

Department of Treasury and Finance

# Annual Report

2013–14



Government of South Australia  
Department of Treasury  
and Finance

## For more information

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Presented to:

- the Honourable Tom Koutsantonis MP Treasurer and Minister for Finance
- the Honourable John Rau MP Minister for Industrial Relations
- the Honourable Jack Snelling MP Minister for Health
- the Honourable Martin Hamilton-Smith Minister for Veterans' Affairs
- the Honourable Gail Gago Minister for Business Services and Consumers

on 30 September 2014.

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# Under Treasurer's foreword

The Department of Treasury and Finance (DTF) plays a vital role providing economic and fiscal advice to the Government of South Australia and providing important services to government agencies and the community.

The March 2014 State Election brought some changes to government, including the appointment of the Honourable Tom Koutsantonis MP as the Treasurer and Minister for Finance.

The department continued to provide support to:

- the Honourable John Rau MP Minister for Industrial Relations, as the minister responsible for the review of workers compensation and rehabilitation
- the Honourable Gail Gago MP Minister for Business Services and Consumers, as the minister responsible for gambling policy
- the Honourable John Snelling MP Minister for Health, as the minister responsible for motor injury insurance reform.

On 20 July 2013 the Economics section of the Revenue and Economics branch transferred to the Department of the Premier and Cabinet.

On 21 October 2013, a new branch was formed — Revenue, Government Enterprises and Market Projects (RGM). This brought the Revenue branch (formerly Revenue and Economics) together with Government Enterprises and Market Projects branch.

In February 2014 the Chief Executive of the Department of the Premier and Cabinet (DPC) and I agreed to a merger of the corporate services divisions of our respective departments.

Under the merged corporate services model, former DTF corporate services staff transferred to the Corporate Services Division of DPC, which now provides services to DTF under the terms of a Service Level Agreement and cost recovery framework.

The Chief Executive, DPC and I have also signed a Memorandum of Administrative Arrangement (MAA) agreeing to the establishment of joint committees to coordinate and provide advice on key aspects of corporate governance. The MAA also includes a commitment to a process of policy harmonisation in areas including human resources, work health and safety, information technology and procurement.

On 1 April 2014, Vehicles for Ministers, Leader of the Opposition, MPs and VIPs also transferred to DPC under the merger of Corporate Services between DTF and DPC.

Innovation was a big focus for DTF in 2013–14. In September 2013 an innovation initiative commenced — the initial group of 10

people grew to over 150 participants. An online collaboration system was developed, helping generate active discussions about new ideas, motivating teams and ultimately delivering new system and process improvements.

The Leadership Development Framework was launched in September 2013 to provide DTF employees with the opportunity to increase leadership capabilities and improve organisational performance. Since the launch, participation and feedback has been very positive with employees describing the sessions as valuable, relevant and inspiring.

The Motor Injury Insurance Reform (MIIR) branch coordinated the Compulsory Third Party (CTP) insurance reforms. As part of these reforms, the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* was passed by parliament in May 2014. This Act contains reforms to reduce the cost of CTP insurance, as well as provide a no fault motor vehicle injury scheme.

Super SA has implemented the Commonwealth Government's 'SuperStream' reforms which have improved member rollover times between funds. As SuperStream processing is electronic, it has reduced the amount of paper based processes and reliance on the postal system to transmit members' money. This maintains Super SA's commitment to comply with financial services and superannuation industry standards.

Super SA was recognised nationally for its excellent customer service, coming third out of a field of thirty super fund call centres from across Australia in the national survey Net Promoter Score.

Super SA's Triple S Scheme — the super scheme for South Australian public sector employees and their families — received the prestigious SelectingSuper Award.

An Affordable Place to Live is one of the Government of South Australia's Seven Strategic Priorities. DTF has been the lead agency for government support and initiatives in protecting South Australia's reputation for affordability.

Reforms to South Australia's workers compensation scheme will better assist injured workers to return to work and save registered businesses in South Australia in the order of \$180 million per year. DTF supported important changes to the scheme, including a new board structure and WorkCover charter, which were implemented in 2013.

Compulsory building indemnity insurance is outlined in the *Building Work Contracts Act 1995* (SA) and Regulations. Due to unfavourable economic conditions, the last private insurers operating in the South Australian building indemnity insurance market withdrew during 2013. The South Australian Government

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Financing Authority (SAFA) assumed management of the building indemnity insurance risks to ensure continuity of cover for consumers and builders in South Australia.

In 2012, the Government of South Australia announced that transactional banking and merchant services would transition to the Commonwealth Bank of Australia (CommBank) — in 2013–14 the services successfully transitioned to the new arrangement. DTF managed this large and complex project — including the transitioning of 38 mandatory agencies and their bank accounts from Westpac Banking Corporation to CommBank. CommBank continues to progress the transition of a number of non-mandatory agencies to the arrangement.

Positive recognition in an organisation is the genuine acknowledgement, approval and appreciation of employees' behaviours and performance. People are the strength of our department and we are committed to recognising the contribution of our employees, evident through Inside Out articles, participation in the Leadership Development Framework, the Women in Treasury Mentoring Program, social text signals and allocations to special project work.

I wish to thank all staff for their efforts during 2013–14 and another year of significant achievements.



