



2010–11 Annual Report



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Under Treasurer's foreword

The 2010-11 financial year has seen the Department of Treasury and Finance continue to excel in providing a range of quality services to the public sector, private sector and the community at large.

Responsible for managing the state's finances and implementing government economic and financial policy, we have successfully retained South Australia's AAA credit rating for yet another year, during a time of global financial uncertainty.

During the 2010-11 period several Cabinet reshuffles resulted in the department welcoming a new Treasurer; the Honourable Jack Snelling MP in February 2011, and a new Minister for Gambling; the Honourable Gail Gago MLC in April 2011. The department worked quickly to support our incoming Ministers and their staff, seeking to develop effective working relationships.

Perhaps the most well-known aspect of our work is managing the state budget process. We delivered two state budgets within the 2010-11 year.

Of major relevance to the state was our role in the evaluation of the short-listed bidders for the new Royal Adelaide Hospital Private Public Partnership, and the selection of the preferred proponent.

The support we provided to the Minister for Gambling in relation to the Select Council on Gambling Reform was critical to achieving national reform around electronic gaming machines, including pre-commitment, dynamic warning messages and ATM withdrawal limits. South Australia was the primary author of two pre-commitment papers considered by the Select Council. The department also advised on the amendment of 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.

Of particular importance were our accomplishments on the state's shared services policy, delivering shared services across the public sector. Tangible results are being shown as a result of much planning and effort. We implemented an e-Procurement system to automate purchasing and accounts payable across government. By January 2011 the system had been rolled out to most agencies. As a result of shared services activities there was an increase of about 25 per cent in the number of payments made via electronic funds transfer. Overall, shared services initiatives have resulted in savings of \$40 million for the year. We anticipate more savings in future years.

In supporting the State Procurement Board to deliver procurement operations across government, we developed and implemented the Masters in Management — Strategic Procurement qualification in conjunction with the University of South Australia. In addition, we secured funding from the Commonwealth Government's Productivity Placements Program to train 101 staff across government in Vocational Educational Training (VET) sector procurement qualification, at certificate IV and diploma level.

We continued to support the harmonisation process for payroll tax, entering into a formal protocol that reinforces our commitment to greater administrative consistency across the harmonised jurisdictions. To date, we have achieved 36 consistent rulings since the Commissioner committed to the harmonisation of payroll tax.

In illustrating the broad scope of the department's work, we continued to provide policy advice on a range of issues including collection of state revenue, Commonwealth-state relations, Council of Australian Governments (COAG) matters, economic analysis, national competition policy, microeconomic policy and economic conditions, and strategic analysis of policy issues facing governments. Our roles ranged from participating in working groups looking at the COAG reform agenda and preparing taxation reviews, to providing advice on state water and sewerage rates. In addition, Super SA was included in the world's 'top 300 pension funds' — as awarded by Towers Watson, as well as being rated Australia's eleventh largest superannuation fund.

In closing, I wish to commend the efforts of all staff. Our many accomplishments during the year can be directly attributed to their dedication and high calibre of skills. The commitment we have to our organisational values such as efficiency, respect, courtesy, credibility, responsiveness, professionalism, collaboration and accountability can all be seen to have contributed to the outcomes achieved in 2010-11.



Brett Rowse
Under Treasurer

The department



Our role

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

Vision

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

Purpose

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

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

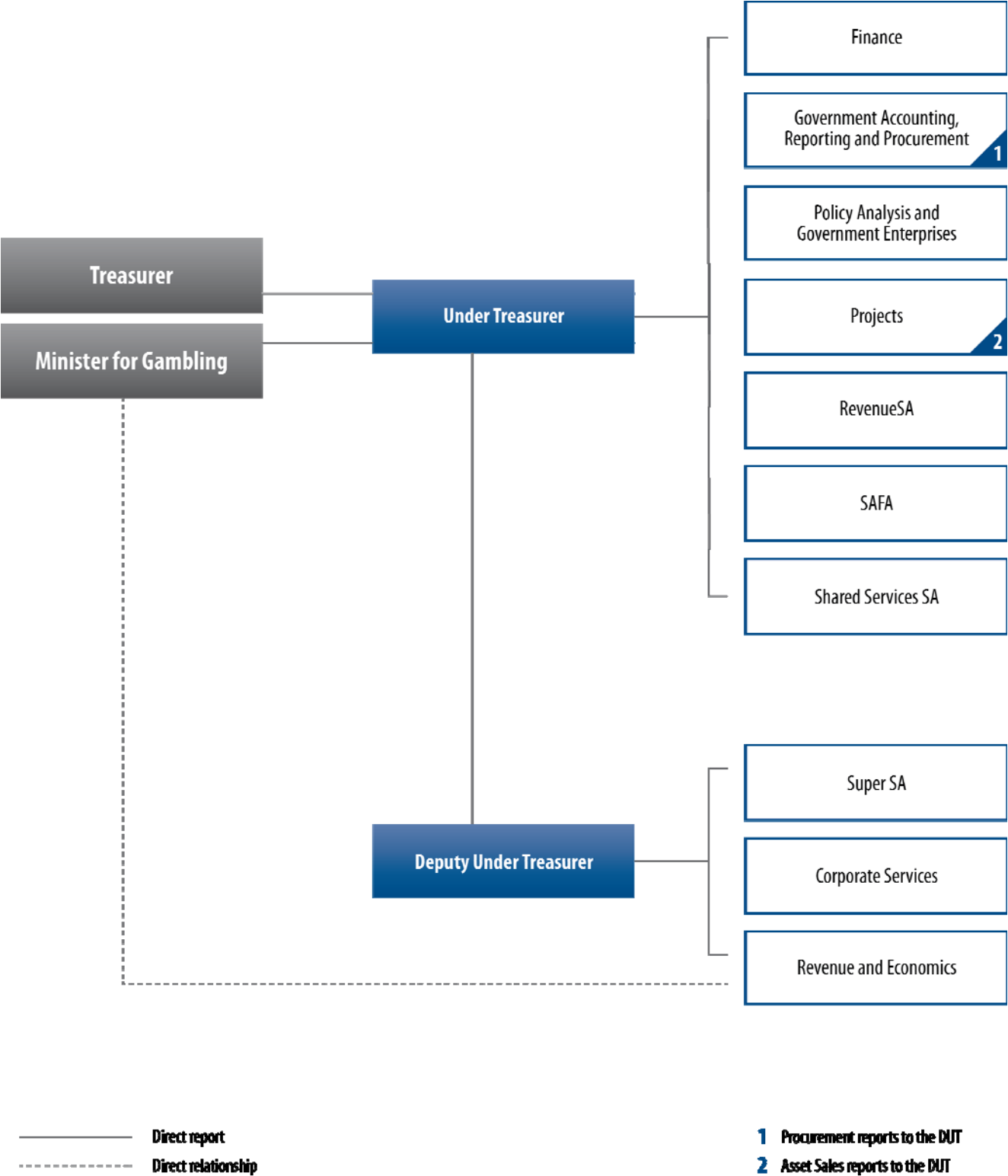
Clients

The department's principal clients are the Treasurer, Minister for Gambling and all public sector agencies. However, the broader community is the ultimate client of our services. The department has direct dealings with the community, including taxpayers and their representatives, members of superannuation schemes and the business sector.

Strategic directions

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

Our structure



Branch	Function
Finance	<ul style="list-style-type: none"> • Provision of advice on budgetary and financial issues • Management of state budget process • Monitoring financial performance of government agencies • Facilitation of best practice financial management
Government Accounting, Reporting and Procurement	<ul style="list-style-type: none"> • Maintenance of government budget management and reporting systems • Management of financial policy, legislation and governance framework • Provision of advice on fiscal policy • Preparation of budget and actual financial reports • Support to the State Procurement Board and specialist procurement advice to agencies
Policy Analysis and Government Enterprises	<ul style="list-style-type: none"> • Provision of strategic analysis and advice on a wide range of financial, economic and policy issues, including social policy issues that impact on government service provision • Monitoring the financial performance of government businesses • Undertaking reviews and specific projects
Projects	<ul style="list-style-type: none"> • Provision of advice to facilitate private sector participation in infrastructure development including Public Private Partnerships (PPP) projects
RevenueSA	<ul style="list-style-type: none"> • Management of state taxation legislation • Management of state revenue systems • Management of compliance systems • Provision of policy advice on taxation issues • Management of various grants, rebates and subsidy schemes
Sustainable Budget Commission Secretariat	<ul style="list-style-type: none"> • Operation of the Sustainable Budget Commission and the provision of secretariat support to the commission
SAFA	<ul style="list-style-type: none"> • Management of funding requirements and existing stock of government liabilities • Provision of financial risk management and advisory services • Management of the insurance and reinsurance of government risks • Provision of advice on insurance and risk management issues • Management of government fleet
Shared Services SA	<ul style="list-style-type: none"> • Strategy development and implementation of whole of government shared services reform • Delivery of shared corporate and business support services across the public sector • Reform and cost efficiencies for in-scope activities to deliver improvements in service provision and quality
Super SA	<ul style="list-style-type: none"> • Management of public sector superannuation schemes • Provision of advice on superannuation policy
Corporate Services	<ul style="list-style-type: none"> • Provision of a range of business support services in the areas of: <ul style="list-style-type: none"> – administration – audit and risk management – communications – electorate offices – financial services – human resources – information technology – procurement – security
Revenue and Economics	<ul style="list-style-type: none"> • Provision of policy advice on a range of issues: <ul style="list-style-type: none"> – revenue – Commonwealth–state relations – economic conditions and policy – gambling – essential services regulation

Our people

Our people are dedicated to delivering the highest level of client service. They bring extensive knowledge and skills to their work, with backgrounds in economics, finance, accounting, insurance, superannuation and corporate services.

Our workforce decreased from 1555.11 full-time equivalent (FTE) employees in June 2010 to 1487.55 FTEs at 30 June 2011. This was partly due to meeting saving measures announced in the 2010–11 state Budget. During the year, 203 employees joined us, and 254 left.

Selecting our people

Our values inform our selection of staff: efficiency and effectiveness, respect and courtesy, credibility, responsiveness, professionalism, collaboration and accountability. The requirements of the *Public Sector Act 2009* also guide us, and all contribute to the setting of quality standards of public sector financial management.

During the year we supported the recruitment and development of university graduates by administering the Treasury Graduate Development Program. This program aims to attract quality graduates from accounting, commerce, economics and finance disciplines to the public sector. Eighteen graduates participated in the 12-month program across a range of government agencies. The department recruited eight of these participants.

Our vision is to be an organisation respected for the quality and integrity of our advice. We aspire to the highest standard of public sector financial management, excellence in the service we deliver and in the development of our people. Our Performance Management Program (PMP) supports our drive to build a culture that demonstrates our organisational values and challenges our people to grow both personally and professionally. During the year, all of our people participated in an annual performance management appraisal and completed individual development plans. A 100 per cent result is one we can be proud of.

Diversifying our workforce

The Department places a high value on workplace diversity and recognises the contribution diversity makes to innovation and the capacity to provide services that are respectful of the culture of people seeking those services. We strive to create a workplace environment that is free of discrimination, harassment and/or victimisation in any form. During the past year the Aboriginal Employment Program and the Disability Employment Register within the Department of Further Education, Employment, Science and Technology have been specifically promoted.

The Department continued to promote opportunities for women through the Women in Treasury (WiT) advisory group. This group aims to engage women in DTF while ensuring initiatives benefit the department as a whole, to enhance the recruitment and retention of women in DTF and to promote participation and enhance development opportunities for women in the department.

We recognise the importance of and benefits in offering our people flexible working arrangements. During the year 261 employees made work choices that featured either purchased leave, part-time, job-share or work-from-home arrangements.

We reviewed our Disability Action Plan 2010–12 and adapted to meet the requirements of the Promoting Independence Strategy. A full government review is underway with recommendations anticipated to be provided before the end of the 2011 calendar year. The plan is evidence of our commitment to supporting employees with disabilities and ensuring access to our services for people with disabilities. We continued our commitment towards meeting and exceeding our targets, with disability awareness training provided to more than 20 per cent of our employees and the recruitment of more than two per cent of employees with a disability.

Supporting our people

The success of our Corporate Induction Program is due to continued support from our senior management and departmental presenters. Our program enables new employees to be formally welcomed and to gain a clear understanding of our expectations, values, and the culture that drives our performance.

We recognise that planned development is important to the achievement of our strategic directions. We promote and encourage provision of support to employees who are undertaking relevant tertiary studies as a part of their planned personal development strategy. Employees also attended a range of corporate training programs, covering cultural matters, fraud prevention and ethics, induction, and performance management.

Our mentoring program for women continued to positively impact many in various roles across the department. It has provided women with opportunities to receive informal career guidance and advice from their mentor, as well as a chance to increase their contacts and networks. Following participant feedback, the 2010 program was extended to 12 months and restructured. To ensure effective mentoring relationships, we adopted careful selection and matching processes, which resulted in the selection of 16 mentees.

Caring for carers

We continued to recognise carers and the role they play within the department, and are actively involved in the whole-of-government Carers Group. It provides opportunities for collaboration on the development and implementation of carers' plans, practices, procedures and policies. In support of carers we reviewed our internal policies to ensure they were consistent with legislative requirements, such as the *Carers Recognition Act 2005*. We also created an online resource providing access to the Carers Act, developed principles, promotional material and links to information and support services. We also provided opportunities to register as a carer.

We conducted several organisational reviews involving ICT Services, Super SA, and Projects and Policy Analysis and Government Enterprise Branch to ensure that structures are aligned to achieve improved performance and meet branch and departmental strategic objectives.

Maintaining a safe workplace

We continued our commitment to promoting, maintaining and ensuring the health, safety and welfare of our people at work. Governance committees continued to oversee reviews and improvements in working environments across its tenancies and compliance with legislation and the Performance Standards for Self-Insurers. A key initiative was our successful integration of the Occupational Health, Safety, Welfare and Injury Management System (OHSW&IM) into branch business operations. It resulted in more timely and efficient management.

We continued to maintain access to an improved Employee Assistance Program, with extended services that included counselling, manager support, briefing sessions and online information to help staff with work-related and personal issues. This was part of our strong commitment to the health and wellbeing of our people and their families.

Programs



Program 1: Gambling policy

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

Key projects and initiatives

- Trialed and evaluated pre-commitment measures in relation to gaming machines.
- Advised on and implemented gambling reforms that maintain integrity, improve responsible gambling environments and reduce red-tape.
- Advised government on the Adelaide Casino operating arrangements to apply beyond the exclusivity period, which expires on 30 June 2015.
- Reviewed unlawful instruments of gambling under the Lottery and Gaming Act 1936.
- Improved the regulation of charitable collections.

Achievements

Gambling policy

The fourth progress report of the Responsible Gambling Working Party to the Minister for Gambling and the associated trial evaluation reports for Change Tracker and Playsmart Programs were publicly released. These reports provide a foundation for gaming machine pre-commitment tools.

During the year the department 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. The key areas of national reform for electronic gaming machines included pre-commitment, dynamic warning messages and ATM withdrawal limits. The department was the primary author of two pre-commitment papers considered by the Select Council.

To create more responsible gambling environments and to reduce the cost and risk associated with regulation, the department also advised on, and implemented, amendments to the *Gaming Machines Act 1992* to establish a market-based trading system for gaming machine entitlements. A public consultation paper was released which detailed market rules

developed by the department in consultation with industry and community representatives.

A consultation paper on *Unlawful Instruments of Gaming* was publicly released, seeking comments on extending the definition of unlawful instruments of gaming, to address some arcade-style games that operate in a manner similar to gaming machines.

The department established arrangements for and supported the Casino Taskforce. The Casino Taskforce is made up of representatives from key government agencies. The Casino Taskforce provided advice to the Treasurer on the long-term operating arrangements for the Adelaide Casino.

The department assisted the Liquor and Gambling Commissioner to review the regulation of collections for charitable purposes and provided advice to the Minister on possible legislative amendments.

Program 2: Accountability for public sector resources

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

Sub-program 2.1	Policy analysis and advice Provision of economic analysis and advice on social policy issues that impact on government service provision including health, disability services, family and communities, education and training and Council of Australian Governments' (COAG) matters. Provision of strategic analysis of policy issues facing government and the development of appropriate policy frameworks, along with the evaluation of existing policy positions across these frameworks.
Sub-program 2.2	Budget financial management 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.
Sub-program 2.3	Sustainable Budget Commission Operation of the Sustainable Budget Commission and the provision of secretariat support to the Commission.

Key projects and initiatives

- Provided advice to the Treasurer on a range of financial issues.
- Prepared and produced the 2010–11 and 2011–12 state budgets.
- Implemented improvements to the monitoring of agency financial performance.
- Provided advice and input to a range of national reform issues including the Review of the GST Distribution.
- Provided advice on the transition of economic regulation of water and sewerage services to the Essential Services Commission of South Australia.
- Commenced the process to procure banking services that will meet the future needs of the Government of South Australia.
- Assisted in the implementation and monitoring of budget savings measures, including the introduction of a whole of government Targeted Voluntary Separation Package (TVSP) scheme.
- Provided advice on the effectiveness of the state's implementation of national reform issues (delivered through national agreements and national partnerships) in areas that included education, training, disabilities, Indigenous reform and preventative health.
- Provided advice and input for the development and implementation of the "Skills for All" reform initiative.
- Provided advice and assistance to the Department of the Premier and Cabinet in the development of the Social Inclusion Unit's Disability Blueprint.

Achievements

Sub-program 2.1

Policy analysis and advice

Provided significant input into national reform processes including the Commonwealth Government's Review of the GST Distribution, National Occupational Licensing Reform, the Housing Supply and Affordability Reform working group and the Heads of Treasuries Review of National Agreements, National Partnerships and Implementation Plans which was presented to COAG in February 2011.

