

## **Appendix: Audited financial statements 2022-23**



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## To the Under Treasurer Department of Treasury and Finance

### Opinion

I have audited the financial report of the Department of Treasury and Finance for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2023, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Under Treasurer and the Director, Accounting and Information.

## **Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of Treasury and Finance. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

In preparing the financial report, the Under Treasurer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Under Treasurer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Treasury and Finance for the financial year ended 30 June 2023.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Treasury and Finance's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Under Treasurer
- conclude on the appropriateness of the Under Treasurer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Under Treasurer about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson  
**Auditor-General**

21 September 2023

# **Department of Treasury and Finance**

## **Financial Statements**

for the year ended 30 June 2023

**Department of Treasury and Finance**  
**Statement of Certification**  
*For the year ended 30 June 2023*

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We certify that the:

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



Rick Persse  
**Under Treasurer**  
18 September 2023



Paul Williams  
**Director, Accounting and Information**  
15 September 2023

**Department of Treasury and Finance**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2023*

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|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| <b>Income</b>                                |      |                |                |
| Appropriation                                | 2.1  | 168 062        | 177 366        |
| SA Government grants subsidies and transfers | 2.2  | 8 357          | 4 300          |
| Fees and charges                             | 2.3  | 82 513         | 116 595        |
| Resources received free of charge            | 2.4  | 2 187          | 2 134          |
| Other income                                 | 2.5  | 2 779          | 2 534          |
| <b>Total income</b>                          |      | <b>263 898</b> | <b>302 929</b> |
| <b>Expenses</b>                              |      |                |                |
| Employee benefits expenses                   | 3.3  | 162 549        | 177 720        |
| Supplies and services                        | 4.1  | 89 056         | 100 539        |
| Depreciation and amortisation                | 5.3  | 10 892         | 11 738         |
| Borrowing costs                              |      | 25             | 10             |
| Grants subsidies and transfers               |      | 72             | 836            |
| Other expenses                               | 4.2  | 114            | 48             |
| <b>Total expenses</b>                        |      | <b>262 708</b> | <b>290 891</b> |
| <b>Net result</b>                            |      | <b>1 190</b>   | <b>12 038</b>  |
| <b>Total comprehensive result</b>            |      | <b>1 190</b>   | <b>12 038</b>  |

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the Government of South Australia as owner.

**Department of Treasury and Finance**  
**Statement of Financial Position**  
*as at 30 June 2023*

|                                      | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>Current assets</b>                |      |                |                |
| Cash and cash equivalents            | 6.1  | 29 433         | 23 842         |
| Receivables                          | 6.2  | 17 936         | 24 728         |
| <b>Total current assets</b>          |      | <b>47 369</b>  | <b>48 570</b>  |
| <b>Non-current assets</b>            |      |                |                |
| Receivables                          | 6.2  | 180            | 249            |
| Property, plant and equipment        | 5.1  | 24 227         | 31 825         |
| Intangible assets                    | 5.4  | 28 329         | 33 562         |
| <b>Total non-current assets</b>      |      | <b>52 736</b>  | <b>65 636</b>  |
| <b>Total assets</b>                  |      | <b>100 105</b> | <b>114 206</b> |
| <b>Current liabilities</b>           |      |                |                |
| Payables                             | 7.1  | 14 718         | 20 248         |
| Financial liabilities                | 7.2  | 870            | 751            |
| Employee benefits                    | 3.4  | 17 055         | 19 624         |
| Provisions                           | 7.3  | 881            | 1 055          |
| Other liabilities                    | 7.4  | 653            | 653            |
| <b>Total current liabilities</b>     |      | <b>34 177</b>  | <b>42 331</b>  |
| <b>Non-current liabilities</b>       |      |                |                |
| Payables                             | 7.1  | 2 532          | 3 055          |
| Financial liabilities                | 7.2  | 251            | 273            |
| Employee benefits                    | 3.4  | 25 346         | 30 872         |
| Provisions                           | 7.3  | 6 716          | 8 822          |
| Other liabilities                    | 7.4  | 4 599          | 5 227          |
| <b>Total non-current liabilities</b> |      | <b>39 444</b>  | <b>48 249</b>  |
| <b>Total liabilities</b>             |      | <b>73 621</b>  | <b>90 580</b>  |
| <b>Net assets</b>                    |      | <b>26 484</b>  | <b>23 626</b>  |
| <b>Equity</b>                        |      |                |                |
| Contributed capital                  |      | 5 344          | 5 344          |
| Asset revaluation surplus            |      | 827            | 827            |
| Retained earnings                    |      | 20 313         | 17 455         |
| <b>Total equity</b>                  |      | <b>26 484</b>  | <b>23 626</b>  |

The accompanying notes form part of these financial statements. The total equity is attributable to the Government of South Australia as owner.



**Department of Treasury and Finance**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

|   | Note | Contributed<br>Capital<br>\$'000 | Asset<br>revaluation<br>surplus<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|---|------|----------------------------------|---|--------------------------------|---------------------------|
| <b>Balance at 1 July 2021</b>                                       |      | 5 344                            | 827                                       | 5 829                          | 12 000                    |
| Net result for 2021-22  |      | -                                | -   | 12 038                         | 12 038                    |
| <b>Total comprehensive result for 2021-22</b>                       |      | -                                | -   | <b>12 038</b>                  | <b>12 038</b>             |
| Net assets transferred as a result of an administrative restructure |      | -                                | -   | (412)                          | (412)                     |
| <b>Balance at 30 June 2022</b>                                      |      | <b>5 344</b>                     | <b>827</b>                                | <b>17 455</b>                  | <b>23 626</b>             |
| Net result for 2022-23  |      | -                                | -   | 1 190                          | 1 190                     |
| <b>Total comprehensive result for 2022-23</b>                       |      | -                                | -   | <b>1 190</b>                   | <b>1 190</b>              |
| Net assets transferred as a result of an administrative restructure | 1.3  | -                                | -   | 1 668                          | 1 668                     |
| <b>Balance at 30 June 2023</b>                                      |      | <b>5 344</b>                     | <b>827</b>                                | <b>20 313</b>                  | <b>26 484</b>             |

The accompanying notes form part of these financial statements. All changes in equity are attributable to the Government of South Australia as owner.

**Department of Treasury and Finance**  
**Statement of Cash Flows**  
*for the year ended 30 June 2023*

|   | Note | 2023<br>\$'000   | 2022<br>\$'000   |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                     |      |                  |                  |
| <b>Cash inflows</b>   |      |                  |                  |
| Appropriation   |      | 168 062          | 177 366          |
| SA Government grants subsidies and transfers                    |      | 8 357            | 4 300            |
| Fees and charges  |      | 97 468           | 119 344          |
| GST recovered from the ATO                                      |      | -                | 5 220            |
| Other receipts  |      | 2 804            | 2 536            |
| Receipts for Paid Parental Leave Scheme                         |      | 292              | 329              |
| <b>Cash generated from operations</b>                           |      | <b>276 983</b>   | <b>309 095</b>   |
| <b>Cash outflows</b>  |      |                  |                  |
| Employee benefit payments                                       |      | (173 189)        | (187 367)        |
| Payments for supplies and services                              |      | (90 780)         | (103 620)        |
| Grants subsidies and transfers                                  |      | (72)             | (836)            |
| Payments for Paid Parental Leave Scheme                         |      | (282)            | (337)            |
| GST paid to the ATO   |      | (793)            | -                |
| <b>Cash used in operations</b>                                  |      | <b>(265 116)</b> | <b>(292 160)</b> |
| <b>Net cash provided by operating activities</b>                | 8.2  | <b>11 867</b>    | <b>16 935</b>    |
| <b>Cash outflows</b>  |      |                  |                  |
| Purchase of property, plant and equipment                       |      | (3 946)          | (3 218)          |
| Purchase of intangible assets                                   |      | (1 433)          | (2 592)          |
| <b>Cash used in investing activities</b>                        |      | <b>(5 379)</b>   | <b>(5 810)</b>   |
| <b>Net cash used in investing activities</b>                    |      | <b>(5 379)</b>   | <b>(5 810)</b>   |
| <b>Cash flows from financing activities</b>                     |      |                  |                  |
| <b>Cash outflows</b>  |      |                  |                  |
| Repayment of principal portion of lease liabilities             |      | (897)            | (1 423)          |
| <b>Cash used in financing activities</b>                        |      | <b>(897)</b>     | <b>(1 423)</b>   |
| <b>Net cash used in financing activities</b>                    |      | <b>(897)</b>     | <b>(1 423)</b>   |
| <b>Net increase in cash and cash equivalents</b>                |      | <b>5 591</b>     | <b>9 702</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b> |      | <b>23 842</b>    | <b>14 140</b>    |
| <b>Cash and cash equivalents at the end of the period</b>       | 6.1  | <b>29 433</b>    | <b>23 842</b>    |
| Non-cash transactions   | 8.2  |                  |                  |

The accompanying notes form part of these financial statements.

# Department of Treasury and Finance

## Notes to and forming part of the financial statements

### For the year ended 30 June 2023

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#### 1. About the Department of Treasury and Finance

The Department of Treasury and Finance (the department) is a not-for-profit government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities.

The financial statements and accompanying notes include all the controlled activities of the department.

Administered financial statements relating to administered resources are presented separately.

#### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared to comply with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*;
- relevant Australian Accounting Standards.

The financial statements are prepared on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

The department is not subject to income tax. The department is liable for fringe benefits tax (FBT) 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 (ATO), 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;
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO 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 ATO is classified as part of operating cash flows.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

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**1.2. Objectives and programs**

**Objectives**

The department's objectives are to:

- promote sustainable state finances
- support responsible budget and financial management
- deliver timely high-quality services to meet the needs of our clients
- collaborate to deliver high-quality advice on economic, social and environmental issues
- provide procurement services.

During the year, the department administered a range of programs and services to support the prosperity and wellbeing of all South Australians.

**Programs**

In achieving its objectives for 2022-23, the department undertook the following programs:

***Accountability for Public Sector Resources***

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

The department supports delivery of a range of key projects aimed at maximising commercial outcomes for government. These projects progress policy reforms and commercial initiatives for the economic benefit of the state.

***Treasury Services***

The department managed the government's financial assets and liabilities and provided certainty of funding to the state.

These services included:

- Administration of taxation legislation through the management of revenue and compliance systems, processes, policy advice and taxpayer education
- Administration of various government grant and subsidy schemes
- Provision of insurance cover to government agencies and advice and management of government risks
- Provision of fleet management services to agencies and vehicle disposal services to government
- Administration of various public sector superannuation schemes and provision of superannuation policy and legislative advice.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

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**1.2. Objectives and programs (continued)**

***Government Services***

The department delivered a comprehensive range of services to various government agencies and the community.

These services included:

- Delivery of corporate services to various government agencies in the areas of accounts payable, accounts receivable, payroll, work injury services and finance
- Providing across government contracts for goods, services and information communications technology and specialist procurement advice and assistance
- Providing support services to members of parliament to assist them in meeting their responsibilities to the parliament and the broader community
- Providing a range of information and communication services to members of parliament, their staff and parliamentary support staff
- Management of overdue fines and expiations issued by authorities across South Australia, including court imposed pecuniary sums. The department also administers the recovery of Victims of Crime and Criminal Injury Compensation debts and recovery of civil (state) debts referred from state government entities.

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

The tables on the following pages present income, expenses, assets and liabilities attributed to each program.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**1.2. Objectives and programs (continued)**

| Income and expenses by program                | Accountability for Public Sector |                 |                   |                 |                      |               |                     |                  |
|---|----------------------------------|-----------------|-------------------|-----------------|----------------------|---------------|---------------------|------------------|
|   | Resources                        |                 | Treasury Services |                 | Industrial Relations |               | Government Services |                  |
|   | 2023                             | 2022            | 2023              | 2022            | 2023                 | 2022          | 2023                | 2022             |
|   | \$'000                           | \$'000          | \$'000            | \$'000          | \$'000               | \$'000        | \$'000              | \$'000           |
| <b>Income</b>                                 |                                  |                 |                   |                 |                      |               |                     |                  |
| Appropriation                                 | -                                | -               | -                 | -               | -                    | -             | -                   | -                |
| SA Government grants, subsidies and transfers | 781                              | 345             | 2 806             | 1 218           | -                    | 693           | 4 770               | 2 044            |
| Fees and charges                              | 1 457                            | 520             | 66 414            | 64 463          | -                    | 37 146        | 14 642              | 14 466           |
| Resources received free of charge             | 204                              | 174             | 734               | 614             | -                    | 314           | 1 249               | 1 032            |
| Other income                                  | 931                              | 838             | 849               | 541             | -                    | 346           | 999                 | 809              |
| <b>Total income</b>                           | <b>3 373</b>                     | <b>1 877</b>    | <b>70 803</b>     | <b>66 836</b>   | <b>-</b>             | <b>38 499</b> | <b>21 660</b>       | <b>18 351</b>    |
| <b>Expenses</b>                               |                                  |                 |                   |                 |                      |               |                     |                  |
| Employee benefits expenses                    | 15 372                           | 13 233          | 64 760            | 60 920          | -                    | 26 831        | 82 417              | 76 736           |
| Supplies and services                         | 6 105                            | 5 924           | 40 259            | 43 372          | -                    | 10 094        | 42 692              | 41 149           |
| Depreciation and amortisation                 | 400                              | 384             | 7 663             | 7 545           | -                    | 1 156         | 2 829               | 2 653            |
| Borrowing costs                               | 2                                | 1               | 8                 | 2               | -                    | 1             | 15                  | 6                |
| Grants subsidies and transfers                | 7                                | 6               | 24                | 20              | -                    | 776           | 41                  | 34               |
| Other expenses                                | 11                               | 1               | 39                | 7               | -                    | 6             | 64                  | 34               |
| <b>Total expenses</b>                         | <b>21 897</b>                    | <b>19 549</b>   | <b>112 753</b>    | <b>111 866</b>  | <b>-</b>             | <b>38 864</b> | <b>128 058</b>      | <b>120 612</b>   |
| <b>Net result</b>                             | <b>(18 524)</b>                  | <b>(17 672)</b> | <b>(41 950)</b>   | <b>(45 030)</b> | <b>-</b>             | <b>(365)</b>  | <b>(106 398)</b>    | <b>(102 261)</b> |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**1.2. Objectives and programs (continued)**