**Brett Rowse**  
Under Treasurer

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# The department

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# Our role

## Our goal

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

## Our vision

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

## Our contribution

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

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

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

## Our success

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

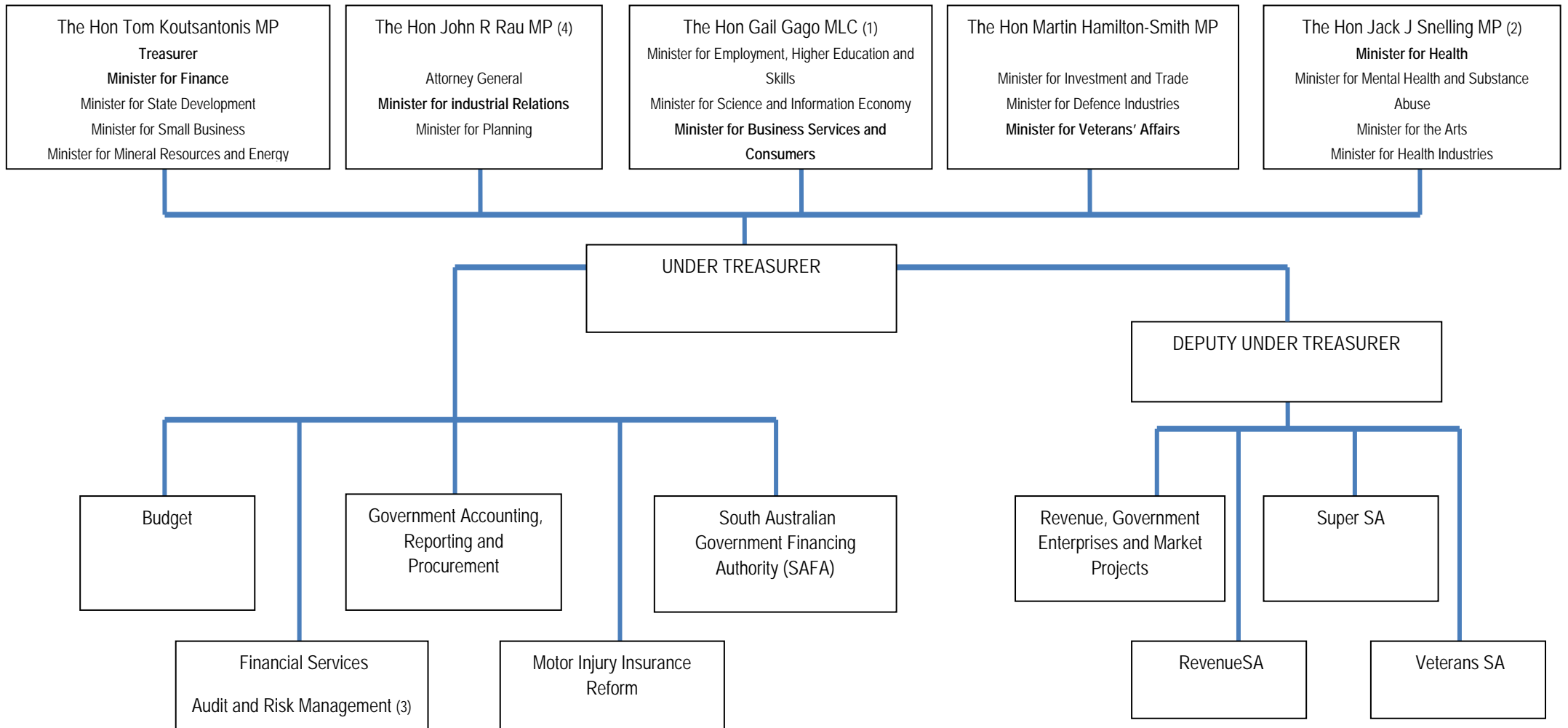
## Our people

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

## Our culture

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

# Our Structure



(1) Gambling Policy

(2) Motor Injury Insurance Reform

(3) Includes contract management of corporate service functions provided by the Department of the Premier and Cabinet

(4) Review of Workers Compensation and Rehabilitation



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# Our functions

## Budget

- Provision of advice on budgetary and financial issues.
- Management of state budget process.
- Monitoring financial performance of government agencies.
- Facilitation of best practice financial management.
- Provision of advice on Public Private Partnerships and other capital program issues.
- Management of the state's Targeted Voluntary Separation Package Scheme.

## Corporate Services

- Provision of a range of business support services in the areas of:
  - administration
  - audit and risk management
  - communications
  - electorate services
  - financial services
  - human resources
  - information technology
  - procurement
  - security

In February 2014, the Under Treasurer and the Chief Executive of the Department of the Premier and Cabinet (DPC) agreed to a merger of the Corporate Services divisions of their respective departments. Under the merged corporate services model, former DTF corporate services staff transferred to the Corporate Services Division of DPC, which now provides services to DTF under the terms of a Service Level Agreement and cost recovery framework.

## Government Accounting, Reporting and Procurement

- Maintenance of government budget management and reporting systems.
- Management of financial policy, legislation and governance framework.
- Provision of advice on fiscal policy.
- Preparation of budget and actual financial reports.
- Support to the State Procurement Board and specialist procurement advice to agencies.

- Management of whole of government banking arrangements.

## Revenue, Government Enterprises and Market Projects

- Provision of high quality, timely, strategic advice regarding the performance of Government Business Enterprises (GBEs).
- Monitoring the financial performance of GBEs.
- Undertake scoping studies and develop and implement strategies to realise the value of selected state assets and contribute to the government's debt reduction program.
- Providing a range of project related support and advice to other areas of DTF.
- Provision of policy advice on a range of issues, including:
  - revenue forecasts and revenue policy matters
  - gambling and not-for-profit reform.

## Motor Injury Insurance Reform

- Establish the new Lifetime Support Scheme, and the related levy, to provide for the lifetime treatment, care and support of people who are very seriously injured in motor vehicle accidents in South Australia, from 1 July 2014.
- Establish the Lifetime Support Authority to administer the Lifetime Support Scheme.
- Support and monitor the implementation of the reforms to South Australia's Compulsory Third Party (CTP) insurance scheme.
- Finalise the regulatory regime for the implementation of the tort law reforms for CTP insurance.

## RevenueSA

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

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## **South Australian Government Financing Authority**

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

## **Super SA**

- Management of public sector superannuation schemes.
- Provision of advice on superannuation policy.