Provided analysis and advice to the Treasurer on a range of revenue related issues including taxation measures included as part of the 2010–11 and 2011–12 state budgets, implementation of Emergency Services Levy (ESL) rates for the 2011–12 year, implementation of a landholder model under the *Stamp Duties Act 1923*, indexation of the land tax thresholds under the *Land Tax Act 1936* and provision of advice on fiscal impacts and royalty policy issues associated with the Olympic Dam mine expansion.

The department provided advice on water and sewerage charges and developed policy positions on economic regulation of the water industry in South Australia for incorporation into the Water Industry Bill.

Developed monitoring and advising briefs on economic trends and global developments, briefs to the Treasurer on independent economic reports and publications, and provided economic data and advice to support state government submissions to the Industrial Relations Commission and the Australia Fair Pay Commission.

Finalised the contractual and financial requirements for the new Royal Adelaide Hospital, enabling the commencement of design and construction.

Developed interactive tendering protocols for the National Private Public Partnership (PPP) Guidelines.

Commenced review of possible policy amendments required to TI 17 Guidelines for the Evaluation of Public Sector Initiatives.

Provided advice on the effectiveness of the state's implementation of national reform issues (delivered through national agreements and national partnerships) in areas that included education, training, disabilities, Indigenous reform and preventative health

Provided analysis and advice to assist in the development of the Skills for All reform proposal. Provided advice on the financial and reporting processes and the governance arrangements that need to be in place before the reforms can be implemented.

Provided advice and assistance to the Department of the Premier and Cabinet in the development of the Social Inclusion Unit's Disability Blueprint.

Sub-program 2.2

Budget financial management

Prepared the 2010–11 Budget, 2010–11 Mid Year Budget Review (MYBR) 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 initiative 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.

Continued to improve the timeliness and accuracy of whole of government financial data collection and reporting.

Provided financial and economic advice to improve budget and financial management processes for government business enterprises including:

- produced quarterly performance monitoring reports to departmental executive and the Treasurer for larger public non-financial corporations
- evaluated several large investment proposals and business cases developed by government business enterprises
- monitored the performance and risk of government business enterprises in the context of their respective Cabinet approved ownership frameworks
- ensured accurate and reliable estimates of dividends, Community Service Obligations, subsidies and tax equivalent payments were reflected in the forward estimates
- monitored and evaluated the forward estimates, including the capital program, for government business enterprises
- reviewed HomeStart Finance operations.

Sub-program 2.3

Sustainable Budget Commission

The department provided support to enable the Sustainable Budget Commission to produce its second and final report titled Budget Improvement Measures: Restoring Sustainable State Finances, building on the commission's first report, titled Sustainable Budgets: Principles and Processes.

The final report highlighted potential savings and made recommendations to improve budget processes.

Program 3: Financial services provision

Treasury and Finance provides a range of whole of government services including asset and liability management, collection of taxes, insurance, superannuation and fleet administration.

Sub-program 3.1	Revenue collection and management Management of taxation legislation, revenue systems and compliance systems to enable the government to raise revenue using its taxation powers and the provision of policy advice on taxation issues. Management of various grants and subsidy schemes for the government.
Sub-program 3.2	Financing, insurance and light motor vehicle fleet services 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, and the provision of fleet management services to agencies.
Sub-program 3.3	Superannuation services Administration of the various public sector superannuation schemes for the Superannuation Board, as well as the superannuation arrangements for parliamentarians, judges and governors, provision of superannuation policy and legislative advice to the Superannuation Board, the Under Treasurer and the Treasurer.
Sub-program 3.4	Ministerial support services Operation of Treasurer's Office including departmental support.

Key projects and initiatives

- Commenced development and testing of the first release of the Payroll Tax component of the new state taxation revenue system.
- Implemented Payroll Tax Monthly Return functionality, made available via Standard Business Reporting from July 2010.
- Implemented further significant anti-avoidance and tax reform measures.
- Continued harmonisation of taxation laws and progressed administration.
- Met financing demands of the state government and its instrumentalities.
- Renewed the whole of government catastrophe reinsurance program.
- Established an Internal Audit and Compliance function to increase transparency and strengthen risk management for Super SA members' funds.
- Enhances Super SA services, products and communication with members.

Achievements

Sub-program 3.1

Revenue collection and management

RevenueSA has a very active compliance program to monitor and manage risk to revenue in tax bases and subsidy/rebate schemes. This year, revenue collected through all compliance activities was in excess of \$70 million.

To date, a total of \$2 million in savings has been realised as part of Phase 2 of the Red Tape Reduction initiative.

This year, taxation revenue collected totalled \$3.1 billion.

The RevenueSA Information System to Enable Compliance (RISTEC) project was initiated to replace RevenueSA's core IT systems with a single system to consolidate all business operations into a uniform and enterprise wide system environment. This project made progress in developing and testing the first release covering all Payroll Tax related functions. Solid progress was also made in producing the change management material that will be used to train and sustain the business switch to the new tax system.

Sub-program 3.2

Financing, insurance and light motor vehicle fleet services

The South Australian Government Financing Authority (SAFA) met all the debt financing demands of the state and its instrumentalities during the year.

The state's funding requirements were achieved through the issue of long-term Select Line securities issued in Australia and through SAFA's short-term domestic and offshore funding facilities.

Outcomes proved favourable for the government's debt management objective of minimising the long-term average interest cost subject to acceptable levels of interest rate risk.

As the captive insurer for the government, SAFA, through its insurance division, trading as SAICORP, provided insurance cover to government portfolio groups, agencies and authorities, whole-of-government catastrophe reinsurance, and insurance and risk management advice over the year.

SAFA supported client agencies by:

- providing advice and assistance relating to their risk management programs
- managing property and civil liability claims
- maintaining premium rates as unchanged into the 2010–11 policy year.

Through the year, SAFA's fleet division, trading as Fleet SA, continued to procure vehicles and make them available through leasing arrangements. There were 2861 vehicles purchased over 2010–11 for leasing to clients at a capital cost of \$93.1 million.

As at 30 June 2011 the size of the fleet was 8609 vehicles, which represented a decrease of around two per cent from the previous year.

Further information is contained in SAFA's Annual Report.

Sub-program 3.3

Superannuation services

Super SA has maintained a high-quality and low-cost service to its members on an on-going basis with the offering of cost-effective and comparable post-retirement products to members and the provision of better or equivalent superannuation services at a lower cost.

Targets set to achieve the strategic objective of increasing member adequacy were exceeded, with increases in the numbers of Triple S Scheme members making voluntary contributions to their superannuation, as well as salary sacrificing and making roll-overs from other superannuation funds.

As part of Super SA's commitment to continually improve services, products and communication with members, a series of member open days were held in April 2011 and were attended by over 550 members. The information sessions run during the open days provided members with opportunity to explore the range of services provided in relation to their superannuation. The Member Education Team also held a number of seminars and visited city and regional worksites. This year the team made 1,005 presentations at worksites and seminars, engaging with 19,661 members.

The Member Services call centre has received 94,536 calls, undertaken 1,399 interviews and welcomed 10,763 visitors. Onsite financial planning services are now available through Industry Fund Financial Planning with 1,008 initial financial planning appointments held this year resulting in 470 full financial plans being developed for members.

A campaign was run to encourage members to contribute some or all of the October 2010 payrise to their super through regular after-tax or salary sacrifice contributions, which resulted in an additional 277 members commencing voluntary contributions.

- As part of a strengthened focus on audit and risk management, Ernst and Young were appointed as the provider of internal audit services. This service has commenced with priority being given to: benefits and contributions, anti-money laundering and counter-terrorism legislation compliance, and Treasurer's Instructions 2 — Financial Management, and 28 — Financial Management Compliance.

During the 2010–11 financial year:

- 1181 Triple S members commenced voluntary after tax contributions against a target of 1167
- 1716 Triple S members commenced salary sacrifice contributions against a target of 862
- Number of investors in Income Stream increased by 45 per cent to 2337, exceeding a target of 25 per cent
- Number of investors in Flexible Rollover product increased to 2434 meeting a target of 15 per cent
- Assets under management increased by 16.2 per cent to \$12.9 billion.

Sub-program 3.4
Ministerial support services

Provided support to enable the Treasurer's Office to operate effectively.

Program 4: Shared services

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

Sub-program 4.1	Shared services reform Design, development and implementation of shared services across government.
Sub-program 4.2	Shared services operations 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.

Key projects and initiatives

- Achieved Cabinet approval of the transition of Tranche 4 (ICT Services) from most agencies to Shared Services SA.
- Implemented an e-procurement system across government
- Continued implementation of the operations performance management system.
- Rationalised financial systems to achieve savings.
- Continued reform activities of previously transitioned services.

Achievements

Sub-program 4.1 Shared services reform

Savings achieved from shared service reforms in 2010–11 equated to approximately \$40 million and is expected to increase to \$47.5 million in 2011–12 and \$51.7 million in 2012–13.

Shared Services SA implemented an 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 most agencies. Savings made as a result of this reform initiative are approximately \$4.5 million for 2010–11. This is expected to grow to \$12.4 million in 2011–12, and then to \$16.2 million in 2012–13.

In December 2010, Cabinet approved the transition of Tranche 4 (ICT Services) from in-scope government agencies to Shared Services SA. For the larger agencies, Tranche 4 will transition limited services, for example, ICT user support and the 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.

Tranche 4 transitions will commence in the first-half of 2011–12.

As a result of other reform activities, there has been an increase of approximately 25 per cent in the total number of payments made via electronic funds transfer, when compared to the pre-transition statistics.

Sub-program 4.2 Shared services operations

Shared Services SA commenced the implementation of an operations performance management system aimed at improving the management of resources and service delivery, and to deliver longer-term efficiencies. As at 30 June 2011 the system was being used by approximately 570 users.

During 2010–11 Shared Services SA was responsible for the management of 11 across-government contracts comprising 40 individual suppliers at a total estimated value of \$240 million per year.

Shared Services SA continued to refine the online learning and development training system, My Learning.

Financial systems were rationalised resulting in savings of \$0.7 million in 2010–11 and ongoing annual savings of \$0.9 million.

Shared Services SA operates on the basis of full cost recovery. The net cost of the sub-program reflects additional one off costs associated with system implementation and in-scope transitions. The ongoing operational costs associated with these systems and transitions will be recovered in line with full cost recovery principles. To support the delivery of services to agencies, Shared Services SA provides quarterly performance reports to all client agencies.

Average performance data for 2010–11 is as follows:

- 99.44% of base pays paid on time
- 99.96% of invoices raised without error
- 99.92% of invoice payments accurately processed
- 99.42% of General Ledger close-offs were completed within agreed timeframes
- 67.53% of ICT managed requests were resolved within 24 hours, with 80.93% of requests resolved within one week
- 100% of Agency Financial Statements and FBT Statements were produced and lodged within agreed timeframes.

Program 5: State procurement and vehicles for ministers, Leader of the Opposition, MPs and VIPs

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, parliamentarians and VIPs and information and communication technology support services.

Sub-program 5.1	Procurement policy and governance Support the State Procurement Board in the delivery of its key objectives and in setting the strategic direction of procurement operations across government, focusing on policy and guidelines development, capability development, and facilitating procurement across government.
Sub-program 5.2	Vehicles for ministers, leader of the opposition, MPs and VIPs Provision of a motor vehicle service to ministers and VIP dignitaries on official state government business together with the provision of subsidised private-plated vehicles to members of parliament.
Sub-program 5.3	Support services 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.

Key projects and initiatives

- Developed and implemented the State Procurement Board Reviewer's Guide.
- Completed the first round of agency procurement compliance reviews (15 agencies reviewed).
- 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 certificate IV and diploma qualifications.
- 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.
- Updated eight existing policies/guidelines.
- Transitioned the ministerial/VIP fleet from eight cylinder vehicles to six cylinder vehicles.

Achievements

Sub-program 5.1 Procurement policy and governance

Finalised the development of the State Procurement Board's Strategic Plan 2011–13.

Commenced the Vocational Education Training Program for 101 placements across government (funded by the Productivity Placements Program for Existing Workers).

Four SA Government agency staff enrolled in and commenced the new Masters in Management — Strategic Procurement, developed by the State Procurement Board in conjunction with the University of South Australia.

Sub-program 5.2 Vehicles for ministers, leader of the opposition, MPs and VIPs

The department continued to manage the ministerial/VIP chauffeur service and the provision of subsidised private-plated vehicles to members of parliament.

Sub-program 5.3 Support services

The ICT Support group provided services to business units in a number of government agencies and Shared Services SA.

Cabinet approval was given for the transition of Tranche 4 (ICT Services) from in-scope government agencies to Shared Services SA. This transition will see Shared Services SA take responsibility for providing services, across government, such as the support of users, business productivity tools, communication and hosting of network services.

Financial performance



Financial overview

The department recorded a net result after restructure and tax of \$1.770 million in 2010–11 (\$31.76 million in 2009–10). The major factors contributing to this result include:

- An increase in revenue of \$3.517 million which primarily relates to additional revenue collected by Shared Services SA for the full year effect of Tranche 2 services (\$5.043m) offset by a reduction in revenue collected from other agencies for services delivered by the department (\$3.033m).
- A decrease in revenues from SA Government of \$32.981 million which reflects a decrease in appropriation in 2010–11 due to one off funding in 2009–10 for the implementation of e-Procurement across government by Shared Services SA, a reduction in the funding of Shared Services SA reform initiatives and the impact of savings initiatives in 2010–11.

The department has approval to carry over \$8.931 million from 2010–11 relating to the shared services reform initiative, the taxation revenue management system (RISTEC) project and the e-Procurement project.

The following table summarises the Income Statement for 2010–11:

Summary Income Statement	Actual Result
	2010–11
	\$'000
Expenses	209 527
Revenues	133 975
Net cost of providing services	-75 552
Revenues from SA Government	77 322
Payments to SA Government	—
Net result before restructure	1 770
Net revenue from administrative restructure	—
Net result after restructure	1 770
Income tax equivalents	—
Net result after restructure and tax	1 770

The table below summarises the expenses and income for each of the department's programs in 2010–11:

Departmental program	Expenses \$'000	Income \$'000	Revenues from/ payment to SA Government \$'000	Net result \$'000
Gambling policy	375	27	—	-348
Accountability for public sector resources	27 306	3 572	—	-23 734
Financial services provision	65 184	36 444	—	-28 740
Shared services	87 736	73 843	—	-13 893
State procurement and vehicles for ministers, Leader of the Opposition, MPs and VIPs	28 926	20 089	—	-8 837
Program totals	209 527	133 975	—	-75 552
Appropriation	—	—	77 322	77 322
Total	209 527	133 975	77 322	1 770

Trends

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

Key performance measures

	2010–11	2009–10	2008–09
Net cost of providing services	75 552	78 541	85 049
Revenues from government as total source of funding	36.59%	45.81%	32.51%
Average employee cost	85	84	81
Operating expenses per employee	141	134	211
Consultants as percentage of operating expenses	0.70%	0.75%	0.47%
Cash balance	50 879	66 028	62 976
Net assets	56 868	55 098	27 110
Increase/(decrease) in net assets	1 770	27 988	8 755
Current assets/current liabilities	3.74	3.35	1.57
Creditors paid within 30 days	88%	87%	92%

The net cost of providing services decreased from the previous year due to an increase in revenue collected by Shared Services SA for services delivered across government.

The proportion of revenue sourced from the government decreased due to one off appropriation funding received in 2009–10 for the implementation of e-procurement across government, a reduction in appropriation funding in 2010–11 due to savings initiatives and a reduction in the funding of Shared Services SA reform initiatives.

Operating expenses per employee increased due to the average number of full time equivalent (FTE) staff within the department decreasing from 1555.1 in 2009–10 to 1487.55 in 2010–11.

The consultancy costs as a percentage of operating costs decreased due to a reduction in consultancy costs for the department in 2010–11.

The increase in net assets is primarily due to a reduction in the department's total liabilities, specifically payables and employee benefits which reflects the decrease in the average FTEs within the department in 2010–11.

Certification of the Financial Statements

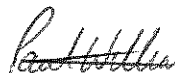
We certify that the attached general purpose financial statements for the Department of Treasury and Finance:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Department; and
- present a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2011 and the results of its operation and cash flows for the financial year.