Income and expenses by program

|   | General / Not attributable |                | Total          |                |
|---|----------------------------|----------------|----------------|----------------|
|   | 2023<br>\$'000             | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Income</b>                                 |                            |                |                |                |
| Appropriation                                 | 168 062                    | 177 366        | 168 062        | 177 366        |
| SA Government grants, subsidies and transfers | -                          | -              | 8 357          | 4 300          |
| Fees and charges                              | -                          | -              | 82 513         | 116 595        |
| Resources received free of charge             | -                          | -              | 2 187          | 2 134          |
| Other income                                  | -                          | -              | 2 779          | 2 534          |
| <b>Total income</b>                           | <b>168 062</b>             | <b>177 366</b> | <b>263 898</b> | <b>302 929</b> |
| <b>Expenses</b>                               |                            |                |                |                |
| Employee benefits expenses                    | -                          | -              | 162 549        | 177 720        |
| Supplies and services                         | -                          | -              | 89 056         | 100 539        |
| Depreciation and amortisation                 | -                          | -              | 10 892         | 11 738         |
| Borrowing costs                               | -                          | -              | 25             | 10             |
| Grants subsidies and transfers                | -                          | -              | 72             | 836            |
| Other expenses                                | -                          | -              | 114            | 48             |
| <b>Total expenses</b>                         | <b>-</b>                   | <b>-</b>       | <b>262 708</b> | <b>290 891</b> |
| <b>Net result</b>                             | <b>168 062</b>             | <b>177 366</b> | <b>1 190</b>   | <b>12 038</b>  |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.2. Objectives and programs (continued)**

| Assets and liabilities by program | Accountability for Public Sector |                |                   |                |                      |                |                     |                |
|-----------------------------------|----------------------------------|----------------|-------------------|----------------|----------------------|----------------|---------------------|----------------|
|                                   | Resources                        |                | Treasury Services |                | Industrial Relations |                | Government Services |                |
|                                   | 2023<br>\$'000                   | 2022<br>\$'000 | 2023<br>\$'000    | 2022<br>\$'000 | 2023<br>\$'000       | 2022<br>\$'000 | 2023<br>\$'000      | 2022<br>\$'000 |
| <b>Assets</b>                     |                                  |                |                   |                |                      |                |                     |                |
| Cash and cash equivalents         | -                                | -              | -                 | -              | -                    | 43             | -                   | -              |
| Receivables                       | -                                | -              | -                 | -              | -                    | -              | 17                  | 16             |
| Property, plant and equipment     | 402                              | 497            | 7 394             | 2 802          | -                    | 8 067          | 3 760               | 4 240          |
| Intangible assets                 | 252                              | 334            | 27 994            | 32 111         | -                    | -              | 83                  | 1 102          |
| <b>Total assets</b>               | <b>654</b>                       | <b>831</b>     | <b>35 388</b>     | <b>34 913</b>  | <b>-</b>             | <b>8 110</b>   | <b>3 860</b>        | <b>5 358</b>   |
| <b>Liabilities</b>                |                                  |                |                   |                |                      |                |                     |                |
| Payables                          | -                                | -              | -                 | -              | -                    | -              | -                   | 187            |
| Financial liabilities             | -                                | -              | -                 | -              | -                    | -              | -                   | 753            |
| Employee benefits                 | -                                | -              | -                 | -              | -                    | -              | -                   | -              |
| Provisions                        | -                                | -              | -                 | -              | -                    | -              | -                   | -              |
| Other liabilities                 | -                                | -              | -                 | -              | -                    | -              | -                   | -              |
| <b>Total liabilities</b>          | <b>-</b>                         | <b>-</b>       | <b>-</b>          | <b>-</b>       | <b>-</b>             | <b>-</b>       | <b>-</b>            | <b>940</b>     |
| <b>Net assets</b>                 | <b>654</b>                       | <b>831</b>     | <b>35 388</b>     | <b>34 913</b>  | <b>-</b>             | <b>8 110</b>   | <b>3 860</b>        | <b>4 418</b>   |



**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.2. Objectives and programs (continued)**

| Assets and liabilities by program | General / Not attributable |                 | Total          |                |
|-----------------------------------|----------------------------|-----------------|----------------|----------------|
|                                   | 2023<br>\$'000             | 2022<br>\$'000  | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Assets</b>                     |                            |                 |                |                |
| Cash and cash equivalents         | 29 433                     | 23 799          | 29 433         | 23 842         |
| Receivables                       | 18 099                     | 24 961          | 18 116         | 24 977         |
| Property, plant and equipment     | 12 672                     | 16 219          | 24 227         | 31 825         |
| Intangible assets                 | -                          | 15              | 28 329         | 33 562         |
| <b>Total assets</b>               | <b>60 204</b>              | <b>64 994</b>   | <b>100 105</b> | <b>114 206</b> |
| <b>Liabilities</b>                |                            |                 |                |                |
| Payables                          | 17 250                     | 23 116          | 17 250         | 23 303         |
| Financial liabilities             | 1 121                      | 271             | 1 121          | 1 024          |
| Employee benefits                 | 42 401                     | 50 496          | 42 401         | 50 496         |
| Provisions                        | 7 597                      | 9 877           | 7 597          | 9 877          |
| Other liabilities                 | 5 252                      | 5 880           | 5 252          | 5 880          |
| <b>Total liabilities</b>          | <b>73 621</b>              | <b>89 640</b>   | <b>73 621</b>  | <b>90 580</b>  |
| <b>Net assets</b>                 | <b>(13 417)</b>            | <b>(24 646)</b> | <b>26 484</b>  | <b>23 626</b>  |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.3. Changes to the Department of Treasury and Finance**

**Transferred out**

As a result of administrative arrangements described in the Government Gazette on 30 June 2022, Safework SA, the South Australian Employment Tribunal and Industrial Relations transferred from the department to the Attorney-General's Department.

The effective date of the transfer was 1 July 2022.

The following assets and liabilities were transferred out:

|                                     | Safework SA<br>1 July 2022<br>\$'000 | South Australian<br>Employment<br>Tribunal<br>1 July 2022<br>\$'000 | Industrial<br>Relations<br>1 July 2022<br>\$'000 | Total<br>\$'000 |
|-------------------------------------|--------------------------------------|---|--|-----------------|
| Cash                                | 43                                   | -   | -  | 43              |
| Receivables                         | 297                                  | 1 189   | -  | 1 486           |
| Prepayments                         | -                                    | -   | 7  | 7               |
| Property, plant and equipment       | 7 581                                | 855   | -  | 8 436           |
| <b>Total assets</b>                 | <b>7 921</b>                         | <b>2 044</b>  | <b>7</b>   | <b>9 972</b>    |
| Payables                            | 1 105                                | 394   | 90   | 1 589           |
| Employee benefits                   | 4 068                                | 1 570   | 503  | 6 141           |
| Provisions                          | 3 029                                | 50  | 9  | 3 088           |
| Financial liabilities               | 202                                  | 62  | -  | 264             |
| <b>Total liabilities</b>            | <b>8 404</b>                         | <b>2 076</b>  | <b>602</b>                                       | <b>11 082</b>   |
| <b>Total net assets transferred</b> | <b>(483)</b>                         | <b>(32)</b>   | <b>(595)</b>                                     | <b>(1 110)</b>  |

As a result of administrative arrangements described in the Government Gazette on 2 March 2023, department employees transferred to the Office of Hydrogen Power South Australia (OHPSA).

The effective date of the transfer was 1 March 2023.

The following assets and liabilities were transferred out:

|                                     | OHPSA<br>1 March 2023<br>\$'000 |
|-------------------------------------|---------------------------------|
| Payables                            | 27                              |
| Employee benefits                   | 229                             |
| <b>Total liabilities</b>            | <b>256</b>                      |
| <b>Total net assets transferred</b> | <b>(256)</b>                    |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**1.3. Changes to the Department of Treasury and Finance (continued)**

As a result of administrative arrangements, the Parliamentary Network Support Group (PNSG) transferred from the department to Joint Parliamentary Services.

The effective date of the transfer was 1 February 2023.

The following assets and liabilities were transferred out:

|                                     | <b>PNSG</b>              |
|-------------------------------------|--------------------------|
|                                     | <b>1 February 2023</b>   |
|                                     | <b>\$'000</b>            |
|                                     | <hr/>                    |
| Receivables                         | 127                      |
| Property, plant and equipment       | 207                      |
| <b>Total assets</b>                 | <hr/> <b>334</b> <hr/>   |
| Payables                            | 67                       |
| Employee benefits                   | 569                      |
| <b>Total liabilities</b>            | <hr/> <b>636</b> <hr/>   |
| <b>Total net assets transferred</b> | <hr/> <b>(302)</b> <hr/> |

Net assets transferred by the department because of the administrative restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.4. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). Appropriation reflects appropriation to special deposit accounts and deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

|  |             | Original<br>budget<br>2023<br>\$'000 | Actual<br>2023<br>\$'000 | Variance<br>\$'000 |
|--|-------------|--------------------------------------|--------------------------|--------------------|
| <b>Statement of Comprehensive Income</b>     | <b>Note</b> |                                      |                          |                    |
| <b>Income</b>                                |             |                                      |                          |                    |
| Appropriation                                |             | 170 231                              | 168 062                  | (2 169)            |
| SA Government grants subsidies and transfers |             | 4 172                                | 8 357                    | 4 185              |
| Fees and charges                             |             | 74 972                               | 82 513                   | 7 541              |
| Resources received free of charge            |             | -                                    | 2 187                    | 2 187              |
| Other income                                 |             | 2 662                                | 2 779                    | 117                |
| <b>Total income</b>                          |             | <b>252 037</b>                       | <b>263 898</b>           | <b>11 861</b>      |
| <b>Expenses</b>                              |             |                                      |                          |                    |
| Employee benefits expenses                   |             | 172 639                              | 162 549                  | (10 090)           |
| Supplies and services                        | 1           | 64 764                               | 89 056                   | 24 292             |
| Depreciation and amortisation                |             | 11 567                               | 10 892                   | (675)              |
| Borrowing costs                              |             | 436                                  | 25                       | (411)              |
| Grants Subsidies and transfers               |             | 55                                   | 72                       | 17                 |
| Other expenses                               |             | 3 423                                | 114                      | (3 309)            |
| <b>Total expenses</b>                        |             | <b>252 884</b>                       | <b>262 708</b>           | <b>9 824</b>       |
| <b>Net result</b>                            |             | <b>(847)</b>                         | <b>1 190</b>             | <b>2 037</b>       |
| <b>Total comprehensive result</b>            |             | <b>(847)</b>                         | <b>1 190</b>             | <b>2 037</b>       |

|                                      | Original<br>budget<br>2023<br>\$'000 | Actual<br>2023<br>\$'000 | Variance<br>\$'000 |
|--------------------------------------|--------------------------------------|--------------------------|--------------------|
| <b>Investing expenditure summary</b> |                                      |                          |                    |
| Total existing projects              | 4 940                                | 5 612                    | 672                |
| Total leases                         | 1 387                                | 948                      | (439)              |
| <b>Total investing expenditure</b>   | <b>6 327</b>                         | <b>6 560</b>             | <b>233</b>         |

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.4. Budget performance (continued)**

**1 Supplies and services**

The \$24.3 million variation against the original budget mainly reflects higher costs associated with engaging temporary staff to backfill vacant positions across the department. Further contributing to the variation to budget was higher than budgeted expenditure associated with several Super SA strategic transformation projects funded by higher cost recovery from public sector superannuation schemes, expenditure on work relating to the Whole of Government Banking Transition project and higher than budgeted consultancy expenditure associated with various projects in Commercial and Economics branch which will maximise commercial outcomes for government.

**1.5. Significant transactions with government related entities**

Significant transactions with government related entities are identifiable throughout this financial report. All lease payments relate to motor vehicles supplied by Fleet SA.

**2. Income**

**2.1. Appropriation**

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i> | 168 062        | 177 366        |
| <b>Total appropriation</b>   | <b>168 062</b> | <b>177 366</b> |

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

Appropriation pursuant to the *Appropriation Act* consist of \$164 million (2022: \$175 million) for operational funding and \$4.2 million (2022: \$1.8 million) for capital projects. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department (refer to note 1.3 for details of these transferred functions).

**2.2. SA Government grants, subsidies and transfers**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Grants subsidies and transfers provided by SA Government entities  | 1 944         | 2 350         |
| Contingency Funding provided by Department of Treasury and Finance Administered Items                              | 1 400         | -             |
| Recovery from the Department of Treasury and Finance Administered Items for Targeted Voluntary Separation Packages | 5 013         | -             |
| Funding for administration of COVID -19 relief schemes   | -             | 1 950         |
| <b>Total SA Government grants subsidies and transfers</b>  | <b>8 357</b>  | <b>4 300</b>  |

SA Government grants, subsidies and transfers are recognised as income on receipt.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**2.3. Fees and charges**

|  | <b>2023</b>   | <b>2022</b>    |
|--|---------------|----------------|
|  | <b>\$'000</b> | <b>\$'000</b>  |
| South Australian Superannuation Board                  | 44 434        | 41 343         |
| Safework - ReturnToWorkSA prescribed fee               | -             | 23 190         |
| South Australian Government Financing Authority        | 13 670        | 13 838         |
| Service provision                                      | 14 826        | 14 461         |
| Administration fee - Community Emergency Services Fund | 7 139         | 7 040          |
| Regulatory fees  | 143           | 6 047          |
| South Australian Employment Tribunal                   | -             | 7 768          |
| Land Tax certificates                                  | 405           | 441            |
| Other recoveries                                       | 1 896         | 2 467          |
| <b>Total fees and charges</b>                          | <b>82 513</b> | <b>116 595</b> |

All revenue from fees and charges is revenue recognised from contracts with customers except for the ReturnToWorkSA prescribed fee, South Australian Superannuation Board recoveries, South Australian Government Financing Authority recoveries, and other recoveries.

The department measures revenue based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. All revenue is recognised at a point in time.

The department recognises revenue from the following major sources:

**ReturnToWorkSA – prescribed fee:** ReturnToWorkSA collects the Workplace Health and Safety fee on SafeWork SA's behalf. This fee is added to the ReturnToWorkSA premium and contributes to costs associated with the government's work health and safety activities. No fees collected by Safework SA in 2022-23 due to transfer to Attorney-General's Department as per Note 1.3.

**Regulatory fees:** Safework SA issues licences and registrations to businesses and members of the public. Licence and registration fees and charges are subject to the government's annual review of regulatory fees and charges and are of low value. Accordingly, the department has elected to recognise the revenue at the point in time the licence/registration is issued and paid. No fees collected by Safework SA in 2022-23 due to transfer to Attorney-General's Department as per Note 1.3.

Services are provided to South Australian government agencies. This includes whole of government contract management (e.g. electricity, banking) and non-service level agreement transactional services provided by Shared Services SA (e.g. targeted voluntary separation package calculations). Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as accounts receivable.

**Administration fee – Community Emergency Services Fund (CESF):** Revenue SA charges the CESF an administration fee to administer the fixed property component of the emergency services levy. Administration fee revenue is recognised at the point in time as the performance obligation is discharged, which is once the services are provided.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2.4. Resources received free of charge**

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Services received free of charge               | 2 187        | 2 134        |
| <b>Total resources received free of charge</b> | <b>2 187</b> | <b>2 134</b> |

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

Information and technology services and media monitoring services (from 2022-23) are received from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charges.

A corresponding expense is recognised in the financial statements refer note 4.1.

**2.5. Other income**

|                           | 2023         | 2022         |
|---------------------------|--------------|--------------|
|                           | \$'000       | \$'000       |
| Commissions               | 5            | 8            |
| Other income              | 2 774        | 2 526        |
| <b>Total other income</b> | <b>2 779</b> | <b>2 534</b> |

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the department include the Treasurer, the Chief Executive Officer and other directors/members of the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Treasurer's remuneration paid and recovered from the consolidated account.