## **Workers Compensation Improvement Project**

- Provision of high-quality, strategic advice on operational and legislative reform of workers' compensation in South Australia.

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# Programs

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# Program 1: Accountability for Public Sector Resources

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

## Sub-program 1.1: Policy Analysis and Advice

- The Department of Treasury and Finance provides policy advice on a range of issues including state revenue, Commonwealth-state relations, Council of Australian Governments (COAG) matters, economic analysis, National Competition Policy and microeconomic policy.

## Sub-program 1.2: Budget Financial Management

The objectives of this sub-program include management of the state budget process incorporating:

- the production of the state budget papers
- provision of policy advice to government on whole of government budgetary and financial issues including financial risk management
- monitoring and reporting of financial performance including monitoring the implementation of approved savings measures
- provision of advice to government on its consolidated financial position, on budgetary and structural reform
- facilitation of best practice financial management reforms
- provision of whole of government strategic oversight and governance support for the state's public private partnership projects with an emphasis on financial risk management.

## 2013-14 Achievements

- Produced and published the consolidated Government of South Australia financial statements for 2012–13, the 2013–14 Mid-Year Budget Review and the 2014–15 Budget.
- Completed the transition of banking services and merchant facility arrangements for non-health agencies.
- Provided advice to the government during public consultation on the legislative framework for the Transport Development Levy.
- Completed work on Treasurer's Instruction 7 to clarify the role of the Treasurer's representatives who attend meetings of the boards of government business enterprises.
- Implemented further measures to strengthen the governance arrangements and procedures for the development and assessment of capital proposals for the Government of South Australia's investment programs.
- Supported the development and release of the An Affordable Place to Live statement 'Keeping SA Affordable' and the Charter of Affordability.
- Established the SA Public Private Partnerships (PPP) Contract Managers Forum to promote best practice in contract management of South Australia's PPP contracts.

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# Program 2: Treasury Services

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

## 2013-14 Achievements

- The debt demands of the state and its instrumentalities were successfully met by SAFA over the year.
- Provided financial risk management and advisory services to government agencies.

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# Program 3: Support Services

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

## Sub-programs

3.1 Vehicles for Ministers, Leader of the Opposition, MPs and VIPs

3.2 Ministerial Support Services — Treasurer

## 2013-14 Achievements

- Management of all HR, payroll, training, employment contracting for assistants and trainees in Members' Electorate and Legislative Council offices.
- Provided management of Electorate Office leasing, relocation / fit-out, maintenance, security and workplace health and safety.
- Accurate administration of House of Assembly Global Allowance Entitlement and managed accounts payable activity related to the allowance.
- Delivered an effective and responsive Chauffeur vehicle service to ministers, Leader of the Opposition, members of parliament and VIPs.
- Vehicles for Ministers, Leader of the Opposition, MPs and VIPs transferred to the Department of the Premier and Cabinet (DPC) on 1 April 2014 as part of the merger of Corporate Services between DTF and DPC.

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## Program 4: Workers' Compensation Improvement

Develop operational and legislative changes to improve the effectiveness and efficiency of Workers' Compensation in South Australia.

### 2013-14 Achievements

- Provided support and advice to the minister on operational and legislative reform and implementation for workers compensation for South Australia.
- The review of Workers Compensation and Rehabilitation Program concluded in 2013-14.

## Program 5: Gambling Policy

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

### Achievements 2013-14

- Implemented regulation for the prohibition of gaming machines and gaming machine-like devices under the *Lottery and Gaming Act 1936*.
- Coordinated and implemented legislative amendments included in the *Statutes Amendment (Gambling Reform) Act 2013*. These amendments deliver a consistent and holistic approach to responsible gambling environments across the casino, clubs and hotels and a number of improvements to existing gambling regulations, including reductions in red tape.
- Implemented new arrangements for the Adelaide Casino beyond the exclusivity period from 30 June 2015 providing taxation and regulatory certainty, enabling the casino to proceed with an expansion of its premises and a six-star boutique hotel in order to compete in the international gaming market.

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# Program 6: Motor Injury Insurance (CTP)

## Improvement

The Compulsory Third Party (CTP) Reform Governance Group was established to oversee the implementation of reforms to the South Australian CTP Insurance Scheme. This includes developing the necessary legislation and regulatory changes, engagement with relevant parties and bringing in the new catastrophic injury care and support scheme.

### Achievements 2013-14

- Establishment of the Lifetime Support Authority to provide for the lifetime treatment, care and support of people severely injured in motor vehicle accidents in South Australia from 1 July 2014, regardless of who is at fault.
- Completion of work to finalise the Lifetime Support Scheme (LSS) including governance and financial arrangement frameworks, the related levy and the investigation of reinsurance cover.
- Defined the rules for the operation of the LSS in conjunction with an advisory group of medical, disability and legal experts.

# Program 7: Veterans' Affairs

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

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

### Achievements 2013-14

- Continued preparations for the Centenary of Anzac Commemorative Program.
- Unveiled the Aboriginal and Torres Strait Islander War Memorial.
- Repatriated the 7th Battalion, Royal Australian Regiment to South Australia, following deployment to Afghanistan.
- Erected local memorials to honour the sacrifice of South Australian soldiers killed in Afghanistan.
- Continued to assist the development of a Register of South Australian Aboriginal Servicemen and Women (the RAVSA project).



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# Program 8: Financial Services Provision

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

## **Sub-Program 8.1. Revenue Collection and Management**

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

## **Sub-Program 8.2. Insurance and Fleet Services**

The objectives of this sub program include:

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

## **Sub-Program 8.3. Superannuation Services**

The objectives of this sub-program are to:

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

## **Sub-Program 8.4. Procurement Policy and Governance**

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

## **Sub-Program 8.5. Asset Licensing and Divestment**

Progress initiatives aimed at realising the value of the state's assets to strengthen the state's balance sheet. These initiatives included a range of commercial property sales..