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



Brett Rowse
UNDER TREASURER
21 September 2011



Paul Williams
DIRECTOR, FINANCIAL SERVICES
21 September 2011



Statement of Comprehensive Income for the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefit expenses	5	126 908	130 712
Supplies and services	6	77 796	73 814
Depreciation and amortisation expense	7	4 409	4 301
Other expenses	8	414	172
Total expenses		209 527	208 999
INCOME			
Revenues from fees and charges	10	130 743	128 575
Interest revenues	11	1 317	854
Other income	12	1 065	716
Commonwealth revenue	13	850	313
Total income		133 975	130 458
NET COST OF PROVIDING SERVICES		(75 552)	(78 541)
REVENUES FROM SA GOVERNMENT			
Revenues from SA Government	14	77 322	110 303
Total Revenues from SA Government		77 322	110 303
NET RESULT		1 770	31 762
Other Comprehensive Income		—	—
TOTAL COMPREHENSIVE RESULT		1 770	31 762

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

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

Statement of Financial Position as at 30 June 2011

	Note	2011 \$'000	2010 \$'000
CURRENT ASSETS			
Cash and cash equivalents	15	50 879	66 028
Receivables	16	24 246	18 348
Total Current Assets		75 125	84 376
NON-CURRENT ASSETS			
Receivables	16	29	840
Property, plant and equipment	17	5 454	6 151
Intangible assets	18	23 824	17 067
Total Non-Current Assets		29 307	24 058
TOTAL ASSETS		104 432	108 434
CURRENT LIABILITIES			
Payables	19	8 906	10 804
Employee benefits	20	11,199	13 500
Provisions	21	284	208
Other current liabilities	22	753	670
Total Current Liabilities		21 142	25 182
NON-CURRENT LIABILITIES			
Payables	19	2 023	2 386
Employee benefits	20	23 056	24 079
Provisions	21	959	685
Other non-current liabilities	22	384	1 004
Total Non-Current Liabilities		26 422	28 154
TOTAL LIABILITIES		47 564	53 336
NET ASSETS		56 868	55 098
EQUITY			
Contributed capital	23	547	547
Retained earnings	23	56 213	54 443
Asset revaluation surplus	23	108	108
TOTAL EQUITY		56 868	55 098
THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER.			
Unrecognised Contractual Commitments	24		
Contingent Assets and Liabilities	25		

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

Statement of Changes in Equity for the year ended 30 June 2011

	Note	Contributed Capital	Asset Revaluation Surplus	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2009		547	108	26 455	27 110
Net result for 2009-10		—	—	31 762	31 762
Total comprehensive result for 2009-10		—	—	31 762	31 762
Transactions with SA Government as owner					
Net assets transferred as a result of an administrative restructure	29	—	—	(3 774)	(3 774)
Balance at 30 June 2010	23	547	108	54 443	55 098
Net result for 2010-11		—	—	1 770	1 770
Total comprehensive result for 2010-11		—	—	1 770	1 770
Balance at 30 June 2011	23	547	108	56 213	56 868

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

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

Statement of Cash Flows for the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Outflows			
Employee benefit payments		(131 107)	(126 819)
Payments for supplies and services		(78 607)	(75 742)
GST payments on purchases		(10 057)	(9 778)
GST remitted to Australian Taxation Office		(13 725)	(11 489)
Cash used in operations		(233 496)	(223 828)
Cash Inflows			
Fees and charges		126 225	127 483
Interest received		1 326	781
GST receipts on receivables		12 983	10 916
GST recovered from Australian Taxation Office		9 911	10 997
Other receipts		1 065	668
Commonwealth funding		850	313
Cash generated from operations		152 360	151 158
Cash Flows from SA Government			
Receipts from SA Government		77 322	110 303
Cash generated from SA Government		77 322	110 303
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	27(b)	(3 814)	37 633
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows			
Purchase of property, plant and equipment		(1 239)	(1 956)
Purchase of intangible assets		(10 096)	(9 635)
Cash used in investing activities		(11 335)	(11 591)
NET CASH (USED IN) INVESTING ACTIVITIES		(11 335)	(11 591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Contribution to government		—	(462)
Cash transferred as a result of a restructuring activities		—	(23 289)
Cash used in financing activities		—	(23 751)
Cash Inflows			
Cash received as a result of restructuring activities		—	761
Cash generated from financing activities		—	761
NET CASH (USED IN) FINANCING ACTIVITIES		—	(22 990)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(15 149)	3 052
Cash and cash equivalents at the beginning of the period		66 028	62 976
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27(a)	50 879	66 028

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

Department of Treasury and Finance
Disaggregated Disclosure - Expenses and Income
for the year ended 30 June 2011

	Accountability for Public Sector Resources				Financial Services Provision				Shared Services				State Procurement and Vehicles for Ministers, Parliamentarians and VIPs				Gambling Policy				General / Not Attributable				Activity Total			
	Activity 1		Activity 2		Activity 3		Activity 4		Activity 5		Activity 6		Activity 7		Activity 8		Activity 9		Activity 10		Activity 11		Activity 12		Activity 13		Activity 14	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES																												
Employee benefit expenses	19 818	17 954	40 088	41 434	51 742	50 940	14 916	20 014	344	370																		
Supplies and services	7 114	5 902	24 114	23 035	33 286	28 710	13 254	16 129	28	38																		
Depreciation and amortisation expense	352	242	978	1 228	2 324	1 829	752	999	3	3																		
Other expenses	22	40	4	87	384	—	4	44	—	1																		
Total Expenses	27 306	24 138	65 184	65 784	87 736	81 479	28 926	37 186	375	412																		
INCOME																												
Revenues from fees and charges	3 130	3 468	35 287	33 197	72 319	66 035	19 983	25 811	24	64																		
Interest revenues	49	4	22	8	1 231	837	15	5	—	—																		
Other Income	393	144	285	288	293	223	91	60	3	1																		
Commonwealth revenue	—	—	850	313	—	—	—	—	—	—																		
Total Income	3 572	3 616	36 444	33 806	73 843	67 095	20 089	25 876	27	65																		
NET COST OF PROVIDING SERVICES	(23 734)	(20 522)	(28 740)	(31 978)	(13 893)	(14 384)	(8 837)	(11 310)	(348)	(347)																		
REVENUES FROM / PAYMENT TO SA GOVERNMENT																												
Revenues from SA Government	—	—	—	—	—	—	—	—	—	—																		
NET RESULT	(23 734)	(20 522)	(28 740)	(31 978)	(13 893)	(14 384)	(8 837)	(11 310)	(348)	(347)																		

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

Department of Treasury and Finance
Disaggregated Disclosure - Assets and Liabilities
as at 30 June 2011

	Accountability for Public Sector Resources		Financial Services Provision		Shared Services		State Procurement and Vehicles for Ministers, Parliamentarians and VIPs		Gambling Policy		General / Not Attributable		Activity Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets														
Cash and cash equivalents	164	243	1 577	1 342	15 423	10 568	—	—	—	—	50 879	66 028	50 879	66 028
Receivables	—	—	—	—	—	—	—	—	—	—	1 677	2 100	24 275	19 188
Property, plant and equipment	66	66	1 146	1 461	1 526	2 273	2 218	1 822	—	—	498	529	5 454	6 151
Intangible assets	—	—	17 427	11 925	5 360	4 257	607	100	—	—	430	785	23 824	17 067
Total Assets	230	309	20 150	14 728	22 309	17 098	8 259	6 857	—	—	53 484	69 442	104 432	108 434
Liabilities														
Payables	1 035	1 093	2 792	3 449	3 331	5 248	1 898	1 795	13	16	1 860	1 589	10 929	13 190
Employee benefits	5 141	5 151	10 399	11 888	14 757	14 691	3 869	5 743	89	106	—	—	34 255	37 579
Provisions	189	125	382	289	526	337	143	140	3	2	—	—	1 243	893
Other liabilities	—	—	—	—	1 004	1 674	—	—	—	—	133	—	1 137	1 674
Total Liabilities	6 365	6 369	13 573	15 626	19 618	21 950	5 910	7 678	105	124	1 993	1 589	47 564	53 336
Net Assets	(6 135)	(6 060)	6 577	(898)	2 691	(4 852)	2 349	(821)	(105)	(124)	51 491	67 853	56 868	55 098

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Notes to and forming part of the Financial Statements

1 Objectives of the Department of Treasury and Finance

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

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

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

The Department provides the Government with policy and financial advice on achieving the SASP through the following Departmental priorities:

Strengthen state finances including maintaining the AAA credit rating

Related SASP Objective: Growing Prosperity

Target Area: Credit rating; Strategic Infrastructure

Achieve performance improvements in the South Australian public sector

Related SASP Objective: Growing Prosperity

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

Improve budget and financial management processes

Related SASP Objective: Growing Prosperity

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

Improve service delivery

Related SASP Objective: Growing Prosperity

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

Effective industry regulation

Related SASP Objective: Growing Prosperity

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

Corporate priorities

Related SASP Objective: Growing Prosperity

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

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

2 Summary of Significant Accounting Policies

2.1 Statement of Compliance

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

Except for the amendments to Australian Accounting Standards AASB 2009-12, which the Department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2011. These are outlined in Note 3.

Basis of Preparation

The preparation of the financial statements requires:

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

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented.

2.2 Reporting Entity

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

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

2.3 Restructure of Administrative Arrangements

There were no restructures as a result of administrative or machinery of government changes in 2010-11.

2009-2010

Transferred Out

Fleet SA

On 1 July 2009 the light motor vehicle fleet transferred to the South Australian Government Financing Authority (SAFA). The net impact on equity was transfer of net assets from the Department to SAFA of \$3 773 484. Further detail is contained in Note 29.

Transferred In

Shared Services SA

Shared Services SA completed the transition of Tranche 2 services in October 2009. The services comprised general accounting, external financial reporting, asset accounting and taxation services for 8 agencies. There were 43.6 FTE's that transitioned into Shared Services SA. Further detail is contained in Note 29.

2.4 Comparative Information

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

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

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

2.5 Rounding

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

2.6 Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

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

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

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

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

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

2.7 Events after the reporting date

Refer to Note 30.

2.8 Income

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

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

The following are specific recognition criteria:

Fees and charges

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

Contributions received

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

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

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

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

Commonwealth funding

The Commonwealth provided a national payment under the Intergovernment Agreement on Federal Financial Relations for the recovery of costs in undertaking work under the Standard Business Reporting requirement. The funding was \$850 000 (\$313 000).

Revenues from SA Government

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

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

Net gain on disposal of non-current assets

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

2.9 Expenses

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

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

The following are specific recognition criteria:

Employee benefit expenses

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

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

Superannuation

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

Depreciation and amortisation

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

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

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

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

Land is not depreciated.

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

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Buildings	Straight Line	20 - 40
Fitouts - leased buildings	Straight Line	Remaining life of lease
Furniture	Straight Line	5 - 10
Information Technology Equipment	Straight Line	3 - 5
Intangibles	Straight Line	3 - 15
Office Equipment	Straight Line	3 - 5
Plant and Equipment	Straight Line	5 - 10

Grants and contributions

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

Borrowing costs

All borrowing costs are recognised as expenses.

2.10 Current and non-current classification

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

2.11 Assets

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

Cash and cash equivalents

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

Cash is measured at nominal value.

Receivables

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

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

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

Non-current assets

Acquisition and recognition

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

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

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

Revaluation of non-current assets

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

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

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

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

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

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

Impairment

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

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

Intangible Assets

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

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

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

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

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

2.12 Liabilities

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

Payables

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

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

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

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

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

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

Borrowings/ Financial liabilities

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

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

Leases

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

The Department has entered into finance leases and operating leases.

Finance Leases

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

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

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

Operating leases

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

Lease Incentives

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

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

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

Employee benefits

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

Salaries and wages, annual leave and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date. There were no accrued salaries and wages as at 30 June 2011.

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

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

Long service leave

The liability for long service leave is recognised after an employee has completed 5.0 (5.5) years of service. An actuarial assessment of long service leave based on a significant sample of employees throughout the South Australian Public Sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave taken.

The current/non current classification of the Department's long service leave liabilities has been calculated based on historical usage patterns.

Provisions

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

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

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

Workers Compensation

The Department is responsible for Workers Compensation with an actuarial estimate of the outstanding liability as at June 2011 provided by a consulting actuary engaged through the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Department is responsible for the payment for workers compensation claims.

2.13 Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

3 New and revised Accounting Standards and Policies

In accordance with amendments to APS 4.8 within Accounting Policy Framework II *General Purpose Financial Statements Framework*, effective 1 July 2010, the Department has disclosed all employees whose normal remuneration is equal to or greater than the base executive level remuneration. Previously APS 4.8 within APF II required the Department to disclose all employees whose normal remuneration was equal to or greater than \$100 000. This change is disclosed in Note 5.

The Department did not voluntarily change any of its accounting policies during 2010-11.

Except for the Standard AASB 2009-12, which the Department has early-adopted, the Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2011. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

4 Activities of the Department

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

Activity 1: Accountability for Public Sector Resources

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

The activities of the Sustainable Budget Commission ceased on 17 December 2010.

Activity 2: Financial Services Provision

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

This activity includes the employee benefit expenses and liabilities associated with the employment of staff assigned to support the activities of Super SA and the treasury and insurance activities of SAFA. The recovery of these expenses from Super SA and SAFA are recognised by the Department as revenue from fees and charges.

Activity 3: Shared Services

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

Activity 4: State Procurement and Vehicles for Ministers, Parliamentarians and VIPs

The Department has a role of providing a range of services (in addition to those provided by Shared Services SA) to other Government agencies including contract management and procurement policy, vehicles for ministers, parliamentarians and VIPs and information and communication technology support services.

Activity 4 also includes the employee benefit expenses and liabilities associated with the employment of ICT support services staff assigned to Shared Services SA.

Activity 5: Gambling Policy

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

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

The disaggregated disclosures schedules presents expenses, income, assets and liabilities attributed to each of the activities for the years ended 30 June 2010 and 30 June 2011.



5 Employee benefit expenses

	2011 \$'000	2010 \$'000
Salaries and wages	90 714	93 428
TVSPs (refer below)	2 345	2 696
Long service leave	3 284	4 161
Annual leave	8 775	8 543
Employment on-costs - superannuation	11 217	11 901
Employment on-costs - other	5 589	5 769
Board fees	265	263
Other employee related expenses	4 719	3 951
Total Employee Benefit Expenses	126 908	130 712

Targeted Voluntary Separation Packages (TVSPs)

	2011 \$'000	2010 \$'000
Amount paid to these employees:		
TVSPs	2 345	2 696
Annual leave and long service leave paid during the reporting period	632	828
	2 977	3 524
Recovery from the Department of Treasury and Finance - Administered Items *	2 570	2 134
Net cost to Department of Treasury and Finance	407	1 390

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

	2011 \$'000	2010 \$'000
Number of employees who were paid TVSPs during the reporting period	21	24

Remuneration of employees

	2011 Number of Employees	2010 Number of Employees
The number of employees whose remuneration received or receivable falls within the following bands:		
\$127 500 to \$130 699 *	-	1
\$130 700 to \$140 699	6	5
\$140 700 to \$150 699	13	10
\$150 700 to \$160 699	9	6
\$160 700 to \$170 699	7	13
\$170 700 to \$180 699	6	3
\$180 700 to \$190 699	5	3
\$190 700 to \$200 699	4	1
\$200 700 to \$210 699	1	8
\$210 700 to \$220 699	4	4
\$220 700 to \$230 699	3	2
\$230 700 to \$240 699	5	2
\$240 700 to \$250 699	4	—
\$250 700 to \$260 699	2	1
\$260 700 to \$270 699	1	1
\$270 700 to \$280 699	1	1
\$280 700 to \$290 699	2	—
\$290 700 to \$300 699	2	2
\$310 700 to \$320 699	1	—
\$320 700 to \$330 699	2	—
\$350 700 to \$360 699	—	1
\$360 700 to \$370 699	1	—
\$370 700 to \$380 699	1	—
\$390 700 to \$400 699	—	1
Total Number of Employees	80	65

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2009-10.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year, of which 62 (62) are executive and 18 (3) non executive staff. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$15 817 000 (\$12 178 000).

Accounting Policy Change

In accordance with the revised Accounting Policy Framework II *General Purpose Financial Statements Framework*, the department has changed its accounting policy and now discloses all employees who receive remuneration equal to or greater than the base executive remuneration level rather than all employees who receive remuneration equal to or greater than \$100 000. The impact of this change in accounting policy is the number of employees disclosed has reduced by 124 for 2011 and 123 for 2010.

6 Supplies and services	2011	2010
	\$'000	\$'000
Total Supplies and services		
Accommodation and telecommunication	15 390	13 915
Information technology expenses	24 366	23 460
Motor vehicle expenses	36	6
Minor works, maintenance and equipment	713	702
Legal costs	801	835
Consultants *	1 461	1 562
Contractors and temporary staff	18 982	17 092
Valuation fees	4 650	4 511
General administration and consumables	5 915	6 594
Other	5 482	5 137
Total Supplies and services	77 796	73 814

Supplies and services provided by entities within the SA Government

Accommodation and telecommunication	15 227	13 723
Information technology expenses	3 669	5 291
Minor works, maintenance and equipment	386	396
Legal costs	774	781
Valuation fees	4 650	4 511
General administration and consumables	1 556	1 853
Other	2 168	2 763
Total Supplies and services provided by entities within the SA Government	28 430	29 318

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

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

	2011	2010	2011	2010
	Number	Number	\$'000	\$'000
Below \$10 000	21	15	93	67
Between \$10 000 and \$50 000	13	11	308	278
Above \$50 000	8	10	1 060	1 217
Total Paid / Payable to the Consultants engaged	42	36	1 461	1 562

7 Depreciation and amortisation expense	2011	2010
	\$'000	\$'000
Depreciation		
Plant and equipment	2	3
Furniture	38	39
Information technology equipment	871	685
Office equipment	262	283
Total Depreciation	1 173	1 010
Amortisation		
Intangible assets	2 412	2 210
Building fit outs	824	1 081
Total Amortisation	3 236	3 291
Total Depreciation and amortisation expense	4 409	4 301

Additional disclosure is made in the asset movement notes 17 and 18.