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Compensation</b>                             |              |              |
| Salaries and other short term employee benefits | 3 281        | 3 744        |
| Post-employment benefits                        | 914          | 746          |
| <b>Total compensation</b>                       | <b>4 195</b> | <b>4 490</b> |

**Transaction with key management personnel and other related parties**

The department did not enter into any transactions with key management personnel or their close family during the reporting period.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**3.2. Board and committee members**

**SAFA Advisory Board**

Rick Persse\* (Presiding Member)  
Mark Day  
David Russell  
Jacqueline Guerin\*  
Susan Crago

**SAFA Risk and Performance Committee**

Susan Crago (Chair)  
Gianna Giannopoulos\*  
Mark Day

**Super SA Board Members Outcome and Insurance Committee**

Dr Bill Griggs (Convenor)  
Alison Kimber  
Kevin Foley (appointed December 2022)

**Super SA Audit, Risk and Finance Committee**

Virginia Deegan (Convenor)  
Richard Dennis  
Gregory Boulton (resigned September 2022)  
Kevin Foley (appointed December 2022)

**DTF Risk and Performance Committee**

Kathryn Presser (Independent chair)  
Andrew Armour - Independent Member  
Chris Oerman - Independent Member  
Mark Carey\*  
Les Jones\* (appointed June 2022)  
Scott Bayliss\* (appointed December 2022)  
Anna Hughes\* (resigned July 2022)  
Sandy Pitcher\* (appointed July 2022, resigned December 2022)

**Super SA Board**

Kevin Foley (Presiding Member, appointed December 2022)  
Gregory Boulton (Presiding Member, resigned September 2022)  
Virginia Deegan  
Alison Kimber  
Dr Bill Griggs  
Richard Dennis

\* 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.



**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**3.2. Board and committee members (continued)**

**Board and committee remuneration**

The number of members whose remuneration received or receivable falls within the following bands:

|                                | <b>2023</b>   | <b>2022</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>Number</b> | <b>Number</b> |
| \$0 - \$19 999                 | 5             | 32            |
| \$20 000 - \$39 999            | 7             | 4             |
| \$40 000 - \$59 999            | 2             | 4             |
| <b>Total number of members</b> | <b>14</b>     | <b>40</b>     |

The total remuneration received or receivable by members was \$347 000 (2022: \$374 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefit tax. Where a board or committee member has, during the year, been appointed, resigned, retired or term ceased, this has been disclosed, as illustrated above.

**3.3. Employee benefits expenses**

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| Salaries and wages                      | 117 032        | 135 710        |
| Employment on-costs - superannuation    | 15 294         | 16 648         |
| Annual leave                            | 11 066         | 13 072         |
| Employment on-costs - other             | 7 334          | 8 262          |
| Long service leave                      | 3 071          | (1 874)        |
| Rejuvenation Scheme                     | -              | 2 643          |
| Targeted voluntary separation packages  | 4 737          | 862            |
| Skills and experience retention leave   | 712            | 779            |
| Board and committee fees                | 517            | 557            |
| Other employee related expenses         | 2 786          | 1 061          |
| <b>Total employee benefits expenses</b> | <b>162 549</b> | <b>177 720</b> |

**Employment expenses**

Departmental employees are employed under Part 7 of the *Public Sector Act*.

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**3.3. Employee benefits expenses (continued)**

**Employees remuneration**

The number of employees whose remuneration received or receivable falls within the following bands:

|                                  | <b>2023</b>   | <b>2022</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>Number</b> | <b>Number</b> |
| \$157 001 - \$160 000*           | N/A           | 4             |
| \$160 001 - \$180 000            | 9             | 17            |
| \$180 001 - \$200 000            | 8             | 6             |
| \$200 001 - \$220 000            | 11            | 10            |
| \$220 001 - \$240 000            | 5             | 11            |
| \$240 001 - \$260 000            | 8             | 7             |
| \$260 001 - \$280 000            | 1             | 3             |
| \$280 001 - \$300 000            | 5             | 2             |
| \$300 001 - \$320 000            | 4             | 4             |
| \$320 001 - \$340 000            | 2             | 2             |
| \$340 001 - \$360 000            | 1             | 2             |
| \$360 001 - \$380 000            | -             | 3             |
| \$420 001 - \$440 000            | 1             | 1             |
| \$540 001 - \$560 000            | 1             | -             |
| \$580 001 - \$600 000            | -             | 1             |
| \$600 001 - \$620 000            | -             | 1             |
| <b>Total number of employees</b> | <b>56</b>     | <b>74</b>     |

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The total remuneration received by those employees for the year was \$13.4 million (2022: \$17.9 million).

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, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax.

**Targeted voluntary separation packages (TVSPs)**

The number of employees who received a TVSP during the reporting period was 55 (2022: 70).

In 2023, there were no separation payments resulting from the Public Sector Workforce Rejuvenation scheme.

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Amounts paid to separated employees:              |               |               |
| Targeted Voluntary Separation Packages            | 4 737         | 3 321         |
| Leave paid to those employees                     | 2 287         | 1 880         |
| Recovery from the department's administered items | (5 013)       | -             |
| <b>Net cost to the department</b>                 | <b>2 011</b>  | <b>5 201</b>  |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**3.4. Employee benefits liability**

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Current</b>                             |               |               |
| Accrued salaries and wages                 | 46            | 194           |
| Annual leave                               | 12 761        | 15 131        |
| Long service leave                         | 3 225         | 3 135         |
| Skills and experience retention leave      | 1 023         | 1 164         |
| <b>Total current employee benefits</b>     | <b>17 055</b> | <b>19 624</b> |
| <b>Non-current</b>                         |               |               |
| Long service leave                         | 25 346        | 30 872        |
| <b>Total non-current employee benefits</b> | <b>25 346</b> | <b>30 872</b> |
| <b>Total employee benefits</b>             | <b>42 401</b> | <b>50 496</b> |

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

**Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave**

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

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023). This change had an immaterial net financial effect in the current financial year.

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 liability – measurement**

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

AASB 119 *Employee Benefits* describes the calculation methodology for long service leave liability.

The actuarial assessment performed by the department has provided a basis for the measurement of long service leave and is based on actuarial assumptions for expected future salary and wage levels, experience of employee departures, and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.5% (2022) to 4% (2023).

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

The actuarial assessment performed by the department has increased the salary inflation rate from 2.5% (2022) to 3.5% (2023) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.8 million and employee benefits expense of \$0.8 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographic and financial assumptions – including the long-term discount rate.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**4. Expenses**

**4.1. Supplies and services**

|  | <b>2023</b>   | <b>2022</b>    |
|--|---------------|----------------|
|  | <b>\$'000</b> | <b>\$'000</b>  |
| Information technology and communication | 27 319        | 30 106         |
| Accommodation                            | 13 013        | 15 994         |
| Contractors and temporary staff          | 19 826        | 24 068         |
| Valuation fees                           | 5 702         | 5 572          |
| General administration and consumables   | 10 762        | 10 084         |
| Legal costs                              | 1 246         | 1 858          |
| Corporate recharge expense               | 1 007         | 993            |
| Consultants                              | 2 982         | 3 135          |
| Minor works, maintenance and equipment   | 756           | 1 100          |
| Other*                                   | 6 443         | 7 629          |
| <b>Total supplies and services</b>       | <b>89 056</b> | <b>100 539</b> |

\* Includes \$0.902 million (2022: \$0.877 million) of audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987*. No other services were provided by the Auditor-General's Department.

**Accommodation**

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangements issued in accordance with government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly associated rental costs are expensed (included within 'accommodation expense').

**4.2. Other expenses**

|                               | <b>2023</b>   | <b>2022</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>\$'000</b> | <b>\$'000</b> |
| Donated assets                | 113           | -             |
| Plant and equipment write-off | -             | 6             |
| Work in progress write-off    | -             | 30            |
| Buildings fitouts write-off   | -             | 5             |
| Salary overpayments write-off | 1             | 7             |
| <b>Total other expenses</b>   | <b>114</b>    | <b>48</b>     |

Other expense in 2022-23 reflects of a donated asset to Attorney-General's Department relating to the office fitout of the South Australian Employment Tribunal office premises \$0.113 million.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**5. Non-financial assets**

**5.1. Property, plant and equipment owned by the Department**

Property, plant and equipment comprises tangible assets owned by the department. The assets presented below do not meet the definition of investment property.

| Reconciliation 2022-23                          | Land and<br>Buildings | Building fitouts | Plant and<br>equipment | Work in<br>Progress ROU | Buildings<br>ROU | Vehicles<br>ROU | Total         |
|---|-----------------------|------------------|------------------------|-------------------------|------------------|-----------------|---------------|
|   | \$'000                | \$'000           | \$'000                 | \$'000                  | \$'000           | \$'000          | \$'000        |
| Carrying amount at the beginning of the period  | 5 832                 | 20 282           | 2 726                  | 1 901                   | 289              | 795             | 31 825        |
| Additions                                       | -                     | -                | 84                     | 4 074                   | -                | 948             | 5 106         |
| Capital transfers from work in progress         | -                     | 3 240            | -                      | (3 240)                 | -                | -               | -             |
| Transfer through administrative restructure     | (5 832)               | (2 128)          | (384)                  | (36)                    | -                | (263)           | (8 643)       |
| Depreciation and amortisation                   | -                     | (2 392)          | (982)                  | -                       | (191)            | (656)           | (4 221)       |
| Disposals                                       | -                     | -                | (13)                   | -                       | -                | (12)            | (25)          |
| Donated assets                                  | -                     | -                | -                      | (113)                   | -                | -               | (113)         |
| Remeasurement                                   | -                     | -                | -                      | -                       | -                | 298             | 298           |
| <b>Carrying amount at the end of the period</b> | <b>-</b>              | <b>19 002</b>    | <b>1 431</b>           | <b>2 586</b>            | <b>98</b>        | <b>1 110</b>    | <b>24 227</b> |
| <b>Gross carrying amount</b>                    |                       |                  |                        |                         |                  |                 |               |
| Gross carrying amount                           | -                     | 25 822           | 4 229                  | 2 586                   | 864              | 1 915           | 35 416        |
| Accumulated depreciation                        | -                     | (6 820)          | (2 798)                | -                       | (766)            | (805)           | (11 189)      |
| <b>Carrying amount at the end of the period</b> | <b>-</b>              | <b>19 002</b>    | <b>1 431</b>           | <b>2 586</b>            | <b>98</b>        | <b>1 110</b>    | <b>24 227</b> |

Department of Treasury and Finance  
Notes to and forming part of the financial statements  
for the year ended 30 June 2023

5.1. Property, plant and equipment owned by the Department (continued)

| Reconciliation 2021-22                          | Land and Buildings | Building fitouts | Plant and equipment | Work in progress | ROU              |                     | Total         |
|---|--------------------|------------------|---------------------|------------------|------------------|---------------------|---------------|
|   | \$'000             | \$'000           | \$'000              | \$'000           | Buildings \$'000 | ROU Vehicles \$'000 |               |
| Carrying amount at the beginning of the period  | 5 951              | 15 600           | 2 531               | 1 515            | -                | 1 204               | 26 801        |
| Additions                                       | -                  | 5 170            | 220                 | 3 204            | -                | 540                 | 9 134         |
| Capital transfers from work in progress         | 21                 | 1 751            | 1 016               | (2 788)          | -                | -                   | -             |
| Transfer through administrative restructure     | -                  | 571              | -                   | -                | 480              | -                   | 1 051         |
| Depreciation and amortisation                   | (140)              | (2 805)          | (1 035)             | -                | (191)            | (881)               | (5 052)       |
| Write offs                                      | -                  | (5)              | (6)                 | (30)             | -                | (68)                | (109)         |
| <b>Carrying amount at the end of the period</b> | <b>5 832</b>       | <b>20 282</b>    | <b>2 726</b>        | <b>1 901</b>     | <b>289</b>       | <b>795</b>          | <b>31 825</b> |
| <b>Gross carrying amount</b>                    |                    |                  |                     |                  |                  |                     |               |
| Gross carrying amount                           | 5 972              | 25 331           | 7 580               | 1 901            | 864              | 1 772               | 43 420        |
| Accumulated depreciation                        | (140)              | (5 049)          | (4 854)             | -                | (575)            | (977)               | (11 595)      |
| <b>Carrying amount at the end of the period</b> | <b>5 832</b>       | <b>20 282</b>    | <b>2 726</b>        | <b>1 901</b>     | <b>289</b>       | <b>795</b>          | <b>31 825</b> |

## Department of Treasury and Finance

### Notes to and forming part of the financial statements

for the year ended 30 June 2023

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#### 5.1. Property, plant and equipment owned by the Department (continued)

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Note 10.1 describes the department's approach to fair value.

\$3.548 million of fully depreciated property, plant and equipment is still in use.

##### Impairment

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets, specialised in nature, and held for continual use of their service capacity.

Revaluation of property, plant and equipment is undertaken on a regular cycle as described in note 10.1. If at any time management considers the carrying amount of an asset materiality differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

#### 5.2. Property, plant and equipment leased by the department

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost and there were no indications of impairment.

The department has 183 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

Short term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and included in note 4.1.

The lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of the lease liabilities is disclosed in note 7.2. Depreciation is disclosed at note 5.1. Cash outflows related to leases are disclosed in note 8.2.

#### 5.3. Depreciation and amortisation

All non-current assets, with a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

##### Useful life

Depreciation and amortisation are calculated on a straight-line basis over the estimated remaining useful life of the following classes of assets as follows:

| Class of asset                         | Useful life (years) |
|--|---------------------|
| Buildings                              | 4-69                |
| Building fitouts                       | 1-13                |
| Plant and Equipment                    | 1-7                 |
| Internally developed computer software | 2-15                |
| Externally acquired computer software  | 5                   |
| Right-of-use assets                    | Lease term          |

##### Review of accounting estimates

Assets' residual values, useful lives, and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

**Department of Treasury and Finance**  
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**5.4. Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of computer software is capitalised only when the expenditure meets the definition and recognition criteria, and when the amount of expenditure is greater than or equal to \$10 000.