## **Sub-Program 8.6. Ministerial Support Services — Minister for Finance**

Operation of the Minister for Finance's Office including departmental support.

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## 2013-14 Achievements

### Sub-program 8.1: Revenue Collection and Management

- Implemented the first year of the two year payroll tax rebate payment to eligible employers that have a taxable Australian payroll of less than \$1.2 million as announced in the 2013–14 Budget.
- Collected approximately \$95.7 million in revenue as a result of compliance targeting activities, which includes recoveries of approximately \$20 million as a result of a successful High Court matter.
- Development of legislation and a collection framework for the Transport Development Levy.

### Sub-program 8.2: Insurance and Fleet Services

- Renewed the government's catastrophic reinsurance program at a competitive market price.
- Successfully managed the new fleet management and vehicle disposal contracts to ensure effective and efficient outcomes for the government's vehicle fleet.

### Sub-program 8.3: Superannuation Services

- Implemented the Commonwealth Government's SuperStream data standards for member rollovers.
- Super SA presented a business case to issue a Request for Proposal for a next generation superannuation administration system with a range of electronic management and complementary capabilities.

### Sub-program 8.4: Procurement Policy and Governance

- Completed eight procurement compliance reviews and 12 procurement accreditation reviews, in accordance with the approved schedule.
- Commenced the development of a new strategic plan for the State Procurement Board.
- Completed the review of the State Procurement Board's procurement capability development program.

### Sub-program 8.5: Asset Licensing and Divestment

- Finalised the divestment of Netley Commercial Park and a number of metropolitan office and industrial properties.
- Completed the government employee housing sales program.

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# Financial performance

# Financial overview

The department's revised operating budget provided for a net operating deficit of \$11.39 million. The department recorded an actual net operating deficit of \$8.865 million for 2013-14. The favourable variance of \$2.525 million is primarily due to under expenditure on several cost recovery projects which accounts for \$2 million of the expense and revenue variances, delays in several projects resulting in under expenditure of \$0.600 million for which the department has applied for carryovers into 2014-15 and under expenditure due to a number of vacancies across the department.

## Summary Income Statement

	Budget 2013-14 \$'000	Actual Result 2013-14 \$'000	Variance \$'000
Expenses	114 762	110 172	4 590
Revenues	45 683	43 398	2 285
<b>Net cost of providing services</b>	<b>69 079</b>	<b>66 774</b>	<b>2 305</b>
Revenues from SA Government	63 797	64 017	220
Payments to SA Government	6 108	6 108	-
<b>Net result</b>	<b>-11 390</b>	<b>-8 865</b>	<b>2 525</b>

## Departmental programs

	Expenses \$'000	Income \$'000	Revenues from/ payment to SA Government \$'000	Net result \$'000
Gambling Policy	409	5		-404
Accountability for Public Sector Resources	18 413	2 531		-15 882
Treasury Services	7 439	6 984		-455
Support Services	5 533	366		-5 167
Financial Services Provision	73 976	30 791		-43 185
Veterans Affairs	1 603	75		-1 528
Compulsory Third Party Reform Project	2 617	2 456		-161
Workcover Improvement Project	182	190		8
<b>Program totals</b>	<b>110 172</b>	<b>43 398</b>		<b>-66 774</b>
Appropriation			64 017	64 017
Payments to SA Government			6 108	6 108
<b>Total</b>	<b>110 172</b>	<b>43 398</b>	<b>57 909</b>	<b>-8 865</b>

## Trends

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

### Key performance measures

	2013-14	2012-13	2011-12
Net cost of providing services	66 774 000	\$78 139 000	\$82 898 000
Revenues from government as a percentage of total source of funding	59.6%	64.5%	43.75%
Average employee cost	\$92 000	\$88 000	\$91 000
Operating expenses per employee	\$158 000	\$169 000	\$143 000
Consultants as percentage of operating expenses	1.5%	12.5%	2.3%
Cash balance	\$13 723 000	\$21 600 000	\$19 751 000
Net assets	\$13 656 000	\$19 180 000	\$17 417 000
Increase/-decrease in net assets	-\$5 524 000	\$1 763 000	-\$39 451 000
Current assets/current liabilities	1.3%	1.6%	2
Creditors paid within 30 days	98.3%	98.5%	92%

The net cost of providing services decreased from the previous year due to a reduction in consultant's costs in 2013-14. Consultant's costs decreased by \$14 million in 2013-14 due to additional costs incurred in 2012-13 in relation to the government's licensing and asset divestment program.

Revenues from government as a percentage of total source of funding decreased in 2013-14 due to additional funding received in 2012-13 in relation to the government's licensing and asset divestment program (\$18.5 million). The department received additional funding in 2012-13 to support the forward sale of the State's Green Triangle forest plantations and the appointment of Tatts Lotteries SA Pty Ltd as the exclusive master agent to operate SA Lotteries' brands and products for a term of 40 years.

The average employee cost increased in 2013-14 due to an increase in the number of Targeted Voluntary Separation Packages (TVSP) offered and accepted by staff. If the impact of increased TVSP payments in 2013-14 are excluded the average employee cost reduces to \$89 000 which is comparable to 2012-13.

The operating expenses per employee decreased in 2013-14 due to additional funding and cost in 2012-13 in relation to the government's licensing and asset divestment program.

Consultants as a percentage of operating expenses decreased due to additional expenditure in 2012-13 in relation to the government's licensing and asset divestment program. Consultant expenditure decreased from \$15.61 million in 2012-13 to \$1.57 million in 2013-14.

The cash balance for the department decreased by \$7.87 million between 2012-13 and 2013-14. The main reason for this decrease is that the department returned surplus cash of \$6.108 million in June 2014 to the government pursuant to the Cash Alignment Policy.