8 Other expenses	2011	2010
	\$'000	\$'000
Derecognition of assets	399	—
Bad and doubtful debts expenses	15	172
Total Other expenses	414	172
Total Other expenses	414	172

9 Auditor's remuneration	2011	2010
	\$'000	\$'000
Audit Fees paid / payable to the Auditor-General's Department	536	498
Total Audit fees	536	498

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

10 Revenue from fees and charges

	2011 \$'000	2010 \$'000
Agencies for the provision of corporate services	2 722	2 585
South Australian Government Financing Authority	14 055	14 011
South Australian Superannuation Board	13 681	14 070
Community Emergency Services Fund	5 617	5 495
Land tax certificates	276	329
Regulatory fees	147	68
Shared Services	68 032	62 989
Service provision	24 817	27 850
Fleet management	445	412
Sale of goods	—	6
Other recoveries	951	760
Total Fees and charges	130 743	128 575

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

Agencies for the provision of corporate services	2 722	2 585
South Australian Government Financing Authority	14 055	14 011
Community Emergency Services Fund	5 617	5 495
Shared Services SA	68 032	62 989
Service provision	20 738	24 209
Other recoveries	385	401
Total Fees and charges from entities within the SA Government:	111 549	109 690

11 Interest revenues

	2011 \$'000	2010 \$'000
Interest from entities within the SA Government	1 317	854
Total Interest revenues	1 317	854

12 Other income

	2011 \$'000	2010 \$'000
Commissions	151	164
Banking recoveries	90	140
Other reimbursements	—	2
Other income	678	328
Derecognition of liabilities	—	82
Recovery of prior year doubtful debts	146	—
Total Other income	1 065	716

Other income received/receivable from entities within the SA Government:

Other reimbursements	—	2
Other income	417	—
Total Other income from entities within the SA Government	417	2

13 Commonwealth revenue

	2011 \$'000	2010 \$'000
Council of Australian Governments funding arrangements	850	313
Total Commonwealth revenue	850	313

14 Revenues from/Payments to SA Government	2011	2010
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	74 622	95 703
Transfers from contingencies	2 700	14 600
Total Revenues from SA Government	77 322	110 303

The Appropriation from Consolidated Account of \$74 622 000 is predominantly in support of operating activities and the following components can be attributable to capital: RISTEC \$6 395 000; E-Procurement \$320 000; Minor Capital replacement \$2 245 000 - Annual program; and licensing, maintenance and support of Masterpiece financial system \$2 980 000.

Contingencies of \$2 700 000 included TVSP and associated reimbursements for the Department of \$2 570 000 and Enterprise Bargaining supplementation for the Department and Shared Services SA of \$130 000.

15 Cash and cash equivalents	2011	2010
	\$'000	\$'000
Deposits with the Treasurer	50 872	66 021
Cash on hand	7	7
Total Cash and cash equivalents	50 879	66 028

Deposits with the Treasurer

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

Interest rate risk

The Shared Services SA component of Deposits with the Treasurer earn a floating interest rate based on daily bank deposit rates. The Shared Services SA balance at 30 June 2011 was \$22 932 000 (\$29 348 000). Other Deposits with the Treasurer were non-interest bearing. Cash on hand is non-interest bearing. The carrying amount of cash approximates net fair value.

16 Receivables	2011	2010
	\$'000	\$'000
Current		
Receivables	13 542	8 069
Allowance for doubtful debts	(36)	(167)
Accrued revenues	7 755	7 830
Prepayments *	2 985	2 616
Total Current receivables	24 246	18 348
Non-current		
Receivables	29	24
Prepayments	—	816
Total Non-current receivables	29	840
Total Receivables	24 275	19 188
Receivables from SA Government Entities	2011	2010
	\$'000	\$'000
Receivables	13 171	7 157
Accrued revenues	7 542	7 731
Prepayments	4	21
Total Receivables from SA Government Entities	20 717	14 909

* The increase in Current Prepayments recognises a prepaid asset of 1 day's Salaries and Wages and associated on-costs of \$409 000 for 1 July 2011 paid on 30 June 2011.

Movement in the Allowance for Doubtful Debts

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

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

	2011 \$'000	2010 \$'000
Carrying amount at the beginning of the period	167	222
Increase in the allowance	15	167
Amounts recovered during the year	(146)	—
Doubtful Debts Written Off	—	(173)
Write off due to restructure	—	(49)
Carrying amount at the end of the period	36	167

Interest rate and credit risk

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

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

Maturity Analysis of Receivables - refer to Table 28.3 in Note 28.

Categorisation of financial instruments and risk exposure information - refer to Note 28.

17 Property, plant and equipment

	2011 \$'000	2010 \$'000
Non-Current:		
Building Fitouts		
At cost	6 930	8 941
Accumulated amortisation	(4 923)	(6 201)
Total Building Fitouts	2 007	2 740
Plant and Equipment		
At cost	13	13
Accumulated depreciation	(13)	(11)
Total Plant and Equipment	—	2
Furniture		
At cost (deemed fair value)	277	292
Accumulated depreciation	(203)	(170)
Total Furniture	74	122
Information Technology Equipment		
At cost (deemed fair value)	7 151	7 304
Accumulated depreciation	(4 753)	(5 015)
Total Information Technology Equipment	2 398	2 289
Office Equipment		
At cost (deemed fair value)	1 247	1 347
Accumulated depreciation	(998)	(937)
Total Office Equipment	249	410
Work in Progress		
At cost	726	588
Total Work in Progress	726	588
Total Non-Current Property, plant and equipment	5 454	6 151
Total Property, plant and equipment	5 454	6 151

Impairment

There were no indicators of impairment for Property, Plant and Equipment as at 30 June 2011.

Resources received Free of Charge

There were no resources received free of charge.

Reconciliation of Property, plant and equipment

The following table shows the movement of property, plant and equipment during 2010-11:

	Building Fit outs \$'000	Plant and Equipment \$'000	Furniture \$'000	
Carrying amount at the beginning of the period	2 740	2	122	
Additions	93	—	—	
Disposals and derecognition of assets	(2)	—	(10)	
Depreciation expense	(824)	(2)	(38)	
Carrying amount at the end of the period	2 007	—	74	
	Information Technology Equipment \$'000	Office Equipment \$'000	Work in Progress \$'000	Total 2011 \$'000
Carrying amount at the beginning of the period	2 289	410	588	6 151
Additions	986	101	138	1 318
Disposals and derecognition of assets	(6)	—	—	(18)
Depreciation expense	(871)	(262)	—	(1 997)
Carrying amount at the end of the period	2 398	249	726	5 454

18 Intangible assets

	2011 \$'000	2010 \$'000
Internally developed computer software		
At cost (deemed fair value)	10 741	11 020
Accumulated amortisation	(10 491)	(10 729)
Total Internally developed computer software	250	291
Other computer software		
At cost (deemed fair value)	11 140	11 945
Accumulated amortisation	(4 537)	(6 395)
Total Other computer software	6 603	5 550
Work in Progress		
At cost (deemed fair value)	16 971	11 226
Total Work in Progress	16 971	11 226
Total Intangible assets	23 824	17 067

Reconciliation of Intangible assets

The following table shows the movement of intangible assets during the period:

	Internally developed software \$'000	Other computer software \$'000	Work in Progress \$'000	Total 2011 \$'000
Carrying amount at the beginning of the period	291	5 550	11 226	17 067
Additions	—	3 617	5 933	9 550
Assets identified via stock take	—	—	—	—
Capital transfers from WIP	188	—	(188)	—
Disposals and derecognition of assets	—	(381)	—	(381)
Amortisation expense	(229)	(2 183)	—	(2 412)
Carrying amount at the end of the period	250	6 603	16 971	23 824

Additions mainly relate to the purchase of Masterpiece licences, and further developments of the Department's Revenue SA databases.

Impairment

There were no indications of impairment for Intangible Assets as at 30 June 2011.

19 Payables	2011	2010
	\$'000	\$'000
Current		
Creditors and accrued expenses	6 667	7 215
Employment on-costs	2 230	2 681
GST Payable	9	908
Total Current Payables	8 906	10 804
Non-Current		
Employment on-costs	2 023	2 386
Total Non-Current Payables	2 023	2 386
Total Payables	10 929	13 190
	2011	2010
	\$'000	\$'000
Payables to SA Government Entities		
Creditors and Accrued Expenses	2 278	3 081
Employment on-costs	1 784	1 980
Total Payables to SA Government Entities	4 062	5 061

Interest rate and credit risk

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

Maturity Analysis of Payables - refer to table 28.3 in Note 28.

Categorisation of financial instruments and risk exposure information - refer to Note 28.

20 Employee benefits	2011	2010
	\$'000	\$'000
Current		
Accrued salaries and wages *	—	2 898
Annual leave	8 095	8 505
Long service leave	3 104	2 097
Total Current Employee benefits	11 199	13 500
Non-Current		
Long service leave	23 056	24 079
Total Non-Current Employee benefits	23 056	24 079
Total Employee benefits	34 255	37 579

* In accordance with the Department's normal payroll schedule, all employees were paid on 30 June 2011 for work performed up to and including 1 July 2011. As such no accrued salaries and wages were recognised for 2010-11.

The annual leave liability is calculated at the salary rates the Department expects to pay. For 2010-11 a salary inflation rate of 4 percent was used for this estimate. This salary inflation rate remained unchanged from the prior year.

The actuarial assessment reduced the benchmark for the measurement of the long service leave liability from the 2010 benchmark of 5.5 years to 5.0 years. The net financial effect of the change in the benchmark in the current financial year is an increase in liabilities of \$253 000.

21 Provisions	2011	2010
	\$'000	\$'000
Current		
Provision for workers compensation	284	208
Total Current Provisions	284	208
Non-Current		
Provision for workers compensation	959	685
Total Non-Current Provisions	959	685
Total Provisions	1 243	893

Reconciliation of Provisions	2011	2010
	\$'000	\$'000
Carrying amount at the beginning of the period	893	1 611
Payments/other sacrifices of future economic benefits	(329)	(755)
Additional provisions recognised	679	578
Restructure Transfer	—	(541)
Carrying amount at the end of the period	1 243	893

A liability has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet.

22 Other liabilities	2011	2010
	\$'000	\$'000
Current		
Unearned revenue	83	—
Lease incentives	670	670
Total Current Other liabilities	753	670
Non-Current		
Unearned revenue	49	—
Lease incentives	335	1 004
Total Non-Current Other liabilities	384	1 004
Total Other Liabilities	1 137	1 674

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

23 Equity	2011	2010
	\$'000	\$'000
Capital contribution	547	547
Asset revaluation surplus	108	108
Retained earnings	56 213	54 443
Total Equity	56 868	55 098

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

24 Unrecognised Contractual Commitments

(a) Remuneration Commitments

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

	2011	2010
	\$'000	\$'000
Not later than one year	11 672	11 790
Later than one year but not later than five years	18 991	20 805
Total Remuneration Commitments	30 663	32 595

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

(b) Operating Lease Commitments

The Department as Lessee

At the reporting date, the Department has operating leases for office accommodation and motor vehicles.

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

Motor Vehicles are leased from Fleet SA. These leases are non-cancellable with terms of 3-5 years.

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

	2011	2010
	\$'000	\$'000
Not later than one year	9 835	9 831
Later than one year but not later than five years	15 777	24 120
Later than five years	374	1 312
Total Non-Cancellable Operating Lease Commitments	25 986	35 263

(c) Other Commitments

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

	2011	2010
	\$'000	\$'000
Not later than one year	10 245	9 298
Later than one year and not later than five years	8 517	11 010
Total Other Commitments	18 762	20 308

25 Contingent Assets and Liabilities

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

26 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during 2010-11 financial year were:

SAFA Advisory Board

Mr B Rowse (Presiding Member)* (appointed 1 December 2010)
 Mr B Brownjohn
 Mr L Foster
 Ms A Howe * (resigned 17 December 2010)
 Mr C Long
 Ms Y Sneddon
 Ms Juliet Brown
 Ms Anne Westley* (appointed 8 April 2011)
 Mr J Wright * (resigned 29 September 2010)

SAFA Audit Committee

Ms Y Sneddon
 Mr L Foster
 Mr P Mendo*

Super SA Board

Hedley Bachmann (resigned 8 July 2010)
 Kevin Cantley*
 Bill Griggs*
 Virginia Deegan
 Philip Jackson (Presiding Member) (appointed 9 September 2010)
 Jan McMahon
 Leah York **

	2011	2010
	Number	Number
The number of members whose remuneration received or receivable falls within the following bands:		
\$0	7	5
\$1 - \$9 999	2	2
\$20 000 - \$29 999	2	2
\$30 000 - \$39 999	5	5
\$40 000 - \$49 999	1	1
Total Number of Members	17	15

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$277 000 (\$287 000).

Amounts paid to a superannuation plan for board/committee members was \$23 000 (\$24 000).

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

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

** Deputy Member serving as a member of the Member Services Committee and paid an annual attendance fee.

27 Cash Flow Reconciliation

	2011	2010
	\$'000	\$'000
(a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period		
Statement of Cash Flows	50 879	66 028
Statement of Financial Position	50 879	66 028

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

Net cash provided by operating activities	(3 814)	37 633
Less revenues from SA Government	(77 322)	(110 303)
Add Non cash items		
Depreciation and amortisation expense	(4 409)	(4 301)
Derecognition of assets	(399)	—
Bad and doubtful debts expenses	(15)	(172)
Derecognition of liabilities	—	82
Non-current assets accrual in payables	(467)	(522)
Non-current assets classified as held for sale	—	10 671
Changes in Assets / Liabilities		
Increase (decrease) in receivables	5 102	(10 805)
Decrease in payables	2 261	427
Decrease (Increase) in employee benefits	3 324	(2 739)
(Increase) decrease in provisions	(350)	718
Decrease in other liabilities	537	770
Net Cost of Providing Services	(75 552)	(78 541)

28 Financial Instruments/Financial Risk Management

Table 28.1 Categorisation of financial instruments

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

2011

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2011 \$'000	Fair value 2011 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	15, 27	50 879	50 879
Loans and receivables	Receivables	16	24 275	24 275
	Total Financial Assets		75 154	75 154
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	19	10 920	10 920
	Other financial liabilities	22	1 137	1 137
	Total Financial Liabilities		12 057	12 057

2010

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2010 \$'000	Fair value 2010 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	15, 27	66 028	66 028
Loans and receivables	Receivables	16	19 188	19 188
	Total Financial Assets		85 216	85 216
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	19	12 282	12 282
	Other financial liabilities	22	1 674	1 674
	Total Financial Liabilities		13 956	13 956

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

Credit risk

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

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

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

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

Table 28.2 Ageing analysis of financial assets

	Past due by			
	Overdue for < 30 days	Overdue for 30 – 60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000
2011				
Not impaired				
Receivables ⁽¹⁾	16 859	3 970	3 410	24 239
Impaired				
Receivables ⁽¹⁾	—	—	36	36
2010				
Not impaired				
Receivables ⁽¹⁾	15 108	1 642	2 271	19 021
Impaired				
Receivables ⁽¹⁾	—	—	167	167

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

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

Table 28.3: Maturity analysis of financial assets and liabilities

	Carrying amount	Contractual Maturities		
		< 1 year	1-5 years	> 5 years
	\$'000	\$'000	\$'000	\$'000
2011				
Financial assets				
Cash and cash equivalents	50 879	50 879	—	—
Receivables	24 275	24 246	29	—
Total financial assets	75 154	75 125	29	—
Financial liabilities				
Payables	10 920	8 361	1 092	1 467
Other financial liabilities	1 137	753	384	—
Total financial liabilities	12 057	9 114	1 476	1 467

	Carrying amount	Contractual Maturities		
		< 1 year	1-5 years	> 5 years
	\$'000	\$'000	\$'000	\$'000
2010				
Financial assets				
Cash and cash equivalents	66 028	66 028	—	—
Receivables	19 188	18 372	816	—
Total financial assets	85 216	84 400	816	—
Financial liabilities				
Payables	12 282	9 398	830	2 054
Other financial liabilities	1 674	670	1 004	—
Total financial liabilities	13 956	10 068	1 834	2 054

Liquidity risk

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

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

The carrying amount of financial liabilities recorded in Table 28.3 represent the Department's maximum exposure to financial liabilities.

Market risk

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

Sensitivity disclosure analysis

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

29 Net Revenue from Administrative Restructure

There were no restructures as a result of administrative or machinery of government changes in 2010-11.

Net Revenue from Administrative Restructure - 2009-10

Transferred Out

On 01 July 2009, Fleet SA from the Department of Treasury and Finance was transferred to the South Australian Government Financing Authority.

On transfer of Fleet SA to the South Australian Government Financing Authority, the Department recognised movement of the following assets and liabilities.

	2010
	\$'000
Current Assets	
Cash	23 289
Receivables	12 174
Property, Plant and Equipment	59 755
	<u>95 218</u>
Assets classified as held for sale	6 911
Total current assets	<u>102 129</u>
Non-Current Assets	
Property, Plant and Equipment	139 577
Total non-current assets	<u>139 577</u>
TOTAL ASSETS	<u>241 706</u>
Current Liabilities	
Payables	2 349
Borrowings	73 054
Other current liabilities	616
	<u>76 019</u>
Liabilities directly associated with non-current assets held for sale	2 951
Total current liabilities	<u>78 970</u>
Non-Current Liabilities	
Borrowings	158 962
Total non-current liabilities	<u>158 962</u>
TOTAL LIABILITIES	<u>237 932</u>
NET ASSETS TRANSFERRED	<u>3 774</u>

Transferred In

Shared Services SA completed the transition of Tranche 2 services in October 2009 comprising general accounting, external financial reporting, asset accounting and taxation services for 8 agencies with 43.6 FTE's transitioned into Shared Services SA.

Name of the Agency

Attorney-General's Department - AGD

Department of Correctional Services - DCS

Department of Further Education, Employment and Science - DFEEST

Department of Transport, Energy and Infrastructure - DTEI

Department of Water, Land and Biodiversity Conservation - DWLBC (name changed to the Department for Water)

South Australian Fire and Emergency Services Commission - SAFECOM

South Australia Police - SAPOL

The following table shows income and expenses associated with the functions transferred as part of Tranche 2 Group 2 for 2009-2010. The income and expense in the Transferor agencies column were supplied by the respective transferor entities and as such have been relied upon by the Department.