**Reconciliation of Intangible assets**

| <b>Reconciliation 2022-23</b>                         | <b>Internally<br/>developed<br/>computer software</b> | <b>Externally acquired<br/>computer software</b> | <b>Work in Progress</b> | <b>Total</b>  |
|---|---|--|-------------------------|---------------|
|   | <b>\$'000</b>   | <b>\$'000</b>                                    | <b>\$'000</b>           | <b>\$'000</b> |
| <b>Carrying amount at the beginning of the period</b> | 30 885  | -  | 2 677                   | 33 562        |
| Additions   | -   | -  | 1 454                   | 1 454         |
| Capital transfers from work in progress               | -   | 29   | (29)                    | -             |
| Amortisation  | (6 665)   | (6)  | -                       | (6 671)       |
| Costs expensed  | -   | -  | (16)                    | (16)          |
| <b>Carrying amount at the end of the period</b>       | <b>24 220</b>   | <b>23</b>  | <b>4 086</b>            | <b>28 329</b> |
| <b>Gross carrying amount</b>                          |   |  |                         |               |
| Gross carrying amount                                 | 68 195  | 29   | 4 086                   | 72 310        |
| Accumulated amortisation                              | (43 975)  | (6)  | -                       | (43 981)      |
| <b>Carrying amount at the end of the period</b>       | <b>24 220</b>   | <b>23</b>  | <b>4 086</b>            | <b>28 329</b> |



**Department of Treasury and Finance**  
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**5.4 Intangible assets (continued)**

|   | Internally<br>developed | Externally acquired | Work in progress | Total         |
|---|-------------------------|---------------------|------------------|---------------|
|   | computer software       | computer software   |                  |               |
|   | \$'000                  | \$'000              | \$'000           | \$'000        |
| <b>Reconciliation 2021-22</b>                         |                         |                     |                  |               |
| <b>Carrying amount at the beginning of the period</b> | 35 395                  | 1 566               | 222              | 37 183        |
| Additions   | -                       | -                   | 2 512            | 2 512         |
| Transfer through administrative restructure           | 2 119                   | -                   | -                | 2 119         |
| Derecognitions  | -                       | (1 503)             | -                | (1 503)       |
| Capital transfers from work in progress               | 57                      | -                   | (57)             | -             |
| Amortisation  | (6 686)                 | -                   | -                | (6 686)       |
| Other   | -                       | (63)                | -                | (63)          |
| <b>Carrying amount at the end of the period</b>       | <b>30 885</b>           | <b>-</b>            | <b>2 677</b>     | <b>33 562</b> |
| <b>Gross carrying amount</b>                          |                         |                     |                  |               |
| Gross carrying amount                                 | 68 345                  | -                   | 2 677            | 71 022        |
| Accumulated amortisation                              | (37 460)                | -                   | -                | (37 460)      |
| <b>Carrying amount at the end of the period</b>       | <b>30 885</b>           | <b>-</b>            | <b>2 677</b>     | <b>33 562</b> |

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Deposits with the Treasurer</b>         |               |               |
| Operating account                          | 19 728        | 16 824        |
| Accrual appropriation excess funds account | 9 705         | 6 975         |
| <b>Total deposits with the Treasurer</b>   | <b>29 433</b> | <b>23 799</b> |
| Cash on hand                               | -             | 43            |
| <b>Total cash and cash equivalents</b>     | <b>29 433</b> | <b>23 842</b> |

Although the department controls the funds reported above in the accrual appropriation excess funds account, the Treasurer must approve its use. The department does not earn interest on its deposits with the Treasurer.

**6.2. Receivables**

|                                      | <b>2023</b>   | <b>2022</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>\$'000</b> | <b>\$'000</b> |
| <b>Current</b>                       |               |               |
| Trade receivables                    | 2 349         | 6 858         |
| Accrued revenues                     | 11 459        | 11 579        |
| Prepayments                          | 2 855         | 5 568         |
| Net GST receivable from the ATO      | 1 273         | 723           |
| <b>Total current receivables</b>     | <b>17 936</b> | <b>24 728</b> |
| <b>Non-current</b>                   |               |               |
| Receivables                          | 180           | 249           |
| <b>Total non-current receivables</b> | <b>180</b>    | <b>249</b>    |
| <b>Total receivables</b>             | <b>18 116</b> | <b>24 977</b> |

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

The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management.

The net amount of GST receivable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The expected credit loss for receivables relating to contracts with SA government entities (as the customer) is considered to be nil based on the nature and credit rating of the SA government entities (as the counterparty to the transaction).

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. No impairment loss was recognised in 2023 in relation to statutory receivables as all were with South Australian government debtors.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
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**7. Liabilities**

**7.1. Payables**

|                                    | <b>2023</b>   | <b>2022</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>\$'000</b> | <b>\$'000</b> |
| <b>Current</b>                     |               |               |
| Trade payables                     | 477           | 233           |
| Accrued expenses                   | 11 614        | 17 006        |
| Employment on-costs                | 2 604         | 2 809         |
| Paid Parental Leave Scheme payable | 23            | 13            |
| Other current payables             | -             | 187           |
| <b>Total current payables</b>      | <b>14 718</b> | <b>20 248</b> |
| <b>Non-current</b>                 |               |               |
| Employment on-costs                | 2 532         | 3 055         |
| <b>Total non-current payables</b>  | <b>2 532</b>  | <b>3 055</b>  |
| <b>Total payables</b>              | <b>17 250</b> | <b>23 303</b> |

Payables are measured at nominal amounts.

Payables and accruals are recognised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this payable note.

**Employment on-costs**

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The department contributes 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 superannuation schemes.

As a result of an actuarial assessment performed by the department, the portion of long service leave taken as leave has increased from 42% in 2022 to 43% in 2023 and the average factor for the calculation of employer superannuation on-costs has changed from the 2022 rate (10.6%) to 11.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$96 000 and employee benefits expense of \$96 000. The impact on future periods is impracticable to estimate.

**Department of Treasury and Finance**  
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**7.2. Financial liabilities**

The department's financial liabilities are lease liabilities.

A maturity analysis of financial liabilities based on undiscounted gross cash flow is reported in the table below:

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| <b>Financial Liabilities</b>                      | <b>\$'000</b> | <b>\$'000</b> |
| 1 to 3 years                                      | 1 158         | 1 194         |
| 3 to 5 years                                      | -             | 14            |
| <b>Total financial liabilities (undiscounted)</b> | <b>1 158</b>  | <b>1 208</b>  |

Lease liabilities have been measured by discounting lease payments using either the interest rate implicit in the lease where it is readily determined or the department's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

Borrowing costs associated with these lease liabilities was \$25 000 (2022: \$10 000).

**7.3. Provisions**

All provisions relate to workers compensation.

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| <b>Reconciliation of workers compensation (statutory and non-statutory)</b> | <b>\$'000</b> | <b>\$'000</b> |
| <b>Carrying amount at the beginning of the period</b>                       | 9 877         | 11 571        |
| Payments/other sacrifices of future economic benefits                       | (1 481)       | (894)         |
| Additional provisions recognised  | (799)         | (800)         |
| <b>Carrying amount at the end of the period</b>                             | <b>7 597</b>  | <b>9 877</b>  |

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

The department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims for both statutory and additional compensation schemes.

The workers compensation is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
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**7.4. Other liabilities**

|  | 2023                | 2022                |
|--|---------------------|---------------------|
|  | \$'000              | \$'000              |
| <b>Current</b>                             |                     |                     |
| Accommodation incentive                    | 653                 | 653                 |
| <b>Total current other liabilities</b>     | <u>653</u>          | <u>653</u>          |
| <b>Non-current</b>                         |                     |                     |
| Accommodation incentive                    | 4 574               | 5 227               |
| Unearned revenue                           | 25                  | -                   |
| <b>Total non-current other liabilities</b> | <u>4 599</u>        | <u>5 227</u>        |
| <b>Total other liabilities</b>             | <u><u>5 252</u></u> | <u><u>5 880</u></u> |

**8. Other disclosures**

**8.1. Equity**

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

**8.2. Cash flow reconciliation**

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 ATO is classified as part of operating cash flows.

|   | 2023                | 2022                 |
|---|---------------------|----------------------|
|   | \$'000              | \$'000               |
| <b>Reconciliation of cash and cash equivalents at the end of the reporting period</b> |                     |                      |
| Cash and cash equivalents disclosed in the Statement of Financial Position            | 29 433              | 23 842               |
| <b>Balance as per the Statement of Cash Flows</b>                                     | <u>29 433</u>       | <u>23 842</u>        |
| <b>Reconciliation of net cash provided by operating activities to net result</b>      |                     |                      |
| Net cash provided by operating activities   | 11 867              | 16 935               |
| <b>Add / (less) non-cash items</b>  |                     |                      |
| Depreciation and amortisation   | (10 892)            | (11 738)             |
| Donated assets  | (113)               | -                    |
| Other expenses - write off  | (1)                 | (48)                 |
| Borrowing costs   | (25)                | (10)                 |
| <b>Movement in assets and liabilities</b>   |                     |                      |
| Increase/(decrease) in receivables  | (7 411)             | 4 460                |
| Increase/(decrease) in payables   | (3 238)             | (895)                |
| Increase/(decrease) in employee benefits  | 8 095               | 7 520                |
| Increase/(decrease) in provisions   | 2 280               | 1 694                |
| (Increase)/decrease in other liabilities  | 628                 | (5 880)              |
| <b>Net result</b>   | <u><u>1 190</u></u> | <u><u>12 038</u></u> |

Total cash outflows for leases was \$0.897 million (2022: \$1.42 million).

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**9. Outlook**

**9.1. Unrecognised commitments**

Commitments include operating and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

**Other contractual commitments**

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Within one year                                   | 10 387        | 13 891        |
| Later than one year but not later than five years | 26 347        | 43 936        |
| Later than five years                             | 24 092        | 41 358        |
| <b>Total other contractual commitments</b>        | <b>60 826</b> | <b>99 185</b> |

The department's expenditure commitments reflect the Memoranda of Administrative Arrangements with Department for Infrastructure and Transport for accommodation.

**Other commitments**

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

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Within one year                                   | 21 858        | 19 879        |
| Later than one year and not later than five years | 23 123        | 26 385        |
| Later than five years                             | -             | 882           |
| <b>Total other commitments</b>                    | <b>44 981</b> | <b>47 146</b> |

**9.2. Contingent assets and liabilities**

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.

The department is not aware of any contingent assets or liabilities.

**9.3. Impact of standards and statements not yet effective**

The Department of Treasury and Finance has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the Department of Treasury and Finance's financial statements.

**9.4. Events after the reporting period**

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

**Department of Treasury and Finance**  
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## **10. Measurement and risk**

### **10.1. Fair value**

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

#### **Initial recognition**

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately before the restructure).

#### **Revaluation**

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle. If at any time management considers 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.

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.

#### **Fair value hierarchy**

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

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. All non-financial assets as at 30 June 2023 and 30 June 2022 were categorised in level 3 except level 2 land.

#### **Land, buildings and building fitout**

An independent valuation of land, buildings and building fitouts owned by the department was performed in June 2021 by independent certified practising valuers.

Fair value of the land has been determined using the market approach. The valuation was based on the recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying and adjusting to reflect the restriction.

The fair values of buildings were determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of assets, their size, condition and location.

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**10.1. Fair value (continued)**

**Plant and equipment**

All items of plant and equipment owned by the department which had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

**10.2. Financial instruments**

**Financial risk management**

The department's risk management policies are in accordance with the *South Australian Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The department's exposure to financial risk (liquidity risk, credit risk, and market risk) is low due to the nature of the financial instruments held.

**Liquidity risk**

The department is funded principally from appropriation by the Government of South Australia. The department determines the cash flows associated with its government approved program of work and to ensure funding is provided through the Government of South Australia budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

**Credit risk**

The department has policies and procedures in place to ensure it transacts with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

**Cash and debt investments**

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All of the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

**Market risk**

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk according to the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

**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 the respective financial asset / financial liability notes.

**Classification of financial instruments**

The department measures all financial instruments at amortised cost.



# **Department of Treasury and Finance**

## **Administered Financial Statements**

For the year ended 30 June 2023

**Department of Treasury and Finance**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2023*

|                                    | Note | 2023<br>\$'000    | 2022<br>\$'000    |
|------------------------------------|------|-------------------|-------------------|
| <b>Administered income</b>         |      |                   |                   |
| Appropriation                      | A2.1 | 2 148 760         | 2 762 462         |
| Taxation                           | A2.2 | 5 075 301         | 4 974 413         |
| Commonwealth revenues              | A2.3 | 11 736 490        | 10 699 448        |
| Dividends                          | A2.4 | 119 112           | 154 862           |
| Interest revenues                  | A2.5 | 274 606           | 6 168             |
| Grants and contributions           | A2.6 | 397 246           | 246 015           |
| Fees and charges                   | A2.7 | 242 307           | 229 691           |
| Other income                       | A2.8 | 707 506           | 945 448           |
| <b>Total administered income</b>   |      | <b>20 701 328</b> | <b>20 018 507</b> |
| <b>Administered expenses</b>       |      |                   |                   |
| Employee benefits expenses         | A3.1 | 422 309           | 446 067           |
| Supplies and services              | A4.1 | 57 128            | 50 546            |
| Borrowing costs                    | A4.2 | 732 607           | 318 326           |
| Grants subsidies and transfers     | A4.3 | 4 986 331         | 4 984 201         |
| Depreciation and amortisation      |      | 1 019             | 487               |
| Payments to SA Government          | A4.4 | 14 558 014        | 13 855 301        |
| Other expenses                     | A4.5 | 117 028           | 270 643           |
| <b>Total administered expenses</b> |      | <b>20 874 436</b> | <b>19 925 571</b> |
| <b>Net result</b>                  |      | <b>(173 108)</b>  | <b>92 936</b>     |
| <b>Total comprehensive result</b>  |      | <b>(173 108)</b>  | <b>92 936</b>     |

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Department of Treasury and Finance**  
**Statement of Administered Financial Position**  
*as at 30 June 2023*

|   | Note | 2023<br>\$'000   | 2022<br>\$'000   |
|---|------|------------------|------------------|
| <b>Administered current assets</b>          |      |                  |                  |
| Cash and cash equivalents                   | A6.1 | 857 317          | 2 458 900        |
| Receivables                                 | A6.2 | 263 432          | 320 009          |
| Other financial assets                      | A6.3 | 113              | 1 627            |
| <b>Total current assets</b>                 |      | <b>1 120 862</b> | <b>2 780 536</b> |
| <b>Administered non-current assets</b>      |      |                  |                  |
| Receivables                                 | A6.2 | 3                | 19               |
| Other financial assets                      | A6.3 | 161 615          | 157 075          |
| Property, plant and equipment               | A5.1 | 12 921           | 7 016            |
| Intangible assets                           | A5.2 | 325              | 325              |
| <b>Total non-current assets</b>             |      | <b>174 864</b>   | <b>164 435</b>   |
| <b>Total assets</b>                         |      | <b>1 295 726</b> | <b>2 944 971</b> |
| <b>Administered current liabilities</b>     |      |                  |                  |
| Payables                                    | A7.1 | 414 997          | 1 797 028        |
| Employee benefits                           | A3.2 | 1 291            | 1 584            |
| Provisions                                  | A7.2 | 110              | 170              |
| Other current liabilities                   | A7.3 | 6 179            | 6 270            |
| <b>Total current liabilities</b>            |      | <b>422 577</b>   | <b>1 805 052</b> |
| <b>Administered non-current liabilities</b> |      |                  |                  |
| Payables                                    | A7.1 | 31 372           | 31 485           |
| Employee benefits                           | A3.2 | 941              | 1 490            |
| Provisions                                  | A7.2 | 337              | 885              |
| Other non-current liabilities               | A7.3 | 144 107          | 237 968          |
| <b>Total non-current liabilities</b>        |      | <b>176 757</b>   | <b>271 828</b>   |
| <b>Total liabilities</b>                    |      | <b>599 334</b>   | <b>2 076 880</b> |
| <b>Net assets</b>                           |      | <b>696 392</b>   | <b>868 091</b>   |
| <b>Administered equity</b>                  |      |                  |                  |
| Accumulated surplus                         | A8.1 | 693 600          | 865 299          |
| Asset revaluation surplus                   | A8.1 | 2 792            | 2 792            |
| <b>Total equity</b>                         |      | <b>696 392</b>   | <b>868 091</b>   |

