



File: T&F18/0695
A1091705

17 April 2019

Hon. Stephen Mullighan
Member for Lee
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SEMAPHORE SA 5019

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Dear Mr Mullighan

Freedom of Information – Cash Alignment Policy

I refer to your application under the *Freedom of Information Act 1991* (FOI Act), received by the Department of Treasury and Finance (DTF) on 27 September 2018.

Your application specifically requested:

'All minutes, briefings and correspondence titled 'Cash Alignment Policy- Transfer of Surplus Cash to Consolidated Account' as described on the Objective document management system.'

Under the Act, an agency has 30 days to respond to a freedom of information request. As DTF did not respond to your request within the time frame required, the department is deemed to have refused you access to all documents relevant to your application. However, I have determined to process the request as if the statutory time frame had been met.

The purpose of this letter is to advise you of my determination.

One document was identified as answering the terms of your application and I have determined to grant you access in full, a copy of which is enclosed. Please refer to the attached schedule that describes the document and sets out my determination and reasons in summary form.

Additionally, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), DTF is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars> Please visit the website for further information.

Appeal Rights

If you are aggrieved with this determination, you have a right to apply for internal review under subsection 29(1) of the FOI Act. Pursuant to subsection 29(2), your application must:

- be in writing
- be accompanied by the application fee of \$35.00
- be addressed to the principal officer, and
- be lodged at an office of DTF, or emailed to freedomofinformation2@sa.gov.au within 30 days after the day on which you receive this letter or within such further time as the principal officer may allow.

If you require any further information please phone Inthira Stocker on (08) 8429 3497.

Yours sincerely



Matthew Hawkins
ACCREDITED FREEDOM OF INFORMATION OFFICER

Schedule of Documents

T&F18/0695 - Hon. Stephen Mullighan MP - "[Date Range: 24/05/2018 - 27/09/2018] All minutes, briefings, notes, emails and correspondence titled 'Cash Alignment Policy - Transfer of Surplus Cash to Consolidated Account' as described on the Objective document management system"

Doc. No.	Date	Description of Document	# of pages	Determination Recommendation	Exemption Clause
1	15/06/2018	Minute - Cash Alignment Policy - Transfer of Surplus Cash Consolidated Account	4	Released in full	

MINUTE



Government of South Australia
Department of Treasury and Finance

MINUTES forming ENCLOSURE

File T&F17/0667

Doc No A875333

To The Treasurer

CASH ALIGNMENT POLICY - TRANSFER OF SURPLUS CASH TO CONSOLIDATED ACCOUNT

Timing: ROUTINE — A decision is required before 25/06/2018

Recommendations/Issues: It is recommended that you:

- Note that the Cash Alignment Policy provides for the balance of the Surplus Cash Working Account to be transferred to the Consolidated Account by 30 June each year following approval of the Treasurer.
- Approve the return of \$87.876 million of surplus cash in 2017-18 from the Surplus Cash Working Account to the agencies listed in Attachment 1 for the following reasons:
 - \$71.651 million instead of drawdowns from the Governor's Appropriation Fund
 - \$16.225 million to ensure agencies retain adequate cash balances at the end of the financial year.
- Approve the transfer of an amount of \$315.405 million remaining in the Surplus Cash Working Account to the Consolidated Account by 30 June 2018.
- Note that there is no budget impact arising from the payment of surplus cash to the Consolidated Account or return of surplus cash to agencies.

Approved/Not Approved

Hon Rob Lucas MLC
Treasurer
/ /

Key Points:

- A decision is required before 25 June 2018 to ensure funds are transferred by 30 June 2018 in accordance with the policy.
- The Cash Alignment Policy (CAP) provides for surplus cash within agencies at the beginning of the financial year to be transferred provisionally to the Surplus Cash Working Account (SCWA). The balance of the SCWA remaining at the end of the financial year is then transferred to the Consolidated Account.