	AGD \$'000	DCS \$'000	DFEEST \$'000	DTEI \$'000	DWLBC \$'000	SAFECOM \$'000
Appropriation	—	—	280	—	61	62
Revenue from services	—	—	—	—	—	—
Other income	—	—	—	—	—	—
Total income	—	—	280	—	61	62
Employee benefit expenses	68	96	277	188	57	121
Supplies and services	4	1	3	75	4	8
Depreciation and Amortisation	—	—	—	—	—	—
Total expenses	72	97	280	263	61	129
Net result	(72)	(97)	—	(263)	—	(67)

	SAPOL \$'000	SHARED SERVICES SA \$'000	TOTAL \$'000
Appropriation	12	—	415
Revenue from services	—	3 450	3 450
Other income	—	411	411
Total income	12	3 861	4 276
Employee benefit expenses	170	2 244	3 221
Supplies and services	11	320	426
Depreciation and Amortisation	—	4	4
Total expenses	181	2 568	3 651
Net result	(169)	1 293	625

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

	AGD \$'000	DCS \$'000	DFEEST \$'000	DTEI \$'000	DWLBC \$'000	SAFECOM \$'000
Cash	52	34	332	146	43	102
Receivables	—	—	—	—	—	—
Total assets	52	34	332	146	43	102
Payables	5	4	33	15	4	10
Employee benefits	47	30	299	131	39	92
Total liabilities	52	34	332	146	43	102
Total net assets transferred	—	—	—	—	—	—

	SAPOL \$'000	TOTAL \$'000
Cash	52	761
Receivables	—	—
Total assets	52	761
Payables	5	76
Employee benefits	47	685
Total liabilities	52	761
Total net assets transferred	—	—

30 Events after the end of the reporting period

The Department is not aware of any after the reporting period events

2

Statement of Administered Comprehensive Income for the year ended 30 June 2011			
	Note	2011 \$'000	2010 \$'000
INCOME			
Taxation	32	3 457 562	3 328 147
Commonwealth revenues	33	7 738 040	8 510 452
Dividends	34	271 600	297 812
Interest revenues	35	146 578	117 773
Revenues from SA Government	36	1 779 663	1 761 184
Grants and contributions	37	145 632	155 177
Revenues from fees and charges	38	81 255	46 280
Other revenues	39	371 805	544 159
Total income		13 992 135	14 760 984
EXPENSES			
Payments to SA Government	36	10 076 437	9 965 661
Employee benefit expenses	40	421 190	419 436
Supplies and services	41	72 264	64 524
Borrowing costs	42	334 847	225 134
Grants, subsidies and transfers	43	2 875 244	3 984 842
Depreciation expense	44	98	159
Other expenses	45	84 415	62 917
Total expenses		13 864 495	14 722 673
NET RESULT		127 640	38 311
OTHER COMPREHENSIVE INCOME			
Changes in property, plant and equipment asset revaluation surplus		—	448
TOTAL COMPREHENSIVE RESULT		127 640	38 759

Net result and total comprehensive result are attributable to the SA Government as owner.

Statement of Administered Financial Position as at 30 June 2011

	Note	2011 \$'000	2010 \$'000
CURRENT ASSETS			
Cash and cash equivalents	46	1 333 135	1 187 872
Receivables	47	104 544	102 131
Other financial assets	48	21	1 990
Total current assets		1 437 700	1 291 993
NON-CURRENT ASSETS			
Receivables	47	2	2
Other financial assets	48	962	426
Property, plant and equipment	49	1 024	979
Total non-current assets		1 988	1 407
TOTAL ASSETS		1 439 688	1 293 400
CURRENT LIABILITIES			
Payables	50	938 976	913 938
Employee benefits	51	972	1 238
Provisions	52	18	16
Other current liabilities	53	1 390	3 628
Total current liabilities		941 356	918 820
NON-CURRENT LIABILITIES			
Payables	50	482 783	486 848
Employee benefits	51	467	276
Provisions	52	62	51
Other non-current liabilities	53	780	805
Total non-current liabilities		484 092	487 980
TOTAL LIABILITIES		1 425 448	1 406 800
NET ASSETS		14 240	(113 400)
EQUITY			
Accumulated surplus/(deficit)		13 792	(113 848)
Asset revaluation surplus		448	448
TOTAL EQUITY		14 240	(113 400)

Total equity is attributable to the SA Government as owner.

Unrecognised Contractual Commitments	55
Contingent Assets and Liabilities	56

Statement of Administered Changes in Equity for the year ended 30 June 2011

	Note	Asset Revaluation Surplus \$'000	Accumulated Surplus/ (Deficit) \$'000	TOTAL \$'000
Balance at 30 June 2009		—	(160 955)	(160 955)
Recognition of Housing Loans Redemption Fund	54	—	8 796	8 796
Restated balance at 30 June 2009		—	(152 159)	(152 159)
Net result for 2009-10		—	38 311	38 311
Gain on revaluation of land and buildings		448	—	448
Total restated comprehensive result for 2009-10		448	38 311	38 759
Balance at 30 June 2010		448	(113 848)	(113 400)
Net result for 2010-11		—	127 640	127 640
Total comprehensive result for 2010-11		—	127 640	127 640
Balance at 30 June 2011		448	13 792	14 240

All changes in equity are attributable to the SA Government as owner

Statement of Administered Cash Flows for the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Taxation received		3 457 562	3 328 147
Receipts from Commonwealth		7 738 040	8 510 452
Dividends		271 600	297 812
Interest received		146 699	117 704
Receipts from SA Government		1 779 663	1 761 184
Grants and contributions		152 757	160 148
Fees and charges		81 680	46 615
GST receipts on receivables		8 124	8 403
GST recovered from Australian Taxation Office		8 486	2 665
Other receipts		364 015	548 777
Cash generated from operations		14 008 626	14 781 907
Cash Outflows			
Payments to SA Government		(9 997 931)	(9 981 058)
Employee benefit payments		(421 336)	(419 566)
Payments for supplies and services		(72 366)	(64 459)
Interest payments		(390 152)	(169 829)
Grants, subsidies and transfers		(2 883 013)	(3 989 707)
GST payments on purchases		(9 363)	(6 399)
GST remitted to Australian Taxation Office		(7 562)	(5 289)
Other payments		(85 026)	(92 892)
Cash used in operations		(13 866 749)	(14 729 199)
NET CASH PROVIDED BY OPERATING ACTIVITIES	58(b)	141 877	52 708
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows			
Purchase of property, plant and equipment		(142)	—
Cash used in investing activities		(142)	—
NET CASH (USED IN) INVESTING ACTIVITIES		(142)	—
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows			
Proceeds from other financial assets		4 088	1 812
Cash generated from financing activities		4 088	1 812
Cash outflows			
Repayment of interest bearing liabilities		(560)	(399)
Cash used in financing activities		(560)	(399)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		3 528	1 413
NET INCREASE IN CASH AND CASH EQUIVALENTS		145 263	54 121
Cash and cash equivalents at 1 July		1 187 872	1 133 751
CASH AND CASH EQUIVALENTS AT 30 JUNE	58(a)	1 333 135	1 187 872

Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2011

	Admin Items on behalf of the Consolidated Account		Commonwealth Mirror Taxes on Commonwealth Places Revenue		Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme		ETSA Sales/Lease Proceeds Account		Hospitals Fund		Housing Loans Redemption Fund		Inter-gov. Agreement on Federal Relations		Industry Financial Assistance Account	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
INCOME																				
Taxation	3 362 260	3 238 450					95 302	89 697									1 902 281	2 824 136		
Commonwealth revenues	5 813 957	5 665 643	21 802	20 673																
Dividends	271 600	297 812																		
Interest revenues	143 311	114 815					183	153	693	504					479	473			118	210
Revenues from SA Government	46 142	76 885																		750
Grants and contributions					20 000	20 000	81 414	86 286											21 932	28 155
Revenues from fees and charges	63 601	29 150					403	419			3 712	3 379	157 718	158 601					84	845
Other revenues	203 782	376 771									3 712	3 379	157 718	158 601						
Total Administered Income	9 904 653	9 799 526	21 802	20 673	20 000	20 000	177 302	176 555	693	504			157 718	158 601	479	473	1 902 281	2 824 136	22 134	29 960
EXPENSES																				
Payments to SA Government	9 856 011	9 722 640											157 718	158 601						20 000
Employee benefit expenses	281	277																		
Supplies and services																				
Borrowing costs																				
Grants, subsidies and transfers	48 361	76 609			20 000	20 000	177 415	176 407									1 950 483	2 789 702	36 563	9 397
Depreciation expense																			(494)	805
Other expenses			21 802	20 673																
Total Administered Expenses	9 904 653	9 799 526	21 802	20 673	20 000	20 000	177 415	176 407					157 718	158 601			1 950 483	2 789 702	36 069	30 202
NET RESULT							(113)	148	693	504	3 712	3 379			479	473	(48 202)	34 434	(13 935)	(242)
OTHER COMPREHENSIVE INCOME																				
Changes in property, plant and equipment																				
asset revaluation surplus																				
TOTAL COMPREHENSIVE RESULT							(113)	148	693	504	3 712	3 379			479	473	(48 202)	34 434	(13 935)	(242)

Net result and total comprehensive result are attributable to the SA Government as owner

Schedule of Income and Expenses attributable to Administered Activities for the year ended 30 June 2011

	Local Government Concessions		Local Government Disaster Fund		Responsible Gambling Working Party		State Procurement Board - Gaming Machines		Support Services to Parliamentarians		Sustainable Budget Commission	Treasury and Finance Administered Items Account	Treasurer's Interest in the National Wine Centre Account	Treasury Working Account	TOTAL	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
INCOME																
Taxation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3 457 562	3 328 147
Commonwealth revenues	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7 738 040	8 510 452
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	271 600	297 812
Interest revenues	—	—	—	—	—	—	—	39	—	—	—	—	—	—	146 578	117 773
Revenues from SA Government	—	—	1 794	1 579	—	—	—	—	236	—	—	1 682 075	—	—	1 779 663	1 761 184
Grants and contributions	2 495	2 473	—	—	98	161	—	—	19 693	18 102	—	—	—	—	145 632	155 177
Revenues from fees and charges	—	—	—	—	—	—	—	—	1 520	1 229	—	—	—	—	81 255	46 280
Other revenues	—	—	—	—	—	—	15 731	15 482	8	9	1	—	—	—	371 805	544 159
Total Administered Income	2 495	2 473	1 794	1 579	98	161	15 731	15 521	21 457	19 340	997	1 682 075	25	4 662	13 992 135	14 760 984
EXPENSES																
Payments to SA Government	—	—	—	—	—	—	—	—	—	1 713	—	—	—	—	10 076 437	9 965 661
Employee benefit expenses	—	—	—	—	—	—	—	—	14 063	13 318	—	—	—	—	421 190	419 436
Supplies and services	—	—	40	40	143	296	15 731	15 521	5 573	5 445	810	405 841	31	—	72 264	64 524
Borrowing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	334 847	225 134
Grants, subsidies and transfers	2 237	2 187	1 083	1 073	—	—	—	—	—	—	—	—	—	—	2 875 244	3 984 842
Depreciation expense	—	—	—	—	—	—	—	—	72	146	—	—	26	—	98	159
Other expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	84 415	62 917
Total Administered Expenses	2 237	2 187	1 123	1 113	143	296	15 731	15 521	19 708	20 622	810	1 682 075	57	4 662	13 864 495	14 722 673
NET RESULT	258	286	671	466	(45)	(135)	—	—	1 749	(1 282)	187	—	(32)	—	127 640	38 311
OTHER COMPREHENSIVE INCOME																
Changes in property, plant and equipment asset revaluation surplus	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	448
TOTAL COMPREHENSIVE RESULT	258	286	671	466	(45)	(135)	—	—	1 749	(1 282)	187	182 218	(32)	—	127 640	38 759

Net result and total comprehensive result are attributable to the SA Government as owner

Notes to and forming part of the Administered Financial Statements

The Administered financial statements include the revenues, expenses, assets and liabilities which the Department administers on behalf of the SA Government but does not control.

These financial statements include a number of revenue and expense transactions on behalf of the South Australian Government for the Consolidated Account. Such transactions include collection of revenues from taxations, revenues from the Commonwealth Government, dividends and interest. The expense transactions include transfers to agencies for employee entitlements and supplies and services; grants and subsidies to public sector agencies, the private sector and the community; and the transfer of revenues to the Consolidated Account. The associated Statement of Financial Position items for the Consolidated Account such as loans and borrowings are recognised in the whole-of-government general purpose financial report.

The administered financial statements include the Intergovernmental Agreement on Federal Financial Relations Account. The purpose of the account is to receive monies from the Commonwealth Government and disburse the monies to agencies pursuant to the Intergovernmental Agreement on Federal Financial Relations for the National SPP purposes listed in Schedule F of that Agreement and for the NPP payments for the purposes listed in Schedule G of that Agreement.

The administered financial statements also include the fixed property component of the Emergency Services Levy collected by RevenueSA and transferred to the Community Emergency Services Fund and all the transactions for the special deposit accounts established under Section 8 of the *Public Finance and Audit Act 1987* that are administered by the Department listed below:

Commonwealth Mirror Taxes on Commonwealth Places Revenue Account

Community Development Fund

Community Emergency Services Fund

Country Equalisation Scheme Account

ETSA Sales/Lease Proceeds Account

Hospitals Fund

* Housing Loan Redemption Fund

Industry Financial Assistance Account

Intergovernmental Agreement on Federal Financial Relations

Local Government Concessions Senior Card Holders

Local Government Disaster Fund

Responsible Gambling Working Party

** State Procurement Board - Gaming Machines Account

Support Services to Parliamentarians

Sustainable Budget Commission (ceased 17 December 2010)

Treasurer's Interest in the National Wine Centre Account

Treasury Working Account

Treasury and Finance Administered Items Account

* The Housing Loan Redemption Fund has been recognised as an Administrative Item for the first time this year. The opening balance has been included as an error correction in Equity as the Housing Loan Redemption Fund has been omitted in prior years.

** The State Procurement Board - Gaming Machines Account will begin winding up operations from 1 July 2011. The Board was responsible for the purchase and on-selling of gaming machines under the *Gaming Machine Act 1992*. The financial transactions for the Gaming Machines are included in the Department of Treasury and Finance Administered Items financial statements.

Under The *Gaming Machines (Miscellaneous) Amendment Bill 2010*, passed in both Houses on 25 November 2010 and proclaimed on 1 July 2011, the purchase of gaming machines has been eliminated from the Board's role.

31 Summary of Significant Accounting Policies

The Department's significant accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Department and administered financial statements.

32 Taxation	2011 \$'000	2010 \$'000
Stamp duties	1 321 103	1 317 840
Commonwealth Places Mirror - stamp duties	363	299
Payroll tax	1 145 678	1 088 855
Commonwealth Places Mirror - payroll tax	20 043	19 050
Land tax	595 885	553 257
Commonwealth Places Mirror - land tax	1 396	1 324
Emergency Services levy	95 302	89 697
Local Government rate equivalents	5 859	5 226
Income tax equivalents	161 599	136 157
Contributions from Lotteries Commission	85 231	92 754
Save the River Murray levy	25 036	23 659
Hindmarsh Island Bridge levy	67	29
Total Taxation	3 457 562	3 328 147

Taxation received/receivable from entities within the SA Government

Stamp duties	4 332	4 231
Payroll tax	210 878	209 507
Land tax	236 365	205 159
Emergency Services levy	2 965	2 864
Local Government rate equivalents	5 645	2 956
Income tax equivalents	161 599	136 157
Contributions from Lotteries Commission	85 231	92 754
Total Taxation received/receivable from entities within the SA Government	707 015	653 628

33 Commonwealth Revenues	2011 \$'000	2010 \$'000
Commonwealth General Purpose Grants		
GST revenue grants	4 251 512	4 099 707
Transitional assistance	—	7 455
Commonwealth Places Mirror taxes	21 802	20 673
Total Commonwealth General Purpose Grants	4 273 314	4 127 835
Commonwealth Specific Purpose Grants		
Concessions to pensioners and others	24 186	22 804
Council of Australian Governments Funding arrangements	1 523 284	1 461 110
Inter-governmental Agreement on Federal Financial Relations - Recurrent	1 093 112	1 208 799
Inter-governmental Agreement on Federal Financial Relations - Capital	809 169	1 614 972
Other grants paid to Consolidated Account	999	365
First Home Owners Boost	13 976	74 567
Total Commonwealth Specific Purpose Grants	3 464 726	4 382 617
Total Commonwealth Revenues	7 738 040	8 510 452

34 Dividends	2011	2010
	\$'000	\$'000
Adelaide Convention Centre	—	1 017
Austraining International	286	—
Forestry SA	26 516	31 067
Homestart	7 329	5 628
Land Management Corporation	12 757	53 603
SA Water Corporation	169 006	169 009
South Australian Asset Management Corporation	4 000	23 500
South Australian Government Employee Residential Property	1 706	1 706
South Australian Government Financing Authority	50 000	11 513
Transmission Lessor Corporation	—	769
Total Dividends	271 600	297 812

35 Interest Revenues	2011	2010
	\$'000	\$'000
Interest *	146 578	117 773
Total Interest Revenues	146 578	117 773

* 2009-10 comparative figure has increased by \$473 000 from the inclusion of the Housing Loans Redemption Fund.