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Department of Treasury and Finance**  
**Statement of Administered Cash Flows**  
*For the year ended 30 June 2023*

|   | Note | 2023<br>\$'000      | 2022<br>\$'000      |
|---|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                   |      |                     |                     |
| <b>Cash inflows</b>   |      |                     |                     |
| Taxation received   |      | 5 075 301           | 4 974 413           |
| Receipts from Commonwealth                                    |      | 11 628 336          | 10 367 226          |
| Dividends   |      | 119 112             | 154 862             |
| Interest received   |      | 274 606             | 6 168               |
| Appropriation   |      | 2 148 760           | 2 762 462           |
| Grants and contributions                                      |      | 397 246             | 246 015             |
| Fees and charges  |      | 313 054             | 143 365             |
| GST recovered from ATO  |      | 3 367               | 5 135               |
| Receipts for Paid Parental Leave Scheme                       |      | -                   | 41                  |
| Other receipts  |      | 704 506             | 945 233             |
| <b>Cash generated from operations</b>                         |      | <b>20 664 288</b>   | <b>19 604 920</b>   |
| <b>Cash outflows</b>  |      |                     |                     |
| Payments to SA Government                                     |      | (15 958 433)        | (13 592 262)        |
| Employee benefit payments                                     |      | (423 952)           | (447 301)           |
| Payments for supplies and services                            |      | (30 201)            | (20 940)            |
| Interest payments   |      | (732 607)           | (318 326)           |
| Grants, subsidies and transfers                               |      | (4 994 037)         | (4 973 141)         |
| Payments for Paid Parental Leave Scheme                       |      | (3)                 | (41)                |
| Other payments  |      | (116 590)           | (206 305)           |
| <b>Cash used in operations</b>                                |      | <b>(22 255 823)</b> | <b>(19 558 316)</b> |
| <b>Net cash provided by / used in operations</b>              | A8.2 | <b>(1 591 535)</b>  | <b>46 604</b>       |
| <b>Cash flows from investing activities</b>                   |      |                     |                     |
| <b>Cash outflows</b>  |      |                     |                     |
| Purchase of property, plant and equipment                     |      | (9 621)             | (431)               |
| <b>Cash used in investing activities</b>                      |      | <b>(9 621)</b>      | <b>(431)</b>        |
| <b>Net cash provided by / used in investing activities</b>    |      | <b>(9 621)</b>      | <b>(431)</b>        |
| <b>Cash flows from financing activities</b>                   |      |                     |                     |
| <b>Cash inflows</b>   |      |                     |                     |
| Proceeds from other financial assets                          |      | 2 011               | 3 695               |
| <b>Cash generated from financing activities</b>               |      | <b>2 011</b>        | <b>3 695</b>        |
| <b>Cash outflows</b>  |      |                     |                     |
| Other financial assets granted                                |      | (2 438)             | (7 399)             |
| <b>Cash used in financing activities</b>                      |      | <b>(2 438)</b>      | <b>(7 399)</b>      |
| <b>Net cash provided by / used in financing activities</b>    |      | <b>(427)</b>        | <b>(3 704)</b>      |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |      | <b>(1 601 583)</b>  | <b>42 469</b>       |
| Cash and cash equivalents at the beginning of the period      |      | 2 458 900           | 2 416 431           |
| <b>Cash and cash equivalents at the end of the period</b>     | A6.1 | <b>857 317</b>      | <b>2 458 900</b>    |
| Non-cash transactions   | A8.2 |                     |                     |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Administered Items on behalf of<br>the Consolidated Account |                   | Industrial Tribunal Payments into<br>Court |                | Commonwealth Mirror Taxes on<br>Commonwealth Places Revenue<br>Account |                |
|------------------------------------|---|-------------------|--|----------------|--|----------------|
|                                    | 2023<br>\$'000  | 2022<br>\$'000    | 2023<br>\$'000                             | 2022<br>\$'000 | 2023<br>\$'000   | 2022<br>\$'000 |
| <b>Administered income</b>         |   |                   |  |                |  |                |
| Appropriation                      | 56 659  | 219 788           | -  | -              | -  | -              |
| Taxation                           | 4 709 142   | 4 622 594         | -  | -              | -  | -              |
| Commonwealth revenues              | 8 131 442   | 7 342 269         | -  | -              | 34 870   | 33 400         |
| Dividends                          | 119 112   | 154 862           | -  | -              | -  | -              |
| Interest revenues                  | 270 928   | 5 490             | -  | -              | -  | -              |
| Grants and contributions           | 166 985   | 14 965            | -  | -              | -  | -              |
| Fees and charges                   | 194 096   | 195 980           | -  | -              | -  | -              |
| Other income                       | 702 906   | 939 620           | -  | -              | -  | -              |
| <b>Total administered income</b>   | <b>14 351 270</b>   | <b>13 495 568</b> | <b>-</b>                                   | <b>-</b>       | <b>34 870</b>  | <b>33 400</b>  |
| <b>Administered expenses</b>       |   |                   |  |                |  |                |
| Employee benefits expenses         | 388   | 3 926             | -  | -              | -  | -              |
| Supplies and services              | -   | -                 | -  | -              | -  | -              |
| Borrowing costs                    | -   | -                 | -  | -              | -  | -              |
| Grants, subsidies and transfers    | 56 870  | 217 865           | -  | -              | -  | -              |
| Depreciation and amortisation      | -   | -                 | -  | -              | -  | -              |
| Payments to SA Government          | 14 294 013  | 13 273 783        | -  | -              | -  | -              |
| Other expenses                     | -   | 7                 | -  | 9              | 34 870   | 33 400         |
| <b>Total administered expenses</b> | <b>14 351 271</b>   | <b>13 495 581</b> | <b>-</b>                                   | <b>9</b>       | <b>34 870</b>  | <b>33 400</b>  |
| <b>Net result</b>                  | <b>(1)</b>  | <b>(13)</b>       | <b>-</b>                                   | <b>(9)</b>     | <b>-</b>   | <b>-</b>       |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Community Development Fund |               | Community Emergency Services Fund |                | Country Equalisation Scheme Account |          |
|------------------------------------|----------------------------|---------------|-----------------------------------|----------------|-------------------------------------|----------|
|                                    | 2023                       | 2022          | 2023                              | 2022           | 2023                                | 2022     |
|                                    | \$'000                     | \$'000        | \$'000                            | \$'000         | \$'000                              | \$'000   |
| <b>Administered income</b>         |                            |               |                                   |                |                                     |          |
| Appropriation                      | -                          | -             | -                                 | -              | -                                   | -        |
| Taxation                           | -                          | -             | 175 527                           | 166 417        | -                                   | -        |
| Commonwealth revenues              | -                          | -             | -                                 | -              | -                                   | -        |
| Dividends                          | -                          | -             | -                                 | -              | -                                   | -        |
| Interest revenues                  | -                          | -             | 115                               | -              | 490                                 | -        |
| Grants and contributions           | 20 000                     | 20 000        | 138 309                           | 139 572        | -                                   | -        |
| Fees and charges                   | -                          | -             | 232                               | 237            | -                                   | -        |
| Other income                       | -                          | -             | -                                 | -              | -                                   | -        |
| <b>Total administered income</b>   | <b>20 000</b>              | <b>20 000</b> | <b>314 183</b>                    | <b>306 226</b> | <b>490</b>                          | <b>-</b> |
| <b>Administered expenses</b>       |                            |               |                                   |                |                                     |          |
| Employee benefits expenses         | -                          | -             | -                                 | -              | -                                   | -        |
| Supplies and services              | -                          | -             | -                                 | -              | -                                   | -        |
| Borrowing costs                    | -                          | -             | -                                 | -              | -                                   | -        |
| Grants, subsidies and transfers    | 20 000                     | 20 000        | 314 157                           | 306 814        | -                                   | -        |
| Depreciation and amortisation      | -                          | -             | -                                 | -              | -                                   | -        |
| Payments to SA Government          | -                          | -             | -                                 | -              | -                                   | -        |
| Other expenses                     | -                          | -             | -                                 | -              | -                                   | -        |
| <b>Total administered expenses</b> | <b>20 000</b>              | <b>20 000</b> | <b>314 157</b>                    | <b>306 814</b> | <b>-</b>                            | <b>-</b> |
| <b>Net result</b>                  | <b>-</b>                   | <b>-</b>      | <b>26</b>                         | <b>(588)</b>   | <b>490</b>                          | <b>-</b> |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Fines Enforcement Recovery |               | Hospitals Fund |                | Intergovernmental Agreement on<br>Federal Financial Relations |                  |
|------------------------------------|----------------------------|---------------|----------------|----------------|---|------------------|
|                                    | 2023                       | 2022          | 2023           | 2022           | 2023  | 2022             |
|                                    | \$'000                     | \$'000        | \$'000         | \$'000         | \$'000  | \$'000           |
| <b>Administered income</b>         |                            |               |                |                |   |                  |
| Appropriation                      | -                          | -             | -              | -              | -   | -                |
| Taxation                           | -                          | -             | 189 135        | 183 991        | -   | -                |
| Commonwealth revenues              | -                          | -             | -              | -              | 3 496 661   | 3 131 585        |
| Dividends                          | -                          | -             | -              | -              | -   | -                |
| Interest revenues                  | -                          | -             | -              | -              | -   | -                |
| Grants and contributions           | -                          | -             | -              | -              | -   | -                |
| Fees and charges                   | 47 979                     | 33 474        | -              | -              | -   | -                |
| Other income                       | -                          | -             | -              | -              | -   | -                |
| <b>Total administered income</b>   | <b>47 979</b>              | <b>33 474</b> | <b>189 135</b> | <b>183 991</b> | <b>3 496 661</b>  | <b>3 131 585</b> |
| <b>Administered expenses</b>       |                            |               |                |                |   |                  |
| Employee benefits expenses         | -                          | -             | -              | -              | -   | -                |
| Supplies and services              | -                          | -             | -              | -              | -   | -                |
| Borrowing costs                    | -                          | -             | -              | -              | -   | -                |
| Grants, subsidies and transfers    | 24 658                     | 9 560         | -              | -              | 3 408 093   | 2 775 004        |
| Depreciation and amortisation      | -                          | -             | -              | -              | -   | -                |
| Payments to SA Government          | -                          | -             | 189 135        | 183 991        | 64 713  | 208 521          |
| Other expenses                     | 23 323                     | 23 914        | -              | -              | -   | -                |
| <b>Total administered expenses</b> | <b>47 981</b>              | <b>33 474</b> | <b>189 135</b> | <b>183 991</b> | <b>3 472 806</b>  | <b>2 983 525</b> |
| <b>Net result</b>                  | <b>(2)</b>                 | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>23 855</b>   | <b>148 060</b>   |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Industry Financial Assistance |                |                                |                | Local Government Taxation |              |
|------------------------------------|-------------------------------|----------------|--------------------------------|----------------|---------------------------|--------------|
|                                    | Account (IFAA)                |                | Local Government Disaster Fund |                | Equivalents Fund          |              |
|                                    | 2023                          | 2022           | 2023                           | 2022           | 2023                      | 2022         |
|                                    | \$'000                        | \$'000         | \$'000                         | \$'000         | \$'000                    | \$'000       |
| <b>Administered income</b>         |                               |                |                                |                |                           |              |
| Appropriation                      | -                             | -              | -                              | -              | -                         | -            |
| Taxation                           | -                             | -              | -                              | -              | 1 497                     | 1 411        |
| Commonwealth revenues              | -                             | -              | -                              | -              | -                         | -            |
| Dividends                          | -                             | -              | -                              | -              | -                         | -            |
| Interest revenues                  | 96                            | 196            | 379                            | 15             | 30                        | -            |
| Grants and contributions           | 33 656                        | 35 372         | -                              | -              | -                         | -            |
| Fees and charges                   | -                             | -              | -                              | -              | -                         | -            |
| Other income                       | (46)                          | 215            | -                              | -              | -                         | -            |
| <b>Total administered income</b>   | <b>33 706</b>                 | <b>35 783</b>  | <b>379</b>                     | <b>15</b>      | <b>1 527</b>              | <b>1 411</b> |
| <b>Administered expenses</b>       |                               |                |                                |                |                           |              |
| Employee benefits expenses         | -                             | -              | -                              | -              | -                         | -            |
| Supplies and services              | 301                           | 65             | -                              | -              | -                         | -            |
| Borrowing costs                    | -                             | -              | -                              | -              | -                         | -            |
| Grants, subsidies and transfers    | 29 126                        | 40 958         | 5 915                          | 2 721          | 1 503                     | 1 412        |
| Depreciation and amortisation      | -                             | -              | -                              | -              | -                         | -            |
| Payments to SA Government          | -                             | 3 000          | -                              | -              | -                         | -            |
| Other expenses                     | (112)                         | (641)          | -                              | -              | -                         | -            |
| <b>Total administered expenses</b> | <b>29 315</b>                 | <b>43 382</b>  | <b>5 915</b>                   | <b>2 721</b>   | <b>1 503</b>              | <b>1 412</b> |
| <b>Net result</b>                  | <b>4 391</b>                  | <b>(7 599)</b> | <b>(5 536)</b>                 | <b>(2 706)</b> | <b>24</b>                 | <b>(1)</b>   |



**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Support Services to<br>Parliamentarians |                | Treasury and Finance<br>Administered Items Account |                  | Treasurer's Interest in the National<br>Wine Centre Account |                |
|------------------------------------|---|----------------|--|------------------|---|----------------|
|                                    | 2023<br>\$'000                          | 2022<br>\$'000 | 2023<br>\$'000                                     | 2022<br>\$'000   | 2023<br>\$'000  | 2022<br>\$'000 |
| <b>Administered income</b>         |   |                |  |                  |   |                |
| Appropriation                      | -                                       | -              | 2 092 101  | 2 542 674        | -   | -              |
| Taxation                           | -                                       | -              | -  | -                | -   | -              |
| Commonwealth revenues              | -                                       | -              | -  | -                | -   | -              |
| Dividends                          | -                                       | -              | -  | -                | -   | -              |
| Interest revenues                  | -                                       | -              | -  | -                | -   | -              |
| Grants and contributions           | 31 843                                  | 25 896         | -  | -                | 3 653   | 3 710          |
| Fees and charges                   | -                                       | -              | -  | -                | -   | -              |
| Other income                       | 37                                      | 19             | -  | -                | 25  | 25             |
| <b>Total administered income</b>   | <b>31 880</b>                           | <b>25 915</b>  | <b>2 092 101</b>                                   | <b>2 542 674</b> | <b>3 678</b>  | <b>3 735</b>   |
| <b>Administered expenses</b>       |   |                |  |                  |   |                |
| Employee benefits expenses         | 19 841                                  | 19 871         | 402 080  | 422 270          | -   | -              |
| Supplies and services              | 8 010                                   | 7 643          | 48 769   | 42 041           | -   | -              |
| Borrowing costs                    | -                                       | -              | 732 607  | 318 326          | -   | -              |
| Grants, subsidies and transfers    | -                                       | -              | 1 101 972  | 1 411 392        | -   | -              |
| Depreciation and amortisation      | 229                                     | 352            | -  | -                | 790   | 135            |
| Payments to SA Government          | -                                       | -              | -  | 186 006          | -   | -              |
| Other expenses                     | -                                       | 2              | 13 891   | 140 765          | -   | -              |
| <b>Total administered expenses</b> | <b>28 080</b>                           | <b>27 868</b>  | <b>2 299 319</b>                                   | <b>2 520 800</b> | <b>790</b>  | <b>135</b>     |
| <b>Net result</b>                  | <b>3 800</b>                            | <b>(1 953)</b> | <b>(207 218)</b>                                   | <b>21 874</b>    | <b>2 888</b>  | <b>3 600</b>   |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Treasury Working Account |              | Treasury Asset Management Account |          | Commonwealth Funding for National Partnerships |                 |
|------------------------------------|--------------------------|--------------|-----------------------------------|----------|--|-----------------|
|                                    | 2023                     | 2022         | 2023                              | 2022     | 2023   | 2022            |
|                                    | \$'000                   | \$'000       | \$'000                            | \$'000   | \$'000   | \$'000          |
| <b>Administered income</b>         |                          |              |                                   |          |  |                 |
| Appropriation                      | -                        | -            | -                                 | -        | -  | -               |
| Taxation                           | -                        | -            | -                                 | -        | -  | -               |
| Commonwealth revenues              | -                        | -            | -                                 | -        | 73 517   | 192 194         |
| Dividends                          | -                        | -            | -                                 | -        | -  | -               |
| Interest revenues                  | -                        | -            | 72                                | -        | 2 496  | 467             |
| Grants and contributions           | -                        | -            | -                                 | -        | -  | -               |
| Fees and charges                   | -                        | -            | -                                 | -        | -  | -               |
| Other income                       | 1 254                    | 1 357        | -                                 | -        | -  | -               |
| <b>Total administered income</b>   | <b>1 254</b>             | <b>1 357</b> | <b>72</b>                         | <b>-</b> | <b>76 013</b>                                  | <b>192 661</b>  |
| <b>Administered expenses</b>       |                          |              |                                   |          |  |                 |
| Employee benefits expenses         | -                        | -            | -                                 | -        | -  | -               |
| Supplies and services              | -                        | -            | -                                 | -        | -  | -               |
| Borrowing costs                    | -                        | -            | -                                 | -        | -  | -               |
| Grants, subsidies and transfers    | -                        | -            | -                                 | -        | 24 037   | 198 475         |
| Depreciation and amortisation      | -                        | -            | -                                 | -        | -  | -               |
| Payments to SA Government          | -                        | -            | -                                 | -        | -  | -               |
| Other expenses                     | 1 254                    | 1 357        | -                                 | -        | 43 000   | 8 000           |
| <b>Total administered expenses</b> | <b>1 254</b>             | <b>1 357</b> | <b>-</b>                          | <b>-</b> | <b>67 037</b>                                  | <b>206 475</b>  |
| <b>Net result</b>                  | <b>-</b>                 | <b>-</b>     | <b>72</b>                         | <b>-</b> | <b>8 976</b>                                   | <b>(13 814)</b> |