- Agencies may apply in writing during the year for surplus cash to be returned from the SCWA to their operating accounts. It must be demonstrated that the cash is no longer considered to be surplus and is required to meet cash expenditure requirements. In addition, cash is automatically returned where it has been accumulated as a result of underspending for which a carryover is subsequently approved.
- Both the transfer of surplus cash from agency operating accounts to the SCWA and the return of surplus cash to agency operating accounts during the year are actioned under existing cash alignment delegations. However, your approval is required to transfer the balance of the SCWA to the Consolidated Account at the end of the financial year.
- Authority for the payment of surplus cash to the Consolidated Account is provided in Section 8(5) of the *Public Finance and Audit Act 1987* which states “Any surplus of income over expenditure standing to the credit of a special deposit account must, at the direction of the Treasurer, be credited to the Consolidated Account”.
- Attachment 1 outlines movements within the SCWA during 2017-18 actioned under approved delegations, proposed returns to agencies and the balance available to be transferred to the Consolidated Account. In summary the attachment details:
 - The initial transfer of surplus cash of \$646.470 million from agency accounts to the SCWA (\$472.632 million for type 1 accounts, \$173.838 from type 2).
 - The return of \$243.189 million for 2016-17 year-end carryovers.
 - The proposed return of \$71.651 million of surplus cash for approved expenditure requirements to limit the drawdown on the Governor’s Appropriation Fund for the following agencies.
 - \$22.263 million for the Department of the Premier and Cabinet (Energy and Mining)
 - \$17.254 million for the Department of the Premier and Cabinet (DPC)
 - \$16.453 million for the Department for Planning, Transport and Infrastructure (DPTI)
 - \$8.487 million for the Department of State Development (DSD)
 - \$5.263 million for Arts SA
 - \$1.931 million to the Department for Environment and Water (DEW).
 - The proposed return of \$16.225 million surplus cash to two agencies to ensure cash balances remain adequate at the end of the financial year:
 - \$15.0 million to DPTI to establish a working capital balance in the Regional Roads Fund from 1 July 2018. The Fund was part of the Government’s election commitment and will receive 30% of the State Government’s revenue from mineral and petroleum royalties, estimated to be \$75 million per annum over ten years. \$15.000 million represents 20% of the annual budget and ensures there is adequate cash to fund expenditures from 1 July until cash from mineral and petroleum royalties can be built up over 2018-19.
 - \$1.225 million to the Attorney General’s Department to ensure they retain an adequate working cash balance of 1/26th of their total currently budgeted expenditure for 2018-19.
- In accordance with the CAP, your approval is sought for the return of surplus cash in 2017-18 from the SCWA to the relevant agencies (as listed in the Recommendations) as

well as the transfer of the remaining balance of \$315.405 million held in the SCWA to the Consolidated Account before the end of the financial year.



Tammie Pribanic
EXECUTIVE DIRECTOR
BUDGET AND PERFORMANCE

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Surplus Cash Movements (\$000s)

Agency	Initial Transfer to Surplus Cash Working Account	Cash returned for Approved Carryovers ^(a)	Cash proposed to be returned to maintain adequate working cash	Cash proposed to be returned instead of using GAF	Total Surplus Cash to be paid to consolidated account
Type 1 Special Deposit Accounts					
Attorney General's Operating Account	8,807	5,127	1,225	—	2,455
Child Protection Operating Account	—	—	—	—	—
Human Services Operating Account	—	—	—	—	—
Correctional Services Operating Account	37,368	37,368	—	—	—
Defence SA Operating Account	4,955	3,499	—	—	1,456
Education Operating Account	—	—	—	—	—
Electoral Office Operating Account	—	—	—	—	—
Environment Protection Authority Operating Account	12,132	159	—	—	11,973
Environment and Water Operating Account	9,985	8,054	—	1,931	—
Health and Wellbeing Operating Account	56,397	56,397	—	—	—
Planning, Transport and Infrastructure Operating Account	98,650	41,432	15,000	16,453	25,765
Police Operating Account	34,977	82	—	—	34,895
Premier and Cabinet Operating Account	27,774	10,520	—	17,254	—
Energy and Mining Operating Account	46,033	23,770	—	22,263	—
Primary Industries and Regions Operating Account	27,033	6,892	—	—	20,141
State Development Operating Account	73,451	24,265	—	8,487	40,699
State Development Arts Operating Account	21,809	12,363	—	5,263	4,183
Treasury and Finance Operating Account	13,261	13,261	—	—	—
Type 2 Accounts					
Treasury and Finance Administered Items Operating Account	173,838	—	—	—	173,838
Total	646,470	243,189	16,225	71,651	315,405

(a) Includes approved carryovers funded from agency operating accounts subject to the cash alignment policy only, and excludes carryovers funded from dedicated deposit accounts, Commonwealth funds, or Type 2 accounts. In addition to the returns from the SCWA agencies also have approved working cash balances retained from 30 June 2017 cash balances - which were excluded when determining the return to the SCWA - from which to fund carryovers.