Interest from entities within SA Government	139 750	112 436
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36 Revenues from/Payments to SA Government	2011	2010
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 732 289	1 682 075
Appropriations under other acts	46 142	77 635
Transfers from Contingencies	1 232	1 474
Total Revenues from SA Government	1 779 663	1 761 184
Payments to SA Government		
Transfer of revenue received on behalf of Consolidated Account	9 856 011	9 701 967
Other payments to the Consolidated Accounts	157 718	179 274
Return of surplus cash pursuant to Cash Alignment Policy	62 708	84 420
Total Payments to SA Government	10 076 437	9 965 661

37 Grants and Contributions	2011	2010
	\$'000	\$'000
Grants and Contributions	145 632	155 177
Total Grants and Contributions	145 632	155 177
SA Government entities	144 729	154 719
Total Grants and Contributions from entities within the SA Government	144 729	154 719

38 Revenue from Fees and Charges	2011	2010
	\$'000	\$'000
Guarantee Fees	63 601	29 150
Support Services to Parliamentarians	1 520	1 229
State Procurement Board - gaming machines	15 731	15 455
Other recoveries	403	446
Total Fees and Charges	81 255	46 280

	2011 \$'000	2010 \$'000
Fees and Charges received/receivable from entities within the SA Government:		
Guarantee Fees	63 601	29 150
Support Services to Parliamentarians	1 520	1 206
State Procurement Board - gaming machines	—	27
Total Fees and Charges from entities within the SA Government:	65 121	30 383

39 Other Revenues	2011 \$'000	2010 \$'000
Contribution towards public hospital costs	157 718	158 601
Discounted cash flow valuations for financial assistance loans	84	845
Repayment of advances	70 962	87 143
Return of cash to Consolidated Account - cash alignment policy	96 557	143 901
Return of capital	—	73 631
Return of deposit account balances	22 306	59 298
Essential Services Commission of SA	5 526	5 356
Support Services to Parliamentarians	7	9
Other income	18 645	15 375
Total Other Revenues	371 805	544 159

Other Revenues received/receivable from entities within the SA Government:	2011 \$'000	2010 \$'000
Contribution towards public hospital costs	157 718	158 601
Discounted cash flow valuations for financial assistance loans	—	845
Repayment of advances	70 841	87 027
Return of cash to Consolidated Account - cash alignment policy	96 557	143 901
Return of capital	—	73 631
Return of deposit account balances	10 735	48 898
Essential Services Commission of SA	5 526	5 356
Other	7 240	7 865
Total Other revenues received/receivable from entities within SA Government	348 617	526 124

40 Employee Benefit Expenses	2011 \$'000	2010 \$'000
Superannuation contributions to various schemes	406 846	405 841
Salaries and wages	11 040	10 353
Long service leave	289	574
Annual leave	891	718
Employment on-costs - superannuation	1 073	1 001
Employment on-costs - other	657	624
Minister's salary, electorate and expense allowance	281	277
Other employee related expenses	113	48
Total Employee Benefit Expenses	421 190	419 436

Remuneration of Employees	2011 Number of Employees	2010 Number of Employees
The number of employees whose remuneration received or receivable falls within the following bands:		
\$140 700 - \$150 699	1	1
Total Number of Employees	1	1

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$148 000 (\$143 000).

Accounting Policy Change

In accordance with the revised Accounting Policy Framework II General Purpose Financial Statements Framework, the department has changed its accounting policy and now discloses all employees who receive remuneration equal to or greater than the base executive remuneration level rather than all employees who receive remuneration equal to or greater than \$100 000. The impact of this change in accounting policy is the number of employees disclosed has reduced by 7 for 2011 and 1 for 2010.

41 Supplies and Services	2011	2010
	\$'000	\$'000
State's share of GST administration	49 449	41 610
Support Services to Parliamentarians	5 499	5 445
Gaming machines	15 732	15 521
Unclaimed monies	476	404
Accommodation and telecommunication	65	—
Consultants	123	558
General administration and consumables	920	986
Total Supplies and Services	72 264	64 524

	2011	2010
	\$'000	\$'000
Supplies and services provided by entities within the SA Government		
Support Services to Parliamentarians	2 898	2 577
Gaming machines	—	39
Unclaimed monies	—	26
Accommodation and telecommunication	2	—
General administration and consumables	872	945
Total Supplies and Services by entities within the SA Government	3 772	3 587

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

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

	2011	2010	2011	2010
	Number	Number	\$'000	\$'000
Below \$10 000	—	3	1	6
Between \$10 000 and \$50 000	4	5	115	153
Above \$50 000	—	3	—	399
Total Paid / Payable to the Consultants engaged	4	11	116	558

42 Borrowing Costs	2011	2010
	\$'000	\$'000
Interest on borrowings	289 914	190 546
Interest paid on deposit accounts and other monies	44 933	34 588
Total Borrowing Costs	334 847	225 134
Borrowing costs paid / payable to entities within SA Government		
Interest on borrowings	289 914	190 546
Interest paid on deposit accounts and other monies	40 623	32 097
Total Borrowing costs paid/payable to entities within SA Government	330 537	222 643

43 Grants, Subsidies and Transfers	2011	2010
	\$'000	\$'000
Recurrent grants, subsidies and transfers	1 929 207	2 385 762
Capital grants, subsidies and transfers	946 037	1 599 080
Total Grants, Subsidies and Transfers	2 875 244	3 984 842
Grants, subsidies and transfers paid to entities within SA Government		
Recurrent grants, subsidies and transfers	1 804 376	2 143 397
Capital grants, subsidies and transfers	946 037	1 599 080
Total Grants, Subsidies and Transfers paid to entities within SA Government	2 750 413	3 742 477
44 Depreciation and Amortisation Expense	2011	2010
	\$'000	\$'000
Depreciation		
Buildings	26	13
Building fit-outs	68	142
Office equipment	4	4
Total Depreciation Expense	98	159
45 Other Expenses	2011	2010
	\$'000	\$'000
Refunds and remissions	36 644	20 591
Payments to the South Australian Superannuation Fund	9 500	10 400
Payments to Commonwealth Government	21 802	20 673
Bad debts	314	58
Doubtful debts	1 517	512
Discounted cash flow valuations for financial assistance loans	(3 947)	(1 058)
Repayment of borrowings	12 131	5 840
Loans forgiven	1 623	1 293
Other	4 831	4 608
Total Other Expenses	84 415	62 917
Other expenses provided by entities within the SA Government		
Repayment of borrowings	12 131	5 840
Other	862	949
Total Other Expenses by entities within the SA Government	12 993	6 789
46 Cash and Cash Equivalents	2011	2010
	\$'000	\$'000
Deposits with the Treasurer *	1 292 635	1 145 772
Promissory notes	40 500	42 100
Total Cash and Cash Equivalents	1 333 135	1 187 872

* Deposits with the Treasurer include \$9 230 000 from the Home Loans Redemption Fund

Deposits with the Treasurer

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



47 Receivables	2011	2010
	\$'000	\$'000
Current		
Receivables	94 501	94 015
Allowance for doubtful debts	(4 005)	(2 492)
Accrued revenues *	13 594	10 091
Prepayments **	51	—
GST input tax recoverable	403	517
Total Current Receivables	104 544	102 131
Non-Current		
Receivables	2	2
Total Non-Current Receivables	2	2
Total Receivables	104 546	102 133
Receivables from SA Government Entities	2011	2010
	\$'000	\$'000
Receivables	89 902	89 907
Accrued revenues	13 592	9 797
Total Receivables from SA Government Entities	103 494	99 704

* Current Accrued revenues in 2009-10 includes \$39 000 for accrued interest for the Housing Loan Redemption Fund.

** The increase in Current Prepayments recognises a prepaid asset of 1 day's Salaries and Wages and associated on-costs for 1 July 2011 paid on 30 June 2011.

Movement in the Allowance for Doubtful Debts

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

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

	2011	2010
	\$'000	\$'000
Carrying amount at the beginning	2 492	462
Increase in Allowance	1 513	2 030
Carrying amount at the end of the period	4 005	2 492

Interest rate and credit risk

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

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

Maturity Analysis of Receivables - refer to Note 59.3

Categorisation of financial instruments and risk exposure information - refer to Note 59.

48 Other Financial Assets	2011	2010
	\$'000	\$'000
Current		
Loans for financial assistance	21	1 990
Total Current Other Financial Assets	21	1 990
Non-Current		
Loans for financial assistance	966	426
Provision for doubtful debts	(4)	—
Total Non-Current Other Financial Assets	962	426
Total Other Financial Assets	983	2 416

Movement in the Provision for Doubtful Debts

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

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

	2011	2010
	\$'000	\$'000
Increase in Provision	4	—
Carrying amount at the end of the period	4	—

49 Property, Plant and Equipment	2011	2010
	\$'000	\$'000
Buildings		
At valuation	874	874
Accumulated depreciation	(26)	—
Total Buildings	848	874
Building fit-outs		
At cost	793	651
Accumulated amortisation	(671)	(604)
Total Building Fitouts	122	47
Land		
At valuation (30 June 2010)	46	46
Total Land	46	46
Office Equipment		
At cost (deemed fair value)	21	21
Accumulated depreciation	(13)	(9)
Total Office Equipment	8	12
Total Non-Current Property, Plant and Equipment	1 024	979
Total Property, Plant and Equipment	1 024	979

Valuation of Non-Current Assets

A valuation of the land and buildings for the National Wine Centre was performed by Mr Fred Taormina, B.App.Sc. (Val.) A.A.P.I. of VALCORP as at 30 June 2010. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the 40 year lease arrangement with Adelaide University. The valuation resulted in a land and building increment of \$448 814.

Impairment

There were no indicators of impairment for the Property, Plant and Equipment as at 30 June 2011.

Resources received Free of Charge

There were no resources received free of charge.

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2010-11:

	Buildings	Building Fit-Outs	Land	Office Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	874	47	46	12	979
Additions	—	142	—	—	142
Depreciation expense	(26)	(67)	—	(4)	(97)
Carrying amount at the end of the period	848	122	46	8	1 024

50 Payables	2011	2010
	\$'000	\$'000
Current		
Creditors - electricity entities lease proceeds	4 079	3 712
Creditors - revenue on behalf of the Consolidated Accounts	846 574	780 589
Creditors - other	72 856	119 071
Accrued expenses	15 350	10 695
Employment on-costs	131	181
GST payable	(14)	(310)
Total Current Payables	938 976	913 938
Non-Current		
Creditors - electricity entities lease proceeds	482 742	486 821
Employment on-costs	41	27
Total Non-Current Payables	482 783	486 848
Total Payables	1 421 759	1 400 786
	2011	2010
	\$'000	\$'000
Payables to SA Government Entities		
Creditors - electricity entities lease proceeds	486 821	490 533
Creditors - revenue on behalf of the Consolidated Accounts	846 575	780 589
Creditors - other	72 856	118 939
Accrued expenses	14 127	10 050
Employment on-costs	76	81
Total Payables to SA Government Entities	1 420 455	1 400 192

Interest rate and credit risk

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

Maturity Analysis of Payables - refer to Note 59.3

Categorisation of financial instruments and risk exposure information - refer to Note 59.

51 Employee Benefits	2011	2010
	\$'000	\$'000
Current		
Accrued salaries and wages*	—	310
Annual leave	655	597
Long service leave	317	331
Total Current Employee Benefits	972	1 238
Non-Current		
Long service leave	467	276
Total Non-Current Employee Benefits	467	276
Total Employee Benefits	1 439	1 514

* In accordance with the Department's normal payroll schedule, all employees were paid on 30 June 2011 for work performed up to and including 1 July 2011. As such no accrued salaries and wages were recognised for 2010-11.

The annual leave liability is calculated at the salary rates the Department expects to pay. For 2010-11 a salary inflation rate of 4 percent was used for this estimate. This salary inflation rate remained unchanged from the prior year.

The actuarial assessment reduced the benchmark for the measurement of the long service leave liability from the 2010 benchmark of 5.5 years to **5.0 years**.

52 Provisions	2011	2010
	\$'000	\$'000
Current		
Provision for workers compensation	18	16
Total Current Provisions	18	16
Non-Current		
Provision for workers compensation	62	51
Total Non-Current Provisions	62	51
Total Provisions	80	67
Reconciliation of Provisions	2011	2010
	\$'000	\$'000
Carrying amount at the beginning of the period	67	56
Additional provisions recognised	13	11
Carrying amount at the end of the period	80	67

A liability has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Department of the Premier and Cabinet.

53 Other liabilities	2011	2010
	\$'000	\$'000
Current		
Unearned revenue	1 390	3 628
Total current other liabilities	1 390	3 628
Non-Current		
Unearned revenue	780	805
Total non-current other liabilities	780	805
Total Other Liabilities	2 170	4 433

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

54 Adjustments to Equity - Error Correction

The activities of the Housing Loans Redemption Fund (HLRF) have been recognised in the Administered Financial Statements for the first time. The balance of accumulated surplus/(deficit) as at 1 July 2009 was increased by \$8.796 million to correct this omission. The net result for 2009-10 was increased by \$473 000 to recognise the financial performance of the HLRF for that year. Net assets as at 30 June 2010 were increased by \$9.269 million to recognise these adjustments. The impact on the relevant financial statement line items is detailed below:

Financial Statement line item	30 June 2010 (published) \$'000	Error Correction \$'000	30 June 2010 (restated) \$'000
Statement of Administered Comprehensive			
Income	14 760 511	473	14 760 984
Expenses	(14 722 673)	—	(14 722 673)
Net Result	37 838	473	38 311
Statement of Administered Financial Position			
Cash	1 178 642	9 230	1 187 872
Receivables	102 092	39	102 131
Net assets	(122 669)	9 269	(113 400)

55 Unrecognised Contractual Commitments

(a) Remuneration Commitments

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

	2011 \$'000	2010 \$'000
Not later than one year	2 078	1 476
Later than one year but not later than five years	2 582	2 723
Total Remuneration Commitments	4 660	4 199

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

(b) Operating Lease Commitments

The Department as Lessee

At the reporting date, the Department has operating leases for office accommodation and motor vehicles.

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

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

	2011 \$'000	2010 \$'000
Not later than one year	1 471	579
Later than one year but not later than five years	3 052	212
Total Operating Lease Commitments	4 523	791

(c) Other Commitments

The Department's other commitments primarily relate to distribution of Commonwealth funds to agencies in accordance with Schedule G of the Intergovernmental Agreement on Federal Financial Relations.

	2011	2010
	\$'000	\$'000
Not later than one year	144 569	195 956
Later than one year and not later than five years	68 463	66 523
Total Other Commitments	<u>213 032</u>	<u>262 479</u>

56 Contingent Assets and Liabilities

The following contingent assets and liabilities exist for the Administered Items:

Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.

Under an agreement, dated 9 May 1996, with the Australian Energy Market Operator (AEMO), previously known as National Electricity Market Management Company (NEMMCO), the Treasurer may be required to contribute to the winding up of AEMO. The maximum exposure of the contingent liability at 30 June 2011 is capped at \$691 725.

Under an agreement between Osborne Cogeneration Pty Ltd and the South Australian Government Financing Authority (SAFA) for the Osborne Generation Plant, SAFA has guaranteed the performance of certain obligations by two Origin Energy subsidiaries. SAFA in turn, is indemnified by Origin Energy for the performance of its subsidiaries and by the Treasurer for the performance of Origin Energy under this arrangement. The maximum exposure of the guarantee is estimated at \$150 million to \$200 million.

Under an agreement with the South Australian Netball Association, the Treasurer has guaranteed the repayment of a loan, which the South Australian Netball Association has with an external banking institution with a total exposure value of \$1 289 890.

Financial obligations under various assistance agreements with the Treasurer relating to the Industry Investment Attraction Fund, the Structural Adjustment Fund for South Australia, the Strategic Industry Support Fund, the Innovation and Investment Fund. In addition to a number of one-off industry assistance projects that are funded by individual funding submissions. Agreements are subject to performance criteria by those entities receiving assistance.

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

57 Lease

The Treasurer entered into an agreement with the University of Adelaide to lease land and buildings previously owned by the National Wine Centre over a 40 year period, for an upfront consideration of \$1 000 000. The effective commencement date for the lease was 9 September 2003. The lease has been treated as an operating lease in accordance with accounting standard AASB 117 Leases. The consideration of \$1 000 000 has been recorded as unearned revenue and is being apportioned over the life of the lease.