The decrease in net assets is primarily due to a reduction in the department's cash balance, a reduction in the value of intangible assets due to write off of previously capitalised expenditure offset by a reduction in the department's employee benefits provisions due to the transfer of 109 staff to the Department of the Premier and Cabinet as part of the merger of Corporate Services between the Department of Treasury and Finance and the Department of the Premier and Cabinet in February 2014.

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# Appendices

# Appendix 1 — Acts administered

## Treasurer

	Committed
Bank Merger (BankSA and Advance Bank) Act 1996 .....	28/11/96
Bank Mergers (South Australia) Act 1997 .....	19/3/98
Commonwealth Places (Mirror Taxes Administration) Act 1999 .....	19/10/00
Debits Tax Act 1994 .....	13/2/97
Emergency Services Funding Act 1998.....	7/11/02
Essential Services Commission Act 2002 .....	12/9/02
Financial Institutions Duty Act 1983 .....	13/2/97
Financial Sector (Transfer of Business) Act 1999 .....	12/8/99
Financial Transaction Reports (State Provisions) Act 1992 .....	20/10/97
Gift Duty Act 1968 .....	13/2/97
Government Financing Authority Act 1982 .....	14/12/93
Housing Loans Redemption Fund Act 1962 .....	20/10/97
Interest on Crown Advances and Leases Act 1944.....	20/10/97
Land Tax Act 1936 .....	13/2/97
Motor Accident Commission Act 1992.....	14/12/93
Motor Vehicles Act 1959 <sup>(a)</sup> .....	
National Tax Reform (State Provisions) Act 2000 .....	29/6/00
New Tax System Price Exploitation Code (South Australia) Act 1999 .....	9/12/99
Payroll Tax Act 2009 .....	4/06/09
Public Corporations Act 1993 .....	14/12/93
Public Finance and Audit Act 1987.....	20/10/97
Rural Advances Guarantee Act 1963 .....	20/10/97
Stamp Duties Act 1923 .....	13/2/97
State Bank (Corporatisation) Act 1994 .....	12/5/94
Succession Duties Act 1929 .....	13/2/97
Superannuation Funds Management Corporation of South Australia Act 1995.....	13/2/97

<sup>(a)</sup> The Treasurer has functions and powers under sections:

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

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## Minister for Business Services and Consumers

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Committed

No acts administered

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## Minister for Health

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Committed

Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013 ..... 20/6/2013

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## Minister for Finance

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Committed

ASER (Restructure) Act 1997 .....	21/10/11
Benefit Associations Act 1958 .....	21/10/11
Electricity Corporations Act 1994 .....	21/10/11
Electricity Corporations (Restructuring and Disposal) Act 1999 .....	21/10/11
First Home and Housing Construction Grants Act 2000 .....	21/10/11
Governors' Pensions Act 1976 .....	21/10/11
Hindmarsh Island Bridge Act 1999 .....	21/10/11
Judges' Pensions Act 1971 .....	21/10/11
Motor Vehicles Act 1959 <sup>(a)</sup> .....	
National Wine Centre (Restructuring and Leasing Arrangements) Act 2002 .....	21/10/11
Parliamentary Superannuation Act 1974 .....	21/10/11
Petroleum Products Regulation Act 1995 .....	21/10/11
Police Superannuation Act 1990 .....	21/10/11
SGIC (Sale) Act 1995 .....	21/10/11
South Australian Timber Corporation Act 1979 .....	21/10/11
South Australian Timber Corporation (Sale of Assets) Act 1996 .....	21/10/11
Southern State Superannuation Act 2009 .....	21/10/11
State Lotteries Act 1966 .....	21/10/11
State Procurement Act 2004 .....	21/10/11
Superannuation Act 1988 .....	21/10/11
Tab (Disposal) Act 2000 .....	21/10/11
Taxation Administration Act 1996 .....	21/10/11
Unclaimed Moneys Act 1891 .....	21/10/11
Unclaimed Superannuation Benefits Act 1997 <sup>(b)</sup> .....	21/10/11
Westpac/Challenge Act 1996 .....	21/10/11

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<sup>(a)</sup> The Minister for Finance has been delegated the functions and powers under sections:  
Section 101 (Approved Insurers) which includes Ministerial powers to invite and approve insurers to provide third party insurance  
Section 115 (Claims against Nominal Defendant where vehicle not identified), which includes Ministerial obligations in relation to claims against the nominal defendant

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Section 116 (Claim against Nominal Defendant where vehicle uninsured) which includes Ministerial powers in relation to recoveries by the nominal defendant

Section 116A (Appointment of Nominal Defendant) which includes Ministerial powers to appoint the nominal defendant

Section 118A (Appointment of nominal defendant where approved insurer is in liquidation or enters into compromise with creditors) which includes Ministerial powers in relation to an insurer that is being wound up

Section 119 (Scheme under which approved insurers indemnify liabilities incurred by nominal defendant) which includes Ministerial powers to establish a scheme to satisfy claims against the nominal defendant

<sup>(b)</sup> Repealed 15 June 2014.