**Department of Treasury and Finance**  
**Schedule of Expenses and income Attributable to Administered Activities**  
*For the year ended 30 June 2023*

|                                    | Affordable Housing |              | State Owned Generators |                 | Scope Global Shares |              | Market Projects Unit |          | Total             |                   |
|------------------------------------|--------------------|--------------|------------------------|-----------------|---------------------|--------------|----------------------|----------|-------------------|-------------------|
|                                    | Fund               |              | Leasing Co             |                 |                     |              |                      |          |                   |                   |
|                                    | 2023               | 2022         | 2023                   | 2022            | 2023                | 2022         | 2023                 | 2022     | 2023              | 2022              |
|                                    | \$'000             | \$'000       | \$'000                 | \$'000          | \$'000              | \$'000       | \$'000               | \$'000   | \$'000            | \$'000            |
| <b>Administered income</b>         |                    |              |                        |                 |                     |              |                      |          |                   |                   |
| Appropriation                      | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 2 148 760         | 2 762 462         |
| Taxation                           | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 5 075 301         | 4 974 413         |
| Commonwealth revenues              | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 11 736 490        | 10 699 448        |
| Dividends                          | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 119 112           | 154 862           |
| Interest revenues                  | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 274 606           | 6 168             |
| Grants and contributions           | 2 800              | 6 500        | -                      | -               | -                   | -            | -                    | -        | 397 246           | 246 015           |
| Fees and charges                   | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 242 307           | 229 691           |
| Other income                       | 284                | 155          | 3 046                  | -               | -                   | 4 057        | -                    | -        | 707 506           | 945 448           |
| <b>Total administered income</b>   | <b>3 084</b>       | <b>6 655</b> | <b>3 046</b>           | <b>-</b>        | <b>-</b>            | <b>4 057</b> | <b>-</b>             | <b>-</b> | <b>20 701 328</b> | <b>20 018 507</b> |
| <b>Administered expenses</b>       |                    |              |                        |                 |                     |              |                      |          |                   |                   |
| Employee benefits expenses         | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 422 309           | 446 067           |
| Supplies and services              | -                  | -            | -                      | -               | 48                  | 797          | -                    | -        | 57 128            | 50 546            |
| Borrowing costs                    | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 732 607           | 318 326           |
| Grants, subsidies and transfers    | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 4 986 331         | 4 984 201         |
| Depreciation and amortisation      | -                  | -            | -                      | -               | -                   | -            | -                    | -        | 1 019             | 487               |
| Payments to SA Government          | -                  | -            | -                      | -               | 10 150              | -            | 3                    | -        | 14 558 014        | 13 855 301        |
| Other expenses                     | 796                | 684          | -                      | 63 146          | 6                   | -            | -                    | -        | 117 028           | 270 643           |
| <b>Total administered expenses</b> | <b>796</b>         | <b>684</b>   | <b>-</b>               | <b>63 146</b>   | <b>10 204</b>       | <b>797</b>   | <b>3</b>             | <b>-</b> | <b>20 874 436</b> | <b>19 925 571</b> |
| <b>Net result</b>                  | <b>2 288</b>       | <b>5 971</b> | <b>3 046</b>           | <b>(63 146)</b> | <b>(10 204)</b>     | <b>3 260</b> | <b>(3)</b>           | <b>-</b> | <b>(173 108)</b>  | <b>92 936</b>     |

# Department of Treasury and Finance

## Notes to and forming part of the Financial Statements

### for the year ended 30 June 2023

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#### **A1. About the department's Administered Items**

The basis of preparation of the administered financial statement is the same as the basis outlined in note 1.1. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

#### **A1.1. Overview of Administered financial statements**

The administered financial statements include the incomes, expenses, assets and liabilities which the department administers on behalf of the Government of South Australia but does not control. All administered activities and the transactions for the special deposit accounts established under section 8 of the *Public Finance Audit Act (PFAA) 1987* and deposit accounts established under section 21 of the PFAA that are administered by the department are described below:

##### ***Administered Items on behalf of the Consolidated Account***

The purpose of the account is to record a number of revenue and expense transactions on behalf of the Government of South Australia for the Consolidated Account. Such transactions include the collection of revenues from taxation, 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.

##### ***Affordable Housing Fund***

The purpose of the fund is to record all financial transactions of the Fund, including the receipt of revenue, granting and payment of loans to HomeStart Finance as well as the specific accounting disclosures required for concessional loan agreements.

##### ***Commonwealth Funding for National Partnerships***

The purpose of the fund is to receive, hold and disburse certain monies for major infrastructure projects provided from National Partnerships grants received from the Commonwealth.

##### ***Commonwealth Mirror Taxes on Commonwealth Places Revenue Account***

The purpose of the account is to receive amounts that are levied pursuant to the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth and *Commonwealth Places (Mirror Taxes Administration) Act 1999* of the State.

##### ***Community Development Fund***

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

##### ***Community Emergency Services Fund***

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

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A1.1. Overview of Administered financial statements (continued)**

***Country Equalisation Scheme Account***

The purpose of the account is to record injections of funds provided from the Consolidated Account, and to make refund payments<sup>1</sup> to electricity retailers in accordance with the Country Equalisation Scheme.

***ETSA Sales / Lease Proceeds Account***

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

***Fines Enforcement and Recovery***

The purpose of this account is to record all monies recoverable by the Chief Recovery Officer under *the Fines Enforcement and Debt Recovery Act 2017* and the monies are payable to parties defined in legislation or an administrative determination. The account does not receive monies payable to the Consolidated Account but to third parties.

***Hospitals Fund***

The purpose of the fund is to record and transfer monies received from SA Lotteries Commission operations in accordance with the *State Lotteries Act 1966* and stamp duty on insurance policies relating to motor vehicles in accordance with *Stamp Duties Act 1923* to the Consolidated Account to be used for the maintenance, development and improvement of public hospitals.

***Intergovernmental Agreement on Federal Financial Relations***

The purpose of the account is to receive and disburse money paid to the State Treasury in accordance with the Intergovernmental Agreement on Federal Financial Relations, where that money is not receipted directly to the Consolidated Account.

***Industrial Tribunal Payments into Court***

This is to record payments and receipts relating to South Australian Employment Tribunal judgements. This account transferred to the Attorney-General's Department effective 1 July 2022 as per Note A1.3.

***Industry Financial Assistance Account (IFAA)***

The account was established to assist with the accounting for the industry assistance contracts written in the name of the Treasurer. The South Australian Government Financing Authority (SAFA) is responsible for administering the IFAA on behalf of the Treasurer.

***Local Government Disaster Fund***

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

***Local Government Taxation Equivalents Fund***

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

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A1.1. Overview of Administered financial statements (continued)**

***Market Projects Unit***

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

***Scope Global Shares***

The purpose of this fund is to record all financial transactions associated with the Treasurer's financial interest in Scope Global Pty Ltd that transferred to the Treasurer in 2018-19.

***Support Services to Parliamentarians***

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

***SuperSA Select\****

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

***State Owned Generators Leasing Co. Pty. Ltd. (SOGLC)***

The purpose of the fund is to record the Treasurer's shareholding in the State Owned Generators Leasing Company Pty Ltd.

***Treasury and Finance Administered Items Account***

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

***Treasurer's Interest in the National Wine Centre Account***

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

***Treasury Working Account***

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

***Treasury Asset Management Account***

The purpose of the account is to record all financial transactions associated with the former South Australian Asset Management Corporation (SAAMC) and the dissolution of the SAAMC Board.

\*Deposit account and special deposit accounts with no transactions in the Statement of Comprehensive Income are not included in the disaggregated disclosure schedule.

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A1.2. Changes to the Department of Treasury and Finance's administered items**

**Transferred out**

As a result of administrative arrangements described in the Government Gazette on 30 June 2022, the South Australian Employment Tribunal transferred from the department to the Attorney-General's Department.

The effective date of the transfer was 1 July 2022.

The following assets and liabilities were transferred out:

|                                     | <b>\$'000</b>  |
|-------------------------------------|----------------|
| <b>Current assets</b>               |                |
| Cash and cash equivalents           | 2              |
| Receivables                         | 13             |
| <b>Total current assets</b>         | <u>15</u>      |
| <b>Total assets</b>                 | <u>15</u>      |
| <b>Current liabilities</b>          |                |
| Payables                            | 212            |
| Employee benefits                   | 1 212          |
| <b>Total current liabilities</b>    | <u>1 424</u>   |
| <b>Total liabilities</b>            | <u>1 424</u>   |
| <b>Total net assets transferred</b> | <u>(1 409)</u> |

Net assets transferred by the department because of the administrative restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

**A1.3. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

|   |             | Original<br>budget<br>2023<br>\$'000 | Actual<br>2023<br>\$'000 | Variance<br>\$'000 |
|---|-------------|--------------------------------------|--------------------------|--------------------|
| <b>Statement of Administered Comprehensive Income</b> | <b>Note</b> |                                      |                          |                    |
| <b>Administered Income</b>                            |             |                                      |                          |                    |
| Appropriation   |             | 2 446 740                            | 2 148 760                | (297 980)          |
| Taxation  |             | 4 496 691                            | 5 075 301                | 578 610            |
| Commonwealth revenues                                 | 1           | 7 603 956                            | 11 736 490               | 4 132 534          |
| Dividends   |             | 170 332                              | 119 112                  | (51 220)           |
| Interest revenues                                     |             | 120 898                              | 274 606                  | 153 708            |
| Grants and contributions                              |             | 31 230                               | 397 246                  | 366 016            |
| Fees and charges                                      |             | 209 726                              | 242 307                  | 32 581             |
| Other income  |             | 69 089                               | 707 506                  | 638 417            |
| <b>Total administered income</b>                      |             | <b>15 148 662</b>                    | <b>20 701 328</b>        | <b>5 552 666</b>   |
| <b>Administered Expenses</b>                          |             |                                      |                          |                    |
| Employee benefits expenses                            |             | 403 455                              | 422 309                  | 18 854             |
| Supplies and services                                 |             | 47 310                               | 57 128                   | 9 818              |
| Borrowing costs                                       |             | 520 526                              | 732 607                  | 212 081            |
| Grants, subsidies and transfers                       | 2           | 3 655 614                            | 4 986 331                | 1 330 717          |
| Depreciation and amortisation                         |             | -                                    | 1 019                    | 1 019              |
| Payments to SA Government                             | 3           | 12 726 281                           | 14 558 014               | 1 831 733          |
| Other expenses  |             | 39 518                               | 117 028                  | 77 510             |
| <b>Total administered expenses</b>                    |             | <b>17 392 704</b>                    | <b>20 874 436</b>        | <b>3 481 732</b>   |
| <b>Net result</b>                                     |             | <b>(2 244 042)</b>                   | <b>(173 108)</b>         | <b>2 070 934</b>   |
| <b>Total comprehensive result</b>                     |             | <b>(2 244 042)</b>                   | <b>(173 108)</b>         | <b>2 070 934</b>   |



**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A1.3. Budget performance (continued)**

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

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

**1 Commonwealth revenues**

The \$4.133 billion variation against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$3.570 billion) being recorded in the Statement of Administered Comprehensive Income while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

South Australia's share of the GST pool also increased resulting in additional GST revenue grants (\$0.520 billion).

**2 Grants, subsidies and transfers**

The \$1.331 billion variation against original budget is primarily due to payments to agencies (\$3.432 billion) in relation to the Intergovernmental Agreement on Federal Financial Relations being recorded in the Statement of Administered Comprehensive Income while the associated budgets are disclosed as part of the Statement of Cashflows for Other Accounts.

The original grants, subsidies and transfers budget includes an amount for the repayment of advances (\$0.419 billion) while the actual transactions are treated as income in the Statement of Administered Comprehensive Income.

These variations are offset by the original budget amount including the Consolidated Account deficit expense while the associated actual is reported in the Treasurer's Statements - Statement A (\$3.070 billion).

**3 Payments to SA Government**

The \$1.832 billion variation against the original budget is due to increased payments for the transfer of revenue received on behalf of the Consolidated Account resulting from additional income primarily for taxation and Commonwealth revenues and other revenues for the return of surplus cash by agencies in accordance with the cash alignment policy.

**A1.4. Significant transactions with government related entities**

Significant transactions with the government related entities are identifiable throughout this financial report, all lease payments relate to motor vehicles supplied by Fleet SA.

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A2. Income**

**A2.1. Appropriation**

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | <b>\$'000</b>    | <b>\$'000</b>    |
| Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i> | 2 092 101        | 2 542 674        |
| Appropriation under other Acts   | 56 659           | 219 788          |
| <b>Total appropriation</b>   | <b>2 148 760</b> | <b>2 762 462</b> |

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act.