58 Cash Flow Reconciliation

(a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period

	2011	2010
	\$'000	\$'000
Statement of Cash Flows	1 333 135	1 187 872
Statement of Financial Position	<u>1 333 135</u>	<u>1 187 872</u>

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

	2011	2010
	\$'000	\$'000
Net cash provided by operating activities	141 877	52 708
Add Non cash items		
Depreciation and amortisation expense	(98)	(159)
Bad debts expenses	(314)	(58)
Doubtful debts expenses	(1 517)	(512)
Discounted cashflow adjustment	4 031	1 904
Loans forgiven	(1 623)	(1 293)
Increments on revaluation of non-current assets	—	448
Interest written off	—	6
Changes in Assets / Liabilities		
Increase in receivables	3 926	45 588
(Increase) in payables	(20 967)	(59 732)
Decrease in employee benefits	75	122
(Increase) in provisions	(13)	(11)
Decrease (Increase) in other liabilities	2 263	(252)
Total Comprehensive Result	127 640	38 759

59 Financial Instruments/Financial Risk Management

Table 59.1 Categorisation of financial instruments

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

2011

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2011 \$'000	Fair value 2011 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	46,58	1 333 135	1 333 135
Loans and receivables	Receivables	47	104 143	104 143
Held to maturity investments	Other financial assets	48	983	983
	Total Financial Assets		1 438 261	1 438 261
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	50	1 421 773	1 421 773
	Total Financial Liabilities		1 421 773	1 421 773

2010

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2010 \$'000	Fair value 2010 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	46,58	1 187 872	1 187 872
Loans and receivables	Receivables	47	101 616	101 616
Held to maturity investments	Other financial assets	48	2 416	2 416
	Total Financial Assets		1 291 904	1 291 904
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	50	1 401 096	1 401 096
	Total Financial Liabilities		1 401 096	1 401 096

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

Credit risk

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

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

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

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

Table 59.2 Ageing analysis of financial assets

	Past due by			Total
	Overdue for < 30 days	Overdue for 30 – 60 days	Overdue for > 60 days	
	\$'000	\$'000	\$'000	\$'000
2011				
Not impaired				
Receivables ⁽¹⁾	94 552	2	9 589	104 143
Other financial assets	962	—	—	962
Impaired				
Receivables ⁽¹⁾	—	—	4 005	4 005
Other financial assets	—	—	—	—
	95 514	2	13 594	109 110
2010				
Not impaired				
Receivables ⁽¹⁾	100 001	1	1 614	101 616
Other financial assets	—	—	—	—
Impaired				
Receivables ⁽¹⁾	—	—	2 492	2 492
Other financial assets	—	—	—	—
	100 001	1	4 106	104 108

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

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

Table 59.3 Maturity analysis of financial assets and liabilities

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2011				
Financial assets				
Cash and cash equivalents	1 333 135	1 333 135	—	—
Receivables	104 143	104 143	—	—
Other financial assets	983	450	533	—
Total financial assets	1 438 261	1 437 728	533	—
Financial liabilities				
Payables	1 421 773	923 529	15 502	482 742
Total financial liabilities	1 421 773	923 529	15 502	482 742

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2010				
Financial assets				
Cash and cash equivalents	1 187 872	1 187 872	—	—
Receivables	101 616	101 616	—	—
Other financial assets	2 416	2 416	—	—
Total financial assets	1 291 904	1 291 904	—	—
Financial liabilities				
Payables	1 401 096	914 248	14 875	471 973
Total financial liabilities	1 401 096	914 248	14 875	471 973

Liquidity risk

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

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

The carrying amount of financial liabilities recorded in Table 59.3 represent the Department's maximum exposure to financial liabilities.

Market risk

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

Sensitivity disclosure analysis

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

60 Events after the end of the reporting period

The State Procurement Board - Gaming Machines Account will begin winding up operations from 1 July 2011. The State Procurement Board was responsible for the purchase and on-selling of gaming machines under the *Gaming Machine Act 1992*. The financial transactions for the Gaming Machines are included in the Department of Treasury and Finance Administered Items financial statements.

Under *The Gaming Machines (Miscellaneous) Amendment Bill 2010*, passed in both Houses on 25 November 2010 and proclaimed on 1 July 2011, the purchase of gaming machines has been eliminated from the Board's role.



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

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Treasury and Finance for the financial year ended 30 June 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2011
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2011
- a Statement of Administered Financial Position as at 30 June 2011
- a Statement of Administered Changes in Equity for the year ended 30 June 2011
- a Statement of Administered Cash Flows for the year ended 30 June 2011
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2011
- a Certificate from the Under Treasurer and the Director, Financial Services.

The Under Treasurer's Responsibility for the Financial Report

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

Auditor's Responsibility


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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Under Treasurer, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2011, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
30 September 2011

Appendices



Appendix 1 — Acts committed to the Treasurer

Committed

Appropriation Acts

Appropriation Act 2008	7/8/08
ASER (Restructure) Act 1997	5/2/98
Bank Merger (BankSA and Advance Bank) Act 1996	28/11/96
Bank Mergers (South Australia) Act 1997	19/3/98
Benefit Associations Act 1958	20/10/97
Commonwealth Places (Mirror Taxes Administration) Act 1999	19/10/00
Debits Tax Act 1994	13/2/97
Electricity Corporations Act 1994	18/4/02
Electricity Corporations (Restructuring and Disposal) Act 1999	18/4/02
Emergency Services Funding Act 1998	7/11/02
Essential Services Commission Act 2002	12/9/02
Financial Agreement Act 1994	5/2/98
Financial Institutions Duty Act 1983	13/2/97
Financial Sector (Transfer of Business) Act 1999	12/8/99
Financial Transaction Reports (State Provisions) Act 1992	20/10/97
First Home Owner Grant Act 2000	29/6/00
Gift Duty Act 1968	13/2/97
Government Financing Authority Act 1982	14/12/93
Governors' Pensions Act 1976	20/10/97
Hindmarsh Island Bridge Act 1999	17/8/00
Housing Loans Redemption Fund Act 1962	20/10/97
Interest on Crown Advances and Leases Act 1944	20/10/97
Judges' Pensions Act 1971	20/10/97
Land Tax Act 1936	13/2/97
Motor Accident Commission Act 1992	14/12/93
National Tax Reform (State Provisions) Act 2000	29/6/00
National Wine Centre (Restructuring and Leasing Arrangements) Act 2002	6/5/04
New Tax System Price Exploitation Code (South Australia) Act 1999	9/12/99
Parliamentary Superannuation Act 1974	20/10/97
Payroll Tax Act 2009	4/06/09
Petroleum Products Regulation Act 1995	13/2/97
Police Superannuation Act 1990	20/10/97
Public Corporations Act 1993	14/12/93
Public Finance and Audit Act 1987	20/10/97
Rural Advances Guarantee Act 1963	20/10/97
SGIC (Sale) Act 1995	29/6/95

Committed

Southern State Superannuation Act 2009	1/8/09
Stamp Duties Act 1923	13/2/97
State Bank (Corporatisation) Act 1994	12/5/94
State Bank of South Australia Act 1983	14/12/93
State Procurement Act 2004	24/7/08
Succession Duties Act 1929	13/2/97
Superannuation Act 1988	20/10/97
Superannuation Funds Management Corporation of South Australia Act 1995	13/2/97
Supplementary Financial Agreement (Soldiers Settlement Loans) Act 1934 ^(a)	5/2/98

Supply Acts

Tab (Disposal) Act 2000	13/5/03
Taxation Administration Act 1996	13/2/97
Unclaimed Moneys Act 1891	20/10/97
Unclaimed Superannuation Benefits Act 1997	29/1/98
Westpac/Challenge Act 1996	5/2/98

(a) Act of limited application

Appendix 2 — Legislative measures

Southern State Superannuation Variation Regulations 2010 (No 227 of 2010)

These regulations vary the rules relating to the Death and Total and Permanent Disability insurance arrangements in the Triple S Scheme.

Regulation made on: 18 November 2010

Date of operation: 18 November 2010

Superannuation Variation Regulations 2010 (No 228 of 2010)

These regulations vary the Superannuation Regulations 2001, to prescribe an attraction and retention allowance being paid to government employees working in the APY lands as being a component of “salary” for superannuation purposes, and also prescribe the National Measurement Institute (Commonwealth) as an entity with which the Board may enter into an Arrangement in terms of Section 5 of the Superannuation Act 1988.

Regulation made on: 18 November 2010

Date of operation: 18 November 2010

Southern State Superannuation Variation Regulations 2011 (No 161 of 2011)

These regulations varied the Southern State Superannuation Regulations 2009 to allow members of the Parliamentary Superannuation Scheme PSS3 access to the voluntary invalidity/death insurance benefits of the Triple S Scheme.

Regulation made on: 23 June 2011

Date of operation: 1 July 2011

Statutes Amendment (Members’ Benefits) Act 2010

This Act amended the Parliamentary Superannuation Act 1974 to provide for an involuntary retirement payment for Members of Parliament, to allow members of Parliamentary Superannuation schemes PSS1 and PSS2 to salary sacrifice, to increase the government contribution for members of Parliamentary Superannuation Scheme PSS3, and to allow members of the Parliamentary Superannuation Scheme PSS3 access to the voluntary invalidity/death insurance benefits of the Triple S Scheme.

Assented to: 7 October 2010

Date of operation: 7 October 2010 except Sections 14(1) and 14(2): 20 March 2010, and Section 18: 1 July 2011

Parliamentary Superannuation Variation Regulations 2011 (No 160 of 2011)

These regulations varied the Parliamentary Superannuation Regulations 2003 to allow members of the Parliamentary Superannuation Scheme PSS3 access to the voluntary invalidity/death insurance benefits of the Triple S Scheme.

Regulation made on: 23 June 2011

Date of operation: 1 July 2011

Statutes Amendment (Land Holding Entities and Tax Avoidance Schemes) Act

This Act replaced land rich provisions in the Stamp Duties Act 1923 with a landholder model and introduced new provisions in the Tax Administration Act 1996 in relation to tax avoidance schemes.

Assented to: 21 July 2011

Date of operation: 1 July 2011

Supply Act 2010

An Act for the appropriation of money from the Consolidated Account for the financial year ending 30 June 2011

Assented to: 12 May 2011

Date of operation: 1 July 2011

Statutes Amendments (Members Benefits) Act 2010

An Act to amend the Parliamentary Remuneration Act 1990 and the Parliamentary Superannuation Act 1974.

Assented to: 7 October 2010

Date of operation: 7.10.2010: s 2(1) except s 14(1) & (2)—20.3.2010: s 2(2) and except s 18—1.7.2011 (Gazette 23.6.2011 p2697)

Statutes Amendment (Budget 2010) Act 2010

An Act to amend the Education Act 1972, the Environment Protection Act 1993, the First Home Owner Grant Act 2000, the Motor Vehicles Act 1959, the Parliament (Joint Services) Act 1985, the Passenger Transport Act 1994, the Payroll Tax Act 2009, the Petroleum Products Regulation Act 1995, the Private Parking Areas Act 1986, the Public Sector Act 2009, the Radiation Protection and Control Act 1982, the Road Traffic Act 1961 and the Technical and Further Education Act 1975.

Assented to: 18 November 2010

Date of operation: Pt 8—1.7.2010: s 2(4), Pt 4—17.9.2010: s 2(3), Pt 9—1.1.2011: s 2(5), Pts 2, 6, 11 (ss 62 & 64), 14—1.7.2011: s 2(2), Pts 5, 7, 10 & 13—1.7.2011 (Gazette 29.4.2011 p1289), Pts 3, 11 (ss 60, 61 & 63) & 12—uncommenced

Appropriation Act 2010

An Act for the appropriation of money from the Consolidated Account for the year ending on 30 June 2011 and for other purposes.

Assented to: 18 November 2010

Date of operation: 1 July 2010

Road Traffic (Use of Test and Analysis Results) Amendment Act 2011

An Act to amend the Road Traffic Act 1961.

Assented to: 21 December 2010

Date of operation: 2 December 2010

Supply Act 2011

An Act for the appropriation of money from the Consolidated Account for the financial year ending on 30 June 2012.

Assented to: 12 May 2011

Date of operation: 1 July 2011

Motor Vehicles (Third Party Insurance) Amendment Act 2011

An Act to amend the Motor Vehicles Act 1959.

Assented to: 30 June 2011

Date of operation: 10 July 2011

Amendments to the First Home Owner Grant Act 2000**Statutes Amendment (Budget 2011) Act 2011**

This legislation contains revenue measures that form part of the government's budget initiatives for 2011-12: that reduced the First Home Bonus Grant (Bonus) from up to \$8,000 to up to \$4,000 from 1 July 2012, abolished the Bonus from 1 July 2013 and introduced Bonus commencement and completion conditions from 10 June 2011.

Assented to: 4 August 2011

Date of operation: 10 June 2011

Amendments to the Stamp Duties Act 1923**Stamp Duties (Insurance) Amendment Act 2011**

This legislation aligns the wording and structure of insurance duty provisions in the Act more closely to general insurance duty provisions in interstate stamp duty legislation.

Assented to: 14 April 2011

Date of operation: 1 May 2011

Statutes Amendment (De Facto Relationships) Act 2011

This legislation extends the exemption from stamp duty in section 71CA of the Act to parties to a former *de facto* relationship.

Assented to: 21 July 2011

Date of operation: 1 July 2010

Land Tax (Fees) Variation Regulations 2010

These Regulations increased the fee for a Land Tax Certificate under section 23 of the Act from \$26.50 to \$27.25.

Regulations made on: 10 June 2010

Date of operation: 1 July 2010

Emergency Services Funding (Declaration of Levy and Area and Land Use Factors) Notice 2010

This Notice, pursuant to section 10 of the Act, declared the levy, area factors and land use factors for the Emergency Services Levy for the 2010–11 financial year.

Notice made in the Government Gazette on: 17 June 2010, pages 3071-3072

Date of operation: 1 July 2010

Emergency Services Funding (Remissions – Land) Variation Regulations 2010

These Regulations amended the commercial land, industrial land and residential land remissions for the Emergency Services Levy for the 2010–11 financial year and extended the class of persons entitled to a residential land remission.

Regulations made on: 17 June 2010

Date of operation: 1 July 2010

Petroleum Products (Fees) Variation Regulations 2010

These Regulations increased the fee for the issue or renewal of a retail licence under section 13(3) of the Act from \$205 to \$212.

Regulations made on: 10 June 2010

Date of operation: 1 July 2010

Appendix 3 — Major boards and committees

- Distribution Lessor Corporation
- Electricity Industry Superannuation Board
- Essential Services Commission of SA
- Generation Lessor Corporation
- Motor Accident Commission
- Police Superannuation Board
- RESI Corporation Board
- South Australian Asset Management Corporation (SAAMC)
- South Australian Government Financing Advisory Board (SAFA)
- South Australian Parliamentary Superannuation Board
- South Australian Superannuation Board
- State Procurement Board
- Superannuation Funds Management Corporation of South Australia Board (Funds SA)
- Transmission Lessor Corporation.

Appendix 4 — Management of human resources

Employee numbers, gender and status

Employee numbers

	Persons	FTEs
Total number of employees as at 30 June 2011	1559	1487.55
Female %	53.05	51.08
Male %	46.95	48.92

Recruitment and separations during 2010–11

	Persons
Number of employees recruited to agency	203
Number of employees separated from agency	254

Leave without pay

	Persons
Number of persons on leave without pay as at 30 June 2011	46

Number of employees by salary bracket (as at 30 June 2011)

	Male	Female	Total
\$0–\$50 399	139	288	427
\$50 400–\$64 099	196	286	482
\$64 100–\$82 099	201	162	363
\$82 100–\$103 599	147	81	228
\$103 600 +	49	10	59
Total	732	827	1559

Employee status by FTE (as at 30 June 2011)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	604.49	121.13	34.29	—	759.91
Male	542.39	92.00	92.56	0.69	727.64
Total	1146.88	213.13	126.85	0.69	1487.55

Employee status by number of persons (as at 30 June 2011)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	666	125	36	—	827
Male	546	92	93	1	732
Total	1212	217	129	1	1559

Number of Executives by status in current position, gender and classification (as at 30 June 2011)

Classification	Ongoing		Term		Other		Total		Total
	F	M	F	M	F	M	F	M	
EXEEOA	—	—	—	1	—	—	—	1	1
EXEEOB	—	—	—	1	—	—	—	1	1
EXEEOF	—	—	—	1	—	—	—	1	1
SAES1	—	—	9	37	—	—	9	37	46
SAES2	—	—	1	8	—	—	1	8	9
Total	—	—	10	48	—	—	10	48	58

Leave management (not including recreational leave)

	2007–08	2008–09	2009–10	2010–11
Average number of sick leave days taken per FTE	8.7	6.6	8.9	9.8
Average number of family carer's leave days taken per FTE	0.9	0.8	0.9	1.0
Average number of special leave with pay days taken per FTE for individual needs and responsibilities	0.4	0.4	0.6	0.6
Total average leave per FTE	10.0	7.8	10.4	11.4

Workforce diversity

Age profile (as at 30 June 2011)

Age	Female	Male	Total	% of total	2011 workforce benchmark (%) ^(a)
15–19	2	1	3	0.19	6.4
20–24	36	23	59	3.78	10.4
25–29	101	73	174	11.16	11.0
30–34	107	91	198	12.70	10.1
35–39	110	97	207	13.28	10.3
40–44	110	106	216	13.86	11.0
45–49	112	85	197	12.64	11.5
50–54	102	104	206	13.21	11.4
55–59	91	96	187	11.99	9.4
60–64	47	44	91	5.84	5.5
65 +	9	12	21	1.35	3.0
Total	827	732	1559	100	100

(a) Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status — employed — total from Feb78 Supertable, South Australia at May 2010

Aboriginal and Torres Strait Islander Employees (as at 30 June 2011)

	Aboriginal staff	Total staff	% of agency employees ^(a)
\$0–\$50 399	4	427	0.94
\$50 400–\$64 099	4	482	0.83
\$64 100–\$82 099	1	363	0.28
\$82 100–\$103 599	—	228	—
\$103 600 +	—	59	—
Total	9	1559	0.58

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

Cultural and linguistic diversity (as at 30 June 2011)

	Female	Male	Total	% of agency	% of SA community ^(a)
Number of employees born overseas	132	98	230	14.75	20.3%
Number of employees who speak language(s) other than English at home	118	62	180	11.55	16.6%

(a) Benchmarks from Australian Bureau of Statistics Publication — Basic Community Profile (SA) Cat No. 2001.0, 2006 census.