## Minister for Veterans' Affairs

No acts administered

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## Appendix 2 — Major boards and committees

Distribution Lessor Corporation

Essential Services Commission of SA

Generation Lessor Corporation

Motor Accident Commission

Police Superannuation Board

South Australian Government Financing Advisory Board (SAFA)

South Australian Parliamentary Superannuation Board

South Australian Superannuation Board

Southern Select Superannuation Corporation Board

State Procurement Board

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

Transmission Lessor Corporation

Veterans' Advisory Council

# Appendix 3 — Management of human resources

## Employee numbers, gender and status

### Employee numbers

	Persons	FTEs
Total number of employees as at 30 June 2014	591	550.48
Female %	53	49.9
Male %	47	50.1

### Recruitment and separations during 2013-14

	Persons
Number of employees recruited to agency	81
Number of employees separated from agency	142

### Leave without pay

	Persons
Number of persons on leave without pay as at 30 June 2014	27

### Number of employees by salary bracket (as at 30 June 2014)

	Male	Female	Total
\$0 - \$54,799	27	28	55
\$54,800 - \$69,699	79	133	212
\$69,700 - \$89,199	73	92	165
\$89,200 - \$112,599	70	52	122
\$112,600+	31	6	37
<b>Total</b>	<b>280</b>	<b>311</b>	<b>591</b>

### Employee status by FTE (as at 30 June 2014)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	226.47	33.5	14.8	0	274.77
Male	206.93	29.8	38.4	0.58	275.71
<b>Total</b>	<b>433.4</b>	<b>63.3</b>	<b>53.2</b>	<b>0.58</b>	<b>550.48</b>

### Employee status by number of persons (as at 30 June 2014)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	260	35	16	0	311
Male	210	30	39	1	280
<b>Total</b>	<b>470</b>	<b>65</b>	<b>55</b>	<b>1</b>	<b>591</b>

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Number of Executives by status in current position, gender and classification (as at 30 June 2014)

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Classification	Ongoing		Term		Other		Total		Total
	F	M	F	M	F	M	F	M	
EXEOA	0	0	0	0	0	0	0	0	0
EXECOB	0	0	0	0	0	0	0	0	0
EXECOF	0	0	0	1	0	0	0	1	1
SAES1	0	0	4	23	0	0	4	23	27
SAES2	0	0	2	6	0	0	2	6	8
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>30</b>	<b>36</b>

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Leave management

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	2009–10	2010–11	2011–12	2012–13	2013–14
Average number of sick leave days taken per FTE	8.9	9.8	7.5	8.4	7.6
Average number of family carer's leave days taken per FTE	0.9	1.0	1.0	1.1	1.1
Average number of special leave with pay days taken per FTE for individual needs and responsibilities	0.6	0.6	0.9	0.9	0.9
<b>Total average leave per FTE</b>	<b>10.4</b>	<b>11.4</b>	<b>9.4</b>	<b>10.4</b>	<b>9.6</b>

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## Workforce diversity

### Age profile (as at 30 June 2014)

Age	Female	Male	Total	% of total	2013 workforce benchmark (%) <sup>(c)</sup>
15–19	1	0	1	0.1	6.2
20–24	8	5	13	2.2	9.7
25–29	35	32	67	11.3	10.9
30–34	46	40	86	14.5	9.8
35–39	46	38	84	14.2	10.1
40–44	58	53	111	18.7	11.8
45–49	48	31	79	13.3	11.2
50–54	33	31	64	10.8	11.3
55–59	22	29	51	8.6	9.0
60–64	15	13	28	4.7	6.1
65 +	6	1	7	1.18	3.7
<b>Total</b>	<b>369</b>	<b>360</b>	<b>729</b>	<b>100</b>	<b>100</b>

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

### Aboriginal and Torres Strait Islander Employees (as at 30 June 2014)

	Aboriginal staff	Total staff	% of agency employees <sup>(d)</sup>
\$0–\$53 199	0	55	0
\$53 200–\$67 699	2	212	0.9
\$67 700–\$86 599	1	165	0.6
\$86 600–\$109 299	1	122	0.8
\$109 300 +	0	37	0
<b>Total</b>	<b>4</b>	<b>591</b>	<b>0.68</b>

<sup>(d)</sup> South Australia's Strategic Plan target is 2%.

### Cultural and linguistic diversity (as at 30 June 2014)

	Female	Male	Total	% of agency	% of SA community <sup>(e)</sup>
Number of employees born overseas	45	37	82	13.8	22.1
Number of employees who speak language(s) other than English at home	37	25	62	10.5	14.4

<sup>(e)</sup> Benchmarks from Australian Bureau of Statistics Publication — Basic Community Profile (SA) Cat No. 2001.0, 2006 census.

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**Disability**

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	Female	Male	Total	% of agency employees
Number of employees identifying with disabilities (according to Commonwealth DDA definition)	8	7	15	2.5

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**Disability types**

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	Female	Male	Total	% of agency employees
Disability requiring workplace adaptation	6	7	13	2.2
Physical	2	1	3	0.5
Intellectual	0	0	0	0
Sensory	1	0	1	0.2
Psychological/psychiatric	0	1	1	0.2
Other	0	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>18</b>	<b>3.1</b>

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**Number of employees using voluntary flexible working arrangements**

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	Female	Male	Total
Purchased leave	5	5	10
Flexitime	276	236	512
Compressed weeks	0	0	0
Part-time	112	15	127
Job share	15	0	15
Working from home	3	1	4

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**Documented review of individual performance management<sup>(a)</sup>**

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

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## Training and development

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### Leadership and management training expenditure

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	Total cost \$	% of total salary expenditure
Total training and development expenditure	1,174,933	1.9
Total leadership and management development	75,574	0.1

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### Accredited training packages by classification

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This information is not available.

## Work health and safety statistics

### Work Health and Safety (WHS) Notices and corrective action taken

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

### Agency gross<sup>(f)</sup> workers compensation expenditure for 2013–14 compared with 2012–13<sup>(g)</sup>

Expenditure	2013-14 \$'000	2012-13 \$'000	Variation +(-) \$'000	% Change +(-)
Income maintenance	11	65	-54	-83%
Lump sum settlements redemptions — section 42	2	80	-78	-98%
Lump sum settlements permanent disability — section 43	0	17	-17	-100%
Medical/hospital costs combined	37	49	-12	-24%
Other	10	11	-1	-9%
<b>Total claims expenditure</b>	<b>60</b>	<b>222</b>	<b>-162</b>	<b>-73%</b>

<sup>(f)</sup> Before third party recovery.

