rates an agency expects to pay. Examples of short-term employee benefits include salaries and wages and annual leave.

Long-term employee benefits (not due to be settled within 12 months after the end of the period in which the employee rendered the service) are measured at the present value of estimated future cash flows. An example of a long-term employee benefit is long service leave.

Sick leave

For the majority of agencies, no liability will be recognised for sick leave.

There is no liability for non-vesting sick leave (a non-vesting entitlement is that which does not constitute a legal obligation of the employing agency until a valid claim is made by an employee or an event has occurred) if, on average, sick leave taken is less than total entitlements accruing.

Vesting sick leave entitlements are rare for state government employees.

Superannuation

For most state government controlled agencies, the Treasurer assumes the accrued superannuation liability in return for periodic payments from agencies. Therefore, unless there are contributions due but not yet paid at the reporting date, there is no superannuation liability recorded for the agency.

Two types of superannuation plans are in operation currently in the public sector — defined benefit plans and defined contribution plans. In a defined benefit plan, a member's entitlement is determined by reference to a formula based on years of membership and/or salary levels. In a defined contribution plan, a member's entitlement is determined by reference to accumulated contributions made to the plan together with investment earnings thereon.

Under existing arrangements, the Treasurer is liable for any net deficiency in assets for the defined benefits plans. Deficits in defined benefit superannuation plans are recognised as liabilities in the statement of financial position for the Treasurer. The deficits are measured as the excess of employees' accrued benefits resulting from services up to the reporting date over the net market value of the plan's assets as at the reporting date.

Income recognition

Wherever possible, income is recognised when the transaction or event giving rise to the income occurs. As a result, all items of income are normally reported in the statement of comprehensive income when an agency obtains control over the respective amounts. In circumstances where it is not possible to determine objectively when control over the asset passes to the agency, the amounts are recognised upon receipt.

Appropriation

The investment program requirements for agencies included in the agency statements may be funded through operating appropriation, operating receipts, the proceeds of asset sales, grants and through Commonwealth payments. Where the investment requirements of an agency are not funded from these sources, the state government funding of an agency's investment program will generally be treated as an equity contribution from the government, as representative owner. These contributions are treated as contributions to equity rather than income in an agency.

Funds appropriated, but not required to meet current year cash outflows will be deposited with the Treasurer and will show as an asset in the agency's statement of financial position.

Cash alignment policy

Where agencies have returned excess cash held to the Treasurer in accordance with the cash alignment policy, the payment is generally recorded as a 'payment to government' in the statement of comprehensive income. Some agencies have elected to repay debt or return contributed capital with excess cash balances. These transactions will be reflected in the statement of financial position.

Rounding

All estimated amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Due to rounding, there may be instances where estimated financial statements and tables do not add correctly.

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