Disability

	Female	Male	Total	% of agency employees
Number of employees identifying with disabilities (according to Commonwealth DDA definition)	19	12	31	2

Disability types				
	Female	Male	Total	% of agency employees
Disability requiring workplace adaptation	18	11	29	1.9
Physical	7	3	10	0.6
Intellectual	—	—	—	—
Sensory	3	1	4	0.3
Psychological/psychiatric	—	3	3	0.2
Other				
Total	28	18	46	3

Number of employees using voluntary flexible working arrangements

	Female	Male	Total
Purchased leave	6	9	15
Flexitime	749	622	1371
Compressed weeks	—	—	—
Part-time	196	19	215
Job share	27	1	28
Working from home	2	1	3

Documented review of individual performance management^(a)

	% workforce
Employees with a plan reviewed within the past 12 months	100
Employees with a plan older than 12 months	0
Employees with no plan	0

Training and development

Leadership and management training expenditure

	Total cost	% of total salary expenditure
Total training and development expenditure	\$1,130,272.96	0.90%
Total leadership and management development	\$254,902.00	0.20%

Accredited training packages by classification

	No. of accredited training packages
ASO1	—
ASO2	1
ASO3	6
ASO4	3
ASO5	4
ASO6	2
ASO7	1
ASO8	—
EXEAOA	—
EXECOB	—
EXECOF	—
SAES1	—
SAES2	—

Occupational Health and Safety statistics

OHS Notices and corrective action taken

Number of notifiable occurrences pursuant to OHS&W Regulations Part 7 Division 6	1
Number of notifiable injuries pursuant to OHS&W Regulations Part 7 Division 6	—
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	—

Agency gross^(a) workers compensation expenditure for 2009–10 compared with 2008–09^(b)

Expenditure	2010–11 \$'000	2009–10 \$'000	Variation +(-) \$'000	% Change +(-)
Income maintenance	117	137	-20	-14.6
Lump sum settlements redemptions — section 42	1	—	+1	+100
Lump sum settlements permanent disability — section 43	10	5	+5	+100
Medical/hospital costs combined	134	86	+48	+55.81
Other	12	3	+9	+300
Total claims expenditure	274	231	+43	—

(a) before third party recovery

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

Meeting safety performance targets^(a)

	Base: 2009–10	Performance — 12 months to end of June 2011 ^(b)			Final target
	No. or %	Actual	Notional quarterly target	Variation	No. or %
1. Workplace fatalities	—	—	—	—	—
2. New workplace injury claims	27	29	26	3	20
3. New workplace injury claims frequency rate	10.56	11.30	10.04	1.27	7.92
4. Lost time injury frequency rate ^(c)	7.43	5.07	7.06	-2.00	5.58
5. New psychological injury claims	3.13	1.95	2.97	-1.02	2.35
6. Rehabilitation and return to work:					
a. Early assessment within 2 days	51.85%	48.28%	80.00%	-31.72%	80% or more
b. Early intervention within 5 days	75.00%	100.00%	90.00%	10.00%	90% or more
c. Days lost ≤ 10 days	60.00%	64.29%	60.00%	4.29%	60% or more
7. Claim determination:					
a. Claims determined for provisional liability in 7 calendar days ^(d)	13.33%	41.67%	100.00%	-58.33%	100.00%
b. Claims determined in 10 business days	57.69%	72.00%	75.00%	-3.00%	75% or more
c. Claims still to be determined after 3 months	15.38%	12.00%	3.00%	9.00%	3% or less
8. Income maintenance payments for recent injuries:					
a. 2009–10 injuries (at 24 months development)		\$170 391.86	\$33 237.33	\$137 154.53	Below previous 2 years average
b. 2010–11 injuries (at 12 months development)		\$37 054.18	\$57 314.32	-\$20 260.14	Below previous 2 years average

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

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

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

(d) Based on figures for DTF Portfolio.

Carers Recognition Act reporting

While the department is not required to report on compliance with section 6 of the *Carers Recognition Act 2005*, this task is carried out voluntarily and a report is provided to the Office for Carers in the Department for Families and Communities.

Disability Action Plan

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

Outcome 1 — Access to Services

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

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

The department has undertaken an extensive review of all departmental sites in relation to the requirements of the *Disability Discrimination Act 1992* and the *Disability Services Act 1993*.

Disability access considerations are incorporated into the department's strategic accommodation planning and priority is given to addressing any issues identified for rectification.

Upgrade initiatives undertaken in 2010–11 involve the following:

- Providing support to the Department of the Premier and Cabinet with improvements to access doors.

Induction and annual worksite assessments are undertaken and workplace modifications coordinated by Branch Managers continue to be undertaken to provide employment opportunities for people with disabilities.

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

Outcome 2 — Information is inclusive

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

The department's Disability Action Plan (DAP) incorporates the requirement for publications to be accessible to people with disabilities. The department has adopted the whole of government branding guidelines for publications to ensure accessibility to services. Developed by the Worldwide Web Consortium (W3C), the Web Content Accessibility Guidelines (WCAG1.0) has been used for over ten years as the main international benchmark for website accessibility for people with disability.

An internal review of the department's website for the 2010–11 financial year and additional guidelines specific to branding and accessibility requirements will be prepared.

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

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

Employees are supported to attend workshops to develop skills and understanding of the standards and legislative requirements relating to accessibility for people with disabilities.

Individual branches provide interpreting services as required to members of the public and information in alternative formats when issuing correspondence, accounts etc.

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

Outcome 3 — Disability awareness

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

The Disability Awareness Training program, aimed at increasing general awareness and understanding of people with disabilities, has continued to deliver information to employees and managers throughout the department. The program is ongoing to ensure that all employees have the opportunity to participate and provide feedback on issues relevant to their workplace. DTF have achieved their targets for providing disability awareness training to more than 20% employees.

The government's Promoting Independence: Disability Action Plans for South Australia Seventh Progress Report has been promoted to senior management and staff via the intranet and through the internal working party, to facilitate further understanding of the issues, progress and achievements to date.

The disability working party continues to engage with external disability groups to encourage better understanding of available services and ensure appropriate consultation in policy development, planning and systems to meet the needs of people with disabilities.

Outcome 4 — Consultation and complaints process

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

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

In conjunction with the department's Client Service Charter and Client Service Strategy there are established mechanisms to provide direct feedback to service areas of the department. The department's service areas also regularly survey clients on service delivery issues.

Feedback is sought on improvements in the workplace to support people with disabilities. Consultation also takes place with employees who have disclosed a disability to enhance work practices and service delivery.

Outcome 5 — Compliance with relevant Acts

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

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

Promoting Independence is the South Australian Government's strategy to improve disability access and inclusion across the South Australian Public Sector. The strategy was introduced 10 years ago and aimed to promote equal opportunity for people with disabilities and encourage the development of inclusive and responsive services. Our DAP has been reviewed and adapted to meet the requirements of this strategy. A full government review is currently underway with expected recommendations to be provided in July 2011. Our 2012–14 Disability Action Plan will incorporate the endorsed strategy following this recommendations provided by the review.

Outcome 6 — Increase Employment Rates (SASP Target T6:22)

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

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

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

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

The department's role descriptions have been assessed and criteria modified to ensure language used is inclusive.

Human Resource staff received training in recruitment and selection of people with disabilities. In addition, training in equal employment opportunity, occupational health, safety and welfare, diversity and ethics is conducted on a cyclical basis. New and amended legislation is tabled for discussion with the Human Resource section.

DTF have achieved their targets for the recruitment of more than 2 per cent employees with a disability.

Appendix 5 — Account payment performance

Treasurer's Instruction 11 requires agencies to pay at least 90 per cent of all undisputed invoices within 30 days.

	Number paid	%	Amount paid \$'000
Paid by the due date	67 039	88%	\$261 738 477.37
Paid less than 30 days after the due date	6 230	9%	\$31 428 827.91
Paid more than 30 days after the due date	2 945	4%	\$8 213 032.73
Total	76 214	100%	\$301 380 338.01

Appendix 6 — Revenue collections by RevenueSA

	2008–09 Amount \$	2009–10 Amount \$	2010–11 Amount \$
Debits tax	—	22	—
Land tax	466 581 706	553 256 251	595 885 059
Payroll tax	1 089 351 614	1 088 854 715	1 145 677 634
Stamp duty			
Annual licences (insurance)	257 409 573	277 255 356	294 991 014
Applications to register or transfer motor vehicles	124 836 456	159 305 819	135 217 081
Conveyance of property on sale	734 111 506	793 079 700	803 232 795
Conveyance of shares (excluding Stock Exchange)	5 917 276	5 159 104	6 122 431
Gaming machine surcharge	1 223 518	1 573 504	1 142 020
Hospital fund MV third parties	56 625 939	65 819 324	59 613 500
Insurance effected outside SA	7 722 025	9 239 594	
Leases	628	—	195
Mortgages	23 432 252	2 457 600	1 594 817
Rental business	9 632 644	1 383 033	548 114
Voluntary conveyances of property	3 708 399	3 502 080	4 011 312
Other	-6 774 331	-934 812	3 235 675
Refunds, commissions etc	90 124	—	—
Total stamp duty	1 217 936 010	1 317 840 302	1 321 102 657
Mirror taxes			
Land tax	1 296 505	1 324 106	1 396 565
Payroll tax	19 059 166	19 050 153	20 042 900
Conveyance of property on sale	296 987	263 252	348 522
Leases	59	—	18
Rental business	248 004	35 608	14 112
Total mirror taxes	20 900 721	20 673 119	21 802 117
Emergency Services Levy (fixed property)			
ESL payments	86 713 755	89 697 562	95 705 351
Remission & concession	90 454 581	86 304 320	81 414 078
Total ESL	177 168 336	176 001 882	177 119 429
Total RevenueSA collections	3 107 926 803	3 156 626 291	3 261 586 896

Appendix 7 — Use of consultants*

Consultant	Purpose of consultancy	Number	Total \$
Value below \$10 000			
Various	Various		
Subtotal		21	92 955
Value \$10 000–\$50 000			
Professional and Continuing Education	Provision of Training Programmes		
Infact Consulting Pty Ltd	Data Migration Project		
Stillwell Management Consultants Pty Ltd	Psychometric Testing, Coaching and Mentoring		
Ernst and Young	IT Environment Assessment		
Finity Consulting Pty Ltd	Claims Estimating Procedures Workshop and Review		
Advisory Consulting Employment Services Pty Ltd	Chair the South East Forest Industry Roundtable providing recommendations regarding conditions of any forward sale and long-term viability of South Australia's Timber Industry		
KPMG	Provide Independent RISTEC review		
Kramenna Pty Ltd	Review Records Management Procedures & Process Implementation		
Infact Consulting Pty Ltd	Business Case for Treasury, Risk and Banking		
Workplace Horizons Pty Ltd	Org & J&P Reviews		
Pitcher Partners	Provision of probity advisory services for the New Royal Adelaide Hospital Public Private Partnership Project		
KDN Services	Business Process Mapping and Analysis		
Deloitte Touche Tohmatsu	Board Strategy Workshop		
Subtotal		13	307 811
Value above \$50 000			
Ferrier Hodgson	Investigation into the leaking of documentation relating to the Sustainable Budget Commission review		
Brett & Watson Pty Ltd	Actuarial Services		
KPMG (UK)	Review of the New Royal Adelaide Hospital Public Private Partnership by Dr Tim Stone		
PKF Corporate (SA) Pty Ltd	Once-off review undertaken by the Casino Taskforce in relation to the current exclusivity arrangements between the Government of South Australia and the Adelaide Casino Pty Ltd.		
Royal Bank of Canada	Expert advice regarding the evaluation of proposed hedging strategies and financial close process for New Royal Adelaide Hospital Public Private Partnership Project		
ACIL Tasman	Develop a Regional Impact Statement.		
UBS AG	The targeted provision of advice and analysis regarding sales models for forest rotations.		
Ernst and Young	Internal Audit and Compliance program		
Subtotal		8	1 060 299
Total		42	1 461 065

Note: Payments to consultants include amounts paid and payable at 30 June 2011.

* Controlled only

Appendix 8 — Overseas travel

Destination	Number of employees	Reason for travel	Travel costs \$
USA	2	To meet with key defence industry stakeholders in the United States and the United Kingdom, and to promote South Australia as a destination of choice for key defence targets headquartered in the United Kingdom and United States	35 367
United Kingdom and Germany	1	To meet reinsurers and provide presentations in support of the renewal of the State Government's catastrophe reinsurance program	2 197
USA	2	To brief ratings agencies in the United States on economic conditions and budget settings in South Australia, and to obtain an update on the global economic outlook, prior to the South Australian State Budget being handed down on 16 September 2010	35 783
United Kingdom and Mexico	1	To travel with The Premier	4 939
USA	2	To support South Australia's involvement in Australia Week 2011— G'Day USA and to meet with key defence industry stakeholders to promote South Australia as a destination of choice for key defence targets headquartered in the United States of America	71 719
Korea, Hong Kong and Singapore	2	To meet with SAFA Investors	7 395
USA	2	To brief ratings agencies on economic conditions and budget settings in South Australia and to obtain an update on the global economic outlook	37 872
Malaysia	1	To promote the South Australian education industry in Malaysia	1 854
Total	13		197 126

Appendix 9 — Fraud and corruption control

The department is not aware of any actual, suspected or alleged fraudulent activity affecting the department in 2010–11.

There have been no 'public interest disclosures' to a responsible officer of the agency under the *Whistleblowers Protection Act 1993* during 2010–11.

Fraud and Corruption Control Framework

The department's Fraud and Corruption Control Framework consists of the:

- Fraud and Corruption Policy
- Fraud and Corruption Reporting Procedure
- Whistleblowers Policy
- Whistleblowers Procedure.

Fraud and corruption prevention policy and reporting procedure

This policy and procedure was last updated in April 2011 and reflects the requirements of the Australian Standard AS 8001:2008 Fraud and Corruption Control (AS 8001:2008).

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

Whistleblowers policy and procedure

This policy and procedure was last updated in April 2011 to reflect the requirements of Commissioner's Standard 4 and Australian Standard AS 8004-2003 Whistleblower Protection Programs for Entities.

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

Fraud Risk Assessment

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

Ernst and Young was engaged in March 2010 to undertake a Fraud Risk Assessment. The findings from the fraud risk assessment form the basis of the department's fraud and corruption control plan for the next three years.

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

Internal Audit and Risk Management

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

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

Appendix 10 — Greening of government operations

Energy management

The energy use of the Department of Treasury and Finance consists primarily of light and power in leased office accommodation within the central business district of Adelaide. The major buildings occupied are the State Administration Centre, Wakefield House and Westpac House. The department uses approximately 0.5 per cent of government's total energy use.

The department also supports the Treasurer in the administration of the electorate offices of state members of parliament. These offices are located throughout South Australia in small, leased shop front premises and multi-tenanted shopping complexes, with limited opportunities for energy savings.

Energy performance

2000–01 base year^(a)

Energy usage	12,220 GJ equating to 3,418 tonnes of CO ₂
Total staff	1019.1 FTEs
Energy efficiency ^(b)	11.99 GJ per FTE

2010–11 reporting year

Energy usage	13,033 GJ equating to 3646 tonnes of CO ₂
Total staff	1663.48 FTEs
Energy efficiency	7.83 GJ per FTE

2013–14 target

Energy efficiency	8.99 GJ per FTE
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(a) Energy efficiency is defined as the energy used per unit of business measure. The department is using the business measure of number of full time equivalents (FTE employees).

(b) The 2013–14 target is calculated on a 25% improvement in energy efficiency (2000–01) by 2013–14. 2010–11 is the tenth year of expected reduction in energy usage towards target. This is inline with South Australia's Strategic Plan Target T3.13 — Improve the energy efficiency of government buildings by 25% from 2000–01 levels by 2014.

Energy management achievements against the Energy Efficiency Action Plan

Our achievements during 2010–11 include:

- installation of more efficient hot water systems
- delamped floors within the State Administration Centre
- increased employee awareness of energy efficiency.

Future energy saving initiatives include:

- Continue to install fixed timers to above bench boiling water units
- Continue delamping floors within the State Administration Centre and other DTF tenancies
- Continue investigating more efficient lighting systems
- Printer defaults to be set to double sided printing, excluding formal documentation
- Further investigation and trials to improve the efficiency of DTF owner refrigerated air conditioning systems.

Appendix 11 — Freedom of Information Statement

Information statement

This statement is published in accordance with the requirements of section 9(2) of the *Freedom of Information Act 1991* (FOI Act). Subject to certain restrictions, the FOI Act gives members of the public a legally enforceable right to access information held by South Australian government agencies, local government authorities and South Australian universities.

A comprehensive introduction to freedom of information can be found on the State Records website at www.archives.sa.gov.au/foi

Description of documents held

Documents held by Treasury and Finance fall broadly into the categories described below. Most are held in hard copy format, although some are stored electronically. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the Act:

- corporate files containing correspondence, memoranda and minutes on all aspects of the department's operations
- taxation documents including applications and returns required for the purpose of administering state taxation legislation
- accounting records including monthly and quarterly financial statements, and the Treasurer's annual financial statements and accounts
- personnel files relating to Treasury and Finance employees
- superannuation files relating to the administration of member superannuation benefits
- Treasurer's Instructions*
- Treasury Circulars and RevenueSA Circulars*
- publications/papers/reports
- actuarial files
- policies, procedures and guidelines prescribing the way various activities and programs are to be performed.

* Available on the department's website www.treasury.sa.gov.au

Statistics 2010–11

The department received 315 applications in accordance with the FOI Act. Requests came from:

Members of parliament	293
Media	4
Private businesses	12
Members of the public	6
Total	315

Applications for four internal and one external review were also received.

Making an application

Applications under the FOI Act, either for access to information or to amend official records about personal affairs, must be made in accordance with the requirements of the Act, details of which can be found at www.archives.sa.gov.au/foi or by contacting:

The Accredited FOI Officer
Department of Treasury and Finance
GPO Box 1045
ADELAIDE SA 5001

Telephone 8226 9500

Documents can be made available for inspection at:

Level 3, State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Telephone 8226 9500

9:00 am to 5:00 pm Monday to Friday