<sup>(g)</sup> Information available from the Self Insurance Management System



## Meeting safety performance targets<sup>(h)</sup>

	Base: 2009–10	Performance — 12 months to end of June 2014 <sup>(i)</sup>			2015 target
	No. or %	Actual	Notional quarterly target	Variation	No. or %
1. Workplace fatalities	0	0	0	0	0
2. New workplace injury claims	9	6	7	-1	7
3. New workplace injury claims frequency rate	6.13	3.66	4.90	-1.24	4.60
4. Lost time injury frequency rate <sup>(j)</sup>	2.72	2.44	2.18	0.26	2.04
5. New psychological injury claims	0.68	0.65	0.54	0.11	0.51
6. Rehabilitation and return to work:					
a. Early assessment within 2 days	44.44%	83.33%	80.00%	3.33%	80.00%
b. Early intervention within 5 days	100.00%	100.00%	90.00%	10.00%	90.00%
c. Days lost <= 10 days	75.00%	50.00%	60.00%	-10.00%	60.00%
7. Claim determination:					
a. Claims determined for provisional liability in 7 calendar days <sup>(k)</sup>	25.00%	100.00%	100.00%	0.00%	100.00%
b. Claims determined in 10 business days	62.50%	60.00%	75.00%	-15.00%	75.00%
c. Claims still to be determined after 3 months	12.50%	0.00%	3.00%	-3.00%	3.00%
8. Income maintenance payments for recent injuries:					
a. 2012–13 injuries (at 24 months development)		\$65,202.15	\$87,907.03	-\$22,704.88	
b. 2013–14 injuries (at 12 months development)		\$9,665.01	\$92,766.93	-\$83,101.92	

<sup>(h)</sup> Information available from IDEAS RS/SIMS (SWIPS target report).

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

<sup>(j)</sup> Based on cumulative reduction from base at a constant quarterly figure.

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

## Carers Recognition Act reporting

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

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# Disability Action Plan

This section details the performance of the department against the six outcome areas of the whole of government policy *Promoting Independence — Disability Action Plans for South Australia*. In line with the *Strong Voices: A Blueprint to Enhance Life and Claim the Rights of People with Disability in South Australia (2012 -2020) report*, the Government approved the replacement of the Promoting Independence: Disability Action Plans for South Australia strategy with the development and implementation of disability access and inclusion plans. For the next reporting period, DTF will have implemented the Disability Access and Inclusion Plans (DAIP) in line with the cross government project, and report accordingly. The Human Resources and Health and Safety Committee has been responsible for implementing and monitoring the department's Disability Action Plan during 2013-14.

## ***Outcome 1 — Access to Services***

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

As part of the department's accommodation strategy, tenancies are being modified in line with Government Office Accommodation Guidelines and Work Health and Safety requirements. This is an ongoing process and includes the provision of suitable facilities for people with disabilities. As a tenant of leased accommodation, the department relies on the Department for Planning, Transport and Infrastructure to conduct access audits of all existing and new tenancies. Disability access considerations are incorporated into the department's strategic accommodation planning and priority is given to addressing any issues identified for rectification. Specific workplace modifications continued to be undertaken to provide employment opportunities for people with disabilities.

## ***Outcome 2 — Information is inclusive***

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

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

## ***Outcome 3 — Disability awareness***

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

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

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

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#### ***Outcome 4 — Consultation and complaints process***

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

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

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

#### ***Outcome 5 — Compliance with relevant Acts***

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

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

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

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

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

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## Appendix 4 — Account payment performance\*

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

	Number paid	%	Amount paid
Paid by the due date	26 352	98.3	88 725
Paid less than 30 days after the due date	307	1.1	2 836
Paid more than 30 days after the due date	169	0.6	535
<b>Total</b>	<b>26 828</b>	<b>100</b>	<b>92 096</b>

\*AP statistics cover DTF controlled and Administered.

## Appendix 5 — Use of consultants\*

Consultant	Purpose of consultancy	Number	Total \$
<b>Value below \$10 000</b>			
Various			
Subtotal		33	129 548
<b>Value \$10 000–\$50 000</b>			
Deloitte Touche-Tohmatsu	SA Lotteries transaction		
Price Waterhouse Coopers	Development of a Business Continuity Management Plan for DTF		
M3 Property SA	Inspection and research Valuation Report for 300 Richmond Road, Netley		
Ernst and Young	Reserve structure advice		
Tom Karmel	Econometric and economic analysis of Public Sector interstate wages		
Ernst and Young	Corporate Services Review - benchmark study		
AON	Insurance business interruption review		
Finity Consulting Pty Ltd	Actuarial Services in relation to the Workers Compensation Improvement Project		
BDO Advisory (SA) Pty Ltd	Probity Services for Revenue, Government Enterprises and Market Projects		
Ernst and Young	Anti fraud services		
Dyson Consulting Group	Preparation of materials in support of the Lifetime Support Scheme rules		
Jones Lang Lasalle SA Pty Ltd	Marketing expenses for Cluster 1 properties		
Ernst and Young	Taxation services review		
Swanbury Penglase	Preparation of Building Condition Audit for Netley Commercial Park		
CB Richard Ellis	Project 621 Goodwood Road, Panorama - TAFE site		
Finity Consulting Pty Ltd	Insurance position forecast & premium allocation methodology		
Price Waterhouse Coopers	Super SA actuarial services		
Subtotal		17	432 159

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**Value above \$50 000**

R I & L A Chapman Pty Ltd	Motor Accident Commission review		
Ernst and Young	Super SA 2012/13 internal audit plan		
Savills SA Pty Ltd	Marketing - Sale of 60 Wakefield Street, 21 Divett Place and Netley Commercial Park		
Aurecon Australasia Pty Ltd	Services Separation Study - State Administration Centre Precinct		
Property and Advisory Pty Ltd	Transport Development Levy - Provision of advice regarding parking levies in other jurisdictions and likely impacts in SA		
Finity Consulting Pty Ltd	Insurance actuarial services		
Price Waterhouse Coopers	Insurance review		
KPMG	Service delivery model for the Lifetime Support Authority		
KPMG	Independent RISTEC review		
KPMG Superannuation Services	Super SA ICT solution business requirements		
Subtotal		10	1 015 359
<b>Total</b>		<b>60</b>	<b>1 577 066</b>

Note: Payments to consultants include amounts paid and payable at 30 June 2014.