**A2.2. Taxation**

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | <b>\$'000</b>    | <b>\$'000</b>    |
| Stamp Duties - conveyances on sale of property             | 1 211 995        | 1 354 132        |
| Stamp Duties - general insurance                           | 465 788          | 422 009          |
| Stamp Duties - motor vehicles registrations                | 247 365          | 223 848          |
| Stamp Duties - other                                       | 177 228          | 169 664          |
| Commonwealth Places Mirror - Stamp Duties                  | 263              | 263              |
| Payroll Tax  | 1 923 113        | 1 839 392        |
| Commonwealth Places Mirror - Payroll Tax                   | 33 640           | 32 132           |
| Land Tax   | 567 964          | 499 123          |
| Commonwealth Places Mirror - Land Tax                      | 1 053            | 1 004            |
| Emergency Services Levy                                    | 175 527          | 166 417          |
| Local Government rate equivalents                          | 5 012            | 5 416            |
| Income tax equivalents                                     | 52 892           | 88 827           |
| Contributions from Lotteries Commission of South Australia | 107 436          | 105 341          |
| Betting Operations Tax                                     | 83 329           | 49 590           |
| Casino Duty  | 22 696           | 17 255           |
| <b>Total taxation</b>                                      | <b>5 075 301</b> | <b>4 974 413</b> |

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

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**A2.2 Taxation (continued)**

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

Payroll tax is payable pursuant to the *Payroll Tax Act 2009*.

Stamp duty is a charge on certain instruments. Stamp duty is charged at either a flat rate or an *ad valorem* rate (based on the value of the transaction) depending on the particular document or transaction. Stamp duty applies to a range of instruments including conveyances, motor vehicles transfers and insurance transactions. Stamp Duty is levied under the authority of the *Stamp Duties Act 1923*, which is supported by the *Stamp Duties Regulations 2002*.

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

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

Betting operations tax is effective from 1 July 2017. It is a consumption tax of 15% on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia.

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

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

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

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

**A2.3. Commonwealth revenues**

|  | 2023              | 2022              |
|--|-------------------|-------------------|
|  | \$'000            | \$'000            |
| <b>Commonwealth general purpose grants</b>                             |                   |                   |
| GST revenue grants   | 7 899 150         | 7 120 261         |
| Commonwealth Places Mirror taxes                                       | 34 870            | 33 400            |
| <b>Total Commonwealth general purpose grants</b>                       | <b>7 934 020</b>  | <b>7 153 661</b>  |
| <br>   |                   |                   |
| <b>Commonwealth specific purpose grants</b>                            |                   |                   |
| Council of Australian Governments Funding arrangements                 | 232 292           | 222 008           |
| Intergovernmental Agreement on Federal Financial Relations - Recurrent | 2 551 309         | 2 455 821         |
| Intergovernmental Agreement on Federal Financial Relations - Capital   | 1 018 869         | 867 958           |
| <b>Total Commonwealth specific purpose grants</b>                      | <b>3 802 470</b>  | <b>3 545 787</b>  |
| <br>   |                   |                   |
| <b>Total Commonwealth revenues</b>                                     | <b>11 736 490</b> | <b>10 699 448</b> |

Commonwealth revenue includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the Intergovernmental Agreement on Federal Financial Relations.

Specific Purpose Payments can either be ongoing tied grants or time-limited National Partnership payments (NPPs) and Project Agreements (PAs).

National Partnership Payments are time limited agreements associated with the relevant federal financial agreement, to fund specific projects and to facilitate or reward the states that deliver national significant reforms. Funding can be for both recurrent and capital purposes.

**Commonwealth grants**

Income from Commonwealth grants is recognised when the department obtains control over the granted assets (eg cash), unless the grant is a capital grant to acquire/construct recognisable non-financial assets. All Commonwealth grants are accounted for under AASB 1058 as the arrangements with the Commonwealth do not constitute contracts with customers.

GST revenue is general revenue assistance provided by the Commonwealth in accordance with the principles of horizontal fiscal equalisation under the Intergovernmental Agreement on Federal Financial Relations that may be spent for any purpose. The GST revenue is received monthly.

Specific Purpose payments and the National Partnership Payments are typically received when the state completes each milestone stipulated in the contract agreement and or/ its schedule and submits the performance report for the completed milestones by the due dates to the Commonwealth.

**Commonwealth capital grants to acquire/construct recognisable non-financial assets**

Income from Commonwealth capital grants to acquire or construct a recognisable non-financial asset to be controlled by the state is recognised as the non-financial assets are being constructed. The recognition of revenue is in proportion with the expenditure on the asset, as this best represents the satisfaction of the state's obligation to acquire/construct the assets under the agreements. Grants to acquire or construct recognisable non-financial assets primarily relate to Commonwealth funding received for construction or upgrade of transport and road infrastructure assets.

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2023*

**A2.4. Dividends**

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| Adelaide Venue Management                       | 1 600          | 1 600          |
| Home Start Finance                              | 26 093         | 46 441         |
| Renewal SA                                      | 34 792         | 4 054          |
| Public Trustee                                  | 5 053          | 6 221          |
| SA Water Corporation                            | 49 824         | 29 882         |
| Motor Accident Commission                       | -              | 10 321         |
| South Australian Government Financing Authority | 1 750          | 51 343         |
| Scope Global Pty Ltd                            | -              | 5 000          |
| <b>Total dividends</b>                          | <b>119 112</b> | <b>154 862</b> |

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

**A2.5. Interest revenues**

|                                | <b>2023</b>    | <b>2022</b>   |
|--------------------------------|----------------|---------------|
|                                | <b>\$'000</b>  | <b>\$'000</b> |
| Interest                       | 274 606        | 6 168         |
| <b>Total interest revenues</b> | <b>274 606</b> | <b>6 168</b>  |

Interest revenues principally relate to the income received/receivable on the Treasurer's deposit with the South Australian Government Financing Authority (SAFA). This interest is received/receivable monthly at prevailing market rates. The increase in Interest revenues is mainly due to higher interest rates on cash deposits.

**A2.6. Grants and contributions**

|                                       | <b>2023</b>    | <b>2022</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>\$'000</b>  | <b>\$'000</b>  |
| Intra-government transfers            | 262 617        | 110 458        |
| Emergency services levy remission     | 128 055        | 129 145        |
| Emergency services levy- pensioner    | 6 574          | 6 412          |
| <b>Total grants and contributions</b> | <b>397 246</b> | <b>246 015</b> |

Grants and contributions mainly represent Emergency Services Levy general remissions as well as intra-government transfers received for administered funds.

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**A2.7. Fees and charges**

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| Guarantee fees                                      | 116 604        | 119 459        |
| Court fines   | 62 800         | 61 228         |
| Court Regulatory fees                               | 14 692         | 15 293         |
| Victims of Crime levy collections                   | 24 657         | 9 561          |
| Fines Enforcement and Recovery - suitor collections | 23 322         | 23 913         |
| Other recoveries                                    | 232            | 237            |
| <b>Total fees and charges</b>                       | <b>242 307</b> | <b>229 691</b> |

Guarantee fees represent a price for the funding cost advantage the government guarantee gives to an agency and reflects other advantages afforded by the government's financing frameworks and mechanisms.

Guarantee fees are collected pursuant to Section 20 of the *Public Finance and Audit Act (PFAA) 1987*.

**A2.8. Other income**

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| Cash alignment transfers to the Consolidated Account                      | 436 901        | 799 845        |
| Return of capital   | 118 599        | 50 000         |
| Return of deposit account balances  | 10 153         | 247            |
| Recoveries DIT- Indentured Ports  | 11 790         | 13 449         |
| Essential Services Commission of SA                                       | 14 593         | 13 272         |
| Repayment of advances   | 23 515         | 19 297         |
| Recovery from SAFA Insurance Fund   | 8 685          | 7 123          |
| Hotel quarantine interstate crosscharge                                   | 27 465         | 2 344          |
| Return of private hospital funding  | 18 477         | 9 028          |
| Gain on disposal of financial assets for Scope Global Pty Ltd             | -              | 4 057          |
| Return of Green Industry SA Bushfire funding                              | -              | 2 444          |
| Equiticorp Tasman Limited - liquidation dividend                          | -              | 2 499          |
| Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd. | 3 046          | -              |
| Other income  | 34 282         | 21 843         |
| <b>Total other income</b>   | <b>707 506</b> | <b>945 448</b> |

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

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**A3. Board, committees and employees**

**A3.1. Employee benefits expenses**

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| Superannuation contributions to various schemes*    | 402 080        | 422 270        |
| Salaries and wages                                  | 16 088         | 17 756         |
| Long service leave                                  | 166            | (356)          |
| Annual leave  | 1 198          | 770            |
| Skills and experience retention leave               | 13             | (3)            |
| Employment on-costs - superannuation                | 1 812          | 2 154          |
| Employment on-costs - other                         | 950            | 1 039          |
| Minister's salary, electorate and expense allowance | 388            | 399            |
| Other employee related expenses                     | (386)          | 2 038          |
| <b>Total employee benefits expenses</b>             | <b>422 309</b> | <b>446 067</b> |

\*These payments were made to support funding of the defined benefit superannuation liability for the Police Superannuation Scheme and the South Australia Superannuation Fund as part of the government's commitment to have all superannuation liabilities fully funded by 2034.

**Employment on-costs - superannuation**

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

**Employee and judicial officers remuneration**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
| The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands: |               |               |
| \$180 001 - \$200 000  | 1             | -             |
| \$200 001 - \$220 000  | -             | 1             |
| \$460 001 - \$480 000  | -             | 1             |
| \$500 001 - \$520 000  | -             | 1             |
| \$580 001 - \$600 000  | -             | 3             |
| \$640 001 - \$660 000  | -             | 1             |
| <b>Total number of employees and judicial officers</b>   | <b>1</b>      | <b>7</b>      |

The total remuneration received by those employees and officers for the year was \$180 000 (2022: \$3.6 million). The judicial officers transferred to Attorney-General's Department as per Note A1.3.

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, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax paid.

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**A3.2. Employee benefits liability**

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Current</b>                             |              |              |
| Accrued salaries and wages                 | 68           | 59           |
| Annual leave                               | 1 065        | 1 083        |
| Long service leave                         | 141          | 426          |
| Skills and experience retention leave      | 17           | 16           |
| <b>Total current employee benefits</b>     | <b>1 291</b> | <b>1 584</b> |
| <b>Non-current</b>                         |              |              |
| Long service leave                         | 941          | 1 490        |
| <b>Total non-current employee benefits</b> | <b>941</b>   | <b>1 490</b> |
| <b>Total employee benefits</b>             | <b>2 232</b> | <b>3 074</b> |

**Long service leave liability measurement**

The net financial effect of the changes in the financial year described in note 3.4 is a decrease in the long service leave liability of \$45 200 (2022: \$50 000) and employee benefits expense of \$45 200 (2022: \$50 000). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

**A4. Expenses**

**A4.1. Supplies and services**

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| State's share of GST administration               | 46 523        | 40 908        |
| Accommodation                                     | 3 945         | 3 705         |
| General administration and consumables            | 2 861         | 2 875         |
| Minor works, maintenance and equipment            | 690           | 300           |
| Unclaimed monies                                  | 387           | 360           |
| Information technology and communication expenses | 328           | 238           |
| Consultants                                       | 53            | 753           |
| Legal costs                                       | 1 867         | 1 109         |
| Contractors and temporary staff                   | -             | 50            |
| Other   | 474           | 248           |
| <b>Total supplies and services</b>                | <b>57 128</b> | <b>50 546</b> |

Refer to note 4.1.



**Department of Treasury and Finance**  
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**A4.2. Borrowing costs**

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| Interest on borrowings                             | 685 895        | 317 860        |
| Interest paid on deposit accounts and other monies | 46 712         | 466            |
| <b>Total borrowing costs</b>                       | <b>732 607</b> | <b>318 326</b> |

The department administers payment of interest on borrowings on behalf of the Treasurer but the debt is not recorded in the Statement of Administered Financial Position. Treasurer's borrowings are disclosed in Statement J of the Treasurer's Statements and the government's annual consolidated financial report.

Borrowing costs include annual interest charges on the Treasurer's borrowings from South Australian Government Financing Authority and interest paid by the Treasurer on agency deposit and special deposit accounts. The increase in borrowing costs is mainly due to higher interest rates.

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

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

**A4.3. Grants, subsidies and transfers**

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | <b>\$'000</b>    | <b>\$'000</b>    |
| Recurrent grants, subsidies and transfers    | 3 761 681        | 3 587 961        |
| Capital grants, subsidies and transfers      | 996 687          | 710 420          |
| Equity capital contribution                  | 187 432          | 267 740          |
| Private hospital payments                    | 1 872            | 27 990           |
| COVID-19 support fund                        | 13 837           | 379 460          |
| Hotel quarantine interstate crosscharge      | 164              | 1 070            |
| Victims of Crime Levy collections            | 24 658           | 9 560            |
| <b>Total grants, subsidies and transfers</b> | <b>4 986 331</b> | <b>4 984 201</b> |

Grants, subsidies, and transfers mainly reflect the transfer of Commonwealth funding received pursuant to the Intergovernmental Agreement on Federal Financial Relations (IAFFR) to relevant government agencies. Also included are the payment of grants and other contributions approved by the Treasurer using appropriation funding provided to the Treasury and Finance administered items account. Grants, subsidies and transfers are recognised when paid.

**Department of Treasury and Finance**  
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**A4.3. Grants, subsidies and transfers (continued)**

The following table lists recipient departments including their administered items which received more than \$100 million pursuant to the IAFFR:

|   | <b>2023</b>      | <b>2022</b>      |
|---|------------------|------------------|
|   | <b>\$'000</b>    | <b>\$'000</b>    |
| Department for Education                    | 2 300 867        | 1 938 035        |
| Department for Infrastructure and Transport | 831 871          | 689 101          |
| South Australian Housing Authority          | 118 081          | 111 657          |
| Department for Innovation and Skills        | -                | 165 258          |
| Department of Treasury and Finance          | 241 078          | 222 521          |
| <b>Total</b>                                | <b>3 491 897</b> | <b>3 126 572</b> |

**A4.4. Payments to SA Government**

|  | <b>2023</b>       | <b>2022</b>       |
|--|-------------------|-------------------|
|  | <b>\$'000</b>     | <b>\$'000</b>     |
| Transfer of revenue received on behalf of the Consolidated Account | 14 358 726        | 13 482 304        |
| Other payments to the Consolidated Account                         | 199 288           | 186 991           |
| Cash alignment transfer to Consolidated Account                    | -                 | 186 006           |
| <b>Total payments to SA Government</b>                             | <b>14 558 014</b> | <b>13 855 301</b> |

**A4.5. Other expenses**

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| Payments to Commonwealth Government                                       | 77 870         | 41 400         |
| Refunds and remissions*   | 13 823         | 140 695        |
| Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd. | -              | 63 146         |
| Doubtful debts  | 95             | (660)          |
| Fines Enforcement and Recovery - suitor payments                          | 23 323         | 23 914         |
| Other   | 1 917          | 2 148          |
| <b>Total other expenses</b>   | <b>117 028</b> | <b>270 643</b> |

\*Refunds and Remissions includes taxation relief approved as part of the government's COVID-19 support fund of \$9.6 million (2022: \$134 million).

**Department of Treasury and Finance**  
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**A5. Non-financial assets**

**A5.1. Property, plant and equipment owned by the department**

Reconciliation

| 2022-23   | Land       | Buildings     | Building fitouts | Work in progress | Total         |
|---|------------|---------------|------------------|------------------|---------------|
|   | \$'000     | \$'000        | \$'000           | \$'000           | \$'000        |
| <b>Carrying amount at the beginning of the period</b> | 581        | 2 951         | 530              | 2 954            | 7 016         |
| Additions   | -          | 6 398         | -                | 526              | 6 924         |
| Capital transfers from WIP                            | -          | 2 701         | -                | (2 701)          | -             |
| Depreciation and amortisation                         | -          | (790)         | (229)            | -                | (1 019)       |
| Other   | -          | -             | (7)              | 7                | -             |
| <b>Carrying amount at the end of the period</b>       | <b>581</b> | <b>11 260</b> | <b>294</b>       | <b>786</b>       | <b>12 921</b> |
| <b>Gross carrying amount</b>                          |            |               |                  |                  |               |
| Gross carrying amount                                 | 581        | 12 420        | 3 107            | 786              | 16 894        |
| Accumulated depreciation/amortisation                 | -          | (1 160)       | (2 813)          | -                | (3 973)       |
| <b>Carrying amount at the end of the period</b>       | <b>581</b> | <b>11 260</b> | <b>294</b>       | <b>786</b>       | <b>12 921</b> |

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**A5.1. Property, plant and equipment owned by the department (continued)**

| 2021-22   | Land       | Buildings    | Building fitouts | Work in progress | Total        |
|---|------------|--------------|------------------|------------------|--------------|
|   | \$'000     | \$'000       | \$'000           | \$'000           | \$'000       |
| Carrying amount at the beginning of the period  | 581        | 2 913        | 692              | 192              | 4 378        |
| Additions                                       | -          | -            | -                | 3 125            | 3 125        |
| Capital transfers from WIP                      | -          | 173          | 178              | (351)            | -            |
| Depreciation and amortisation                   | -          | (135)        | (352)            | -                | (487)        |
| Other   | -          | -            | 12               | (12)             | -            |
| <b>Carrying amount at the end of the period</b> | <b>581</b> | <b>2 951</b> | <b>530</b>       | <b>2 954</b>     | <b>7 016</b> |
| <b>Gross carrying amount</b>                    |            |              |                  |                  |              |
| Gross carrying amount                           | 581        | 3 321        | 3 259            | 2 954            | 10 115       |
| Accumulated depreciation/amortisation           | -          | (370)        | (2 729)          | -                | (3 099)      |
| <b>Carrying amount at the end of the period</b> | <b>581</b> | <b>2 951</b> | <b>530</b>       | <b>2 954</b>     | <b>7 016</b> |

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
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**A5.1. Property, plant and equipment owned by the department (continued)**

**Valuation of non-current assets**

A valuation of the land and buildings for the National Wine Centre was performed by an independent certified practising valuer as at 30 June 2019. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the forty year lease arrangement with University of Adelaide. A revaluation surplus of \$2.750 million is held for the revalued land and building. The next revaluation is scheduled for 30 June 2025.

**A5.2. Intangible assets**

**Reconciliation of intangible assets**

| Reconciliation 2022-23                         | Water<br>licences<br>\$'000 | Total<br>\$'000 |
|--|-----------------------------|-----------------|
| Carrying amount at the beginning of the period | 325                         | 325             |
| Carrying amount at the end of the period       | 325                         | 325             |
| <b>Gross carrying amount</b>                   |                             |                 |
| Gross carrying amount                          | 325                         | 325             |
| Carrying amount at the end of the period       | 325                         | 325             |

There has been no movement in intangibles.

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

**A6. Financial assets**

**A6.1. Cash and cash equivalents**

|  | 2023<br>\$'000 | 2022<br>\$'000   |
|--|----------------|------------------|
| Deposits with the Treasurer            | 857 317        | 2 450 884        |
| Promissory notes                       | -              | 8 016            |
| <b>Total cash and cash equivalents</b> | <b>857 317</b> | <b>2 458 900</b> |

**Promissory notes**

The Treasurer held promissory notes on behalf of the Local Government Disaster Fund where the cash balance of the fund was not immediately required to fund Local Government costs relating to disasters. It was invested with the Local Government Finance Authority of South Australia for periods of three months. Promissory notes earned interest at their respective promissory note rates. This amount was not reinvested upon maturity during 2022-23 in order to ensure funding availability to meet anticipated claims for financial assistance from local governments resulting from recent significant natural disaster events.

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**A6.2. Receivables**

|                                      | 2023           | 2022           |
|--------------------------------------|----------------|----------------|
|                                      | \$'000         | \$'000         |
| <b>Current</b>                       |                |                |
| Trade receivables                    | 251 459        | 234 033        |
| Accrued revenues                     | 11 645         | 85 566         |
| GST input tax recoverable            | 328            | 410            |
| <b>Total current receivables</b>     | <b>263 432</b> | <b>320 009</b> |
| <b>Non-current</b>                   |                |                |
| Receivables                          | 3              | 19             |
| <b>Total non-current receivables</b> | <b>3</b>       | <b>19</b>      |
| <b>Total receivables</b>             | <b>263 435</b> | <b>320 028</b> |

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated 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. There is no provision recognised at 30 June 2023.

Current trade receivables from non-government entities mainly comprises Commonwealth funding receivables relating to capital projects by the Department for Infrastructure and Transport for which work has been completed and recovery is based on achievement of further milestones.

**A6.3. Other financial assets**

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Current</b>                                  |                |                |
| Loans for financial assistance                  | 7 594          | 7 765          |
| Less allowance for impairment loss              | (7 481)        | (6 138)        |
| <b>Total current other financial assets</b>     | <b>113</b>     | <b>1 627</b>   |
| <b>Non-current</b>                              |                |                |
| Loans for financial assistance                  | 28 125         | 27 879         |
| Less allowance for impairment loss              | (19 310)       | (20 558)       |
| Contributed capital in subsidiary company SOGLC | 152 800        | 149 754        |
| <b>Total non-current other financial assets</b> | <b>161 615</b> | <b>157 075</b> |
| <b>Total other financial assets</b>             | <b>161 728</b> | <b>158 702</b> |

**State Owned Generators Leasing Co Pty Ltd**

The Treasurer of South Australia holds 113 100 001 fully paid ordinary shares in the State Owned Generators Leasing Co Pty Ltd (SOGLC). SOGLC owns the state's emergency electricity generators and leases these assets to third party operators.

At 30 June 2023, SOGLC's generator assets are operating at their permanent locations, where they are expected to remain for the life of the leases.

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**Notes to and forming part of the Financial Statements**  
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**A7. Liabilities**

**A7.1. Payables**

|  | <b>2023</b>    | <b>2022</b>      |
|--|----------------|------------------|
|  | <b>\$'000</b>  | <b>\$'000</b>    |
| <b>Current</b>   |                |                  |
| Creditors - revenue received on behalf of the Consolidated Account | 322 776        | 1 723 195        |
| Creditors - other  | 3 866          | 11 557           |
| Accrued expenses   | 87 787         | 61 625           |
| Employment on-costs  | 568            | 648              |
| Paid parental leave scheme payable                                 | -              | 3                |
| <b>Total current payables</b>                                      | <b>414 997</b> | <b>1 797 028</b> |
| <b>Non-current</b>   |                |                  |
| Creditors - electricity entities lease proceeds                    | 28 273         | 28 273           |
| Employment on-costs  | 98             | 211              |
| Creditors - other  | 2 501          | 2 501            |
| Super SA Select Loan   | 500            | 500              |
| <b>Total non-current payables</b>                                  | <b>31 372</b>  | <b>31 485</b>    |
| <b>Total payables</b>  | <b>446 369</b> | <b>1 828 513</b> |

Refer to note 7.1.

**A7.2. Provisions**

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Reconciliation of workers compensation (statutory and non-statutory)</b>   |               |               |
| <b>Carrying amount at the beginning of the period</b>                         | <b>1 055</b>  | <b>200</b>    |
| Additional provisions recognised  | (578)         | 1 145         |
| Reductions arising from payments/other sacrifices of future economic benefits | (30)          | (290)         |
| <b>Carrying amount at the end of the period</b>                               | <b>447</b>    | <b>1 055</b>  |

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**A7.3. Other liabilities**

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                             |                |                |
| Unearned revenue                           | 6 179          | 6 270          |
| <b>Total current other liabilities</b>     | <b>6 179</b>   | <b>6 270</b>   |
| <b>Non-current</b>                         |                |                |
| Unearned revenue                           | 38 804         | 44 983         |
| Unearned revenue - capital projects        | 103 618        | 191 497        |
| Unclaimed monies Fines Unit                | 1 685          | 1 488          |
| <b>Total non-current other liabilities</b> | <b>144 107</b> | <b>237 968</b> |
| <b>Total other liabilities</b>             | <b>150 286</b> | <b>244 238</b> |

**Reconciliation of unearned revenue - capital projects**

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Balance at the beginning of the year</b>  | <b>191 497</b> | <b>397 917</b> |
| Grant revenue for capital projects received during the year  | 121 364        | 165 492        |
| Grant revenue for capital projects recognised consistent with the works undertaken during the year | (209 243)      | (371 912)      |
| <b>Balance at the end of the year</b>  | <b>103 618</b> | <b>191 497</b> |

**Unearned revenue**

In 2003 the Treasurer agreed to lease to the University of Adelaide over a forty year period the land and buildings previously owned by the National Wine Centre. The agreement's upfront consideration of \$1 million has been recorded as unearned revenue and is being amortised over the life of the lease.

Unearned revenue includes interest received in advance of \$44.478 million (2022: \$50.723 million) on the novation of Urban Renewal Authority loans to the Treasurer as part of the TAFE buy-back transaction.

**Unearned revenue – capital projects**

Commonwealth grant funding received in the current and prior years to support various infrastructure and capital projects is recorded as unearned revenue. Income is recognised progressively in proportion with the expenditure on the associated asset as this best represents the state's obligation to acquire/construct the assets under the agreements with the Commonwealth.

The balance of this unearned revenue at 30 June 2023 primarily relates to various road and infrastructure projects to be constructed over the next three years by the Department for Infrastructure and Transport.



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**A8. Other disclosures**

**A8.1. Equity**

Refer to note 8.1.

**A8.2. Cash flow reconciliation**

|  | 2023             | 2022             |
|--|------------------|------------------|
|  | \$'000           | \$'000           |
| <b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>        |                  |                  |
| Cash and cash equivalents disclosed in the Statement of Financial Position                   | 857 317          | 2 458 900        |
| <b>Balance as per the Statement of Cash Flows</b>  | <u>857 317</u>   | <u>2 458 900</u> |
| <b>Reconciliation of net cash provided by / (used in) operating activities to net result</b> |                  |                  |
| Net cash provided by/(used in) operating activities  | (1 591 535)      | 46 604           |
| <b>Add / (less) non-cash items</b>   |                  |                  |
| Depreciation and amortisation  | (1 019)          | (487)            |
| Expected credit loss   | (95)             | 660              |
| Discounted cash flow valuations for financial assistance loans - other income                | (46)             | 215              |
| Revision of carrying of SOGLC  | 3 046            | (63 146)         |
| <b>Movement in assets and liabilities</b>  |                  |                  |
| Increase/(decrease) in receivables   | (56 593)         | 205 062          |
| (Increase)/decrease in payables  | 1 377 670        | (308 675)        |
| (Increase)/decrease in employee benefits   | 904              | 1 739            |
| (Increase)/decrease in provisions  | 608              | (855)            |
| (Increase)/decrease in other liabilities   | 93 952           | 211 819          |
| <b>Net result</b>  | <u>(173 108)</u> | <u>92 936</u>    |

**Department of Treasury and Finance**  
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**A9. Outlook**

**A9.1. Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

**Expenditure commitments**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Within one year                                    | 2 001         | 2 088         |
| Later than one year but not longer than five years | 1 843         | 3 321         |
| Later than five years                              | 45            | 699           |
| <b>Total expenditure commitments</b>               | <b>3 889</b>  | <b>6 108</b>  |

The department's administered expenditure commitments are for arrangements for Memorandum of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

**Other commitments**

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

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

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Within one year                                    | 80 430        | 11 511        |
| Later than one year but not longer than five years | 6 810         | 4 496         |
| Later than five years                              | 861           | 814           |
| <b>Total other commitments</b>                     | <b>88 101</b> | <b>16 821</b> |

**Department of Treasury and Finance**  
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**A9.2. Contingent assets and liabilities**

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

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

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

The Treasurer guarantees the annual lease obligations and a proportion of outgoings of the Ice Factor Foundation for the Thebarton Ice Arena up to \$4.06 million.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2023 was \$805.5 million (2022: \$692.71 million).

The Treasurer unconditionally and irrevocably guarantees to each beneficiary the due and punctual payment and performance by the Adelaide Venue Management Corporation of the Corporation's obligations to that beneficiary. The estimated maximum exposure of this liability is undefined.

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

The Treasurer has indemnified South Australian Government Financing Authority (SAFA) against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. This policy resulted in a net receivable from the Treasurer of \$13.2 million for the year 2022-23 (2022: \$6.4 million payable to the Treasurer).

The Government of South Australia established the Future Jobs Fund. The Fund provided grants and loans to non-government entities intended to create ongoing jobs in a range of sectors. The Fund is now closed to new applicants. Provision of loans and grants from the Fund has been contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans and grants from the Fund as at 30 June 2023 was \$5.05 million (2022: \$10.85 million).

**Department of Treasury and Finance**  
**Notes to and forming part of the Financial Statements**  
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**A9.2. Contingent assets and liabilities (continued)**

The Government of South Australia established the Economic and Business Growth Fund that has been renamed to the Jobs and Economic Growth Fund. The Fund promotes economic growth in South Australia by encouraging growth of existing industries, developing new industries, building international connections, and attracting foreign and national direct investment that create long-term sustainable jobs. Provision of grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. For commitments entered into up to 30 June 2023, the amount of undrawn grants from the Fund as at 30 June 2023 was \$1.13 million (2022: \$4.29 million).

Under Section 15 of the *Government Financing Authority Act 1982*, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the state of South Australia.

The Government of South Australia established a Local Government Infrastructure Partnership program (LGIPP). The program provides various grants and loans. The amount of undrawn loans and grants from the Program as at 30 June 2023 was \$65.52 million (2022: \$99.90 million).

The Government of South Australia established a Treasurer's School Loans Scheme. The amount of undrawn loans and grants from the Scheme as at 30 June 2023 was \$72.73 million (2022: \$108.82 million).

The Treasurer has indemnified ASIC against any claims by Logistic Education Centre creditors as a consequence of ASIC transferring land back to the Minister for Education, Training and Skills. The estimated maximum exposure of this liability is undefined.

In 2020, Commercial and General sold its interest in the Multi Party Deed to Dexus. To support progress of the Australian Bragg Centre in the onset of the COVID 19 pandemic, in April 2020 the previous government committed the State to support an arrangement with the project's private sector financiers for Lendlease to deliver the building through a managing contractor arrangement. The State's support is in the form of sharing risk with the building's financiers if the cost of delivering the building exceeded its budget of \$372 million. The total budget included both construction and private financing of the building, meaning the State carries the risk of increases in both of these costs. If the budget is exceeded the State must contribute 70% towards the additional cost, with Commercial and General (the project's developers) contributing 30% of the additional cost with their contribution capped at \$4 million. The actual cost of constructing the building and any associated budget overrun to be carried by the State will not be known fully until the building is scheduled to be completed, currently anticipated to occur by September 2023. As at June 2023, the cost of the completing the building is expected to exceed its budget by approximately \$14.2 million. The State's share of this overrun per the Multi Party Deed is approximately \$10.1 million.

**A9.3. Events after the end of the reporting period**

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