\* Controlled only

## Appendix 6 — Overseas travel

Destination	Number of employees	Reason for travel	Travel costs \$
Singapore, Great Britain & Switzerland	1	Renewal of state's catastrophe reinsurance program for 2013-14	13 618
United States	1	Executive attendance as part of the SA Public Sector Transformative Leadership Program	13 532
Malaysia, Thailand, Hong Kong, South Korea, Japan & Singapore	2	To meet with South Australian Government Financing Authority investors and to attend Citibank's Asia Pacific Fixed Interest Conference	22 788
Singapore, Great Britain & France	2	Market presentations to reinsurers	17 633
<b>Total</b>	<b>6</b>		<b>66 571</b>

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# Appendix 7 — Fraud, corruption and maladministration control

The department is not aware of any actual, suspected or alleged fraudulent activity affecting the department in 2013–14.

There have been no 'public interest disclosures' to a responsible officer of the agency under the *Whistleblowers Protection Act 1993* during 2013–14.

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

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

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

## Fraud and corruption prevention policy and reporting procedure

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

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

## Whistleblowers policy and procedure

This policy and procedure was last updated in April 2013 to reflect the requirements of Commissioner for Public Employment Standard 4 and Australian Standard *AS 8004-2003 Whistleblower Protection Programs for Entities*.

The purpose of this policy and procedure is to formalise and communicate the process for disclosure of maladministration and waste in the public sector, corrupt or illegal conduct generally

and to make potential informants feel comfortable and protected should they have a matter to raise.

## Fraud Risk Assessment

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

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

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

## Internal Audit and Risk Management

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

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



# Appendix 8 — Greening of government operations

## Energy management

The energy use of the Department of Treasury and Finance consists primarily of light and power in leased office accommodation within the central business district of Adelaide. The major building occupied is the State Administration Centre. The department uses approximately 0.1 per cent of government's total energy use.

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

## Energy performance

### 2000–01 base year<sup>(i)</sup>

Energy usage	12 220 GJ equating to 3418 tonnes of CO <sub>2</sub>
Total staff	1019.1 FTEs
Energy efficiency <sup>(m)</sup>	11.99 GJ per FTE

### 2013–14 reporting year

Energy usage	6684.01 GJ
Total staff <sup>(n)</sup>	833.06
Energy efficiency	8.38 GJ per FTE

### 2013–14 target

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

<sup>(m)</sup> The 2013–14 target is calculated on a 25% improvement in energy efficiency (2000–01) by 2013–14. 2013–14 is the fourteenth year of expected reduction in energy usage towards target. This is inline with South Australia's Strategic Plan Target 61 — Energy efficiency: government buildings — improve the energy efficiency of government buildings by 30% from 2000–01 levels by 2020. This footnote has been updated to reflect new target number and requirements. It previously read "This is in line with South Australia's Strategic Plan Target T3.13 — Improve the energy efficiency of government buildings by 25% from 2000–01 levels by 2014."

<sup>(n)</sup> Includes Department of Treasury and Finance, portfolio agencies and electorate office staff.

<sup>(o)</sup> Machinery of Government changes have been adjusted in the 2013–14 report.

# Appendix 9 — Freedom of Information statement

## Information statement

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

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

## Statistics 2013–14

The department received 262 FOI applications in 2013-14. Requests came from

Members of parliament	221
Media	15
Private businesses	23
Members of the public	3
<b>Total</b>	<b>262</b>

No applications for internal reviews were received.

## Making an application

Applications under the FOI Act, either for access to information or to amend official records about personal affairs, must be made in accordance with the requirements of the Act. Applications must be made in writing, provide an Australian address for correspondence, describe the documents, state that the application is made under the *Freedom of Information Act 1991* and be accompanied by the prescribed application fee of \$32.25 (from 1 July 2014). A fee reduction/waiver may be granted in certain circumstances.

Further details can be found at [www.archives.sa.gov.au/foi](http://www.archives.sa.gov.au/foi) or by contacting:

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

Telephone 8226 2774

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

Documents can be made available for inspection at:

The Team Leader, Freedom of Information  
Level 3, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Telephone 8226 2774

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

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## Appendix 10 — Industry Participation report

DTF did not execute any contracts valued greater than \$4m for the financial year 2013-14, so had no contracts that triggered the Industry Participation Policy requirements.

There was one tender released (Super SA superannuation system) – this included the requirement for respondents to submit an Industry Participation Plan.

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## Appendix 11 — Asbestos Management Report

On 2 May 2011 Cabinet approved modifications to the reporting process and government agencies are no longer required to report on asbestos management activities in their annual reports. Instead agencies are required to provide information that will enable the production of an annual across government report on asbestos management in government buildings to be compiled by the Department of Planning, Transport and Infrastructure (DPTI).

DTF does not own any government buildings and is therefore not represented in the across government asbestos management report.

# **DEPARTMENT OF TREASURY AND FINANCE**

## **FINANCIAL STATEMENTS**

**for the year ended 30 June 2014**

**Certification of the Financial Statements**

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We certify that the:

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



Brett Rowse  
UNDER TREASURER



Paul Williams  
DIRECTOR, FINANCIAL SERVICES

Date    22    September 2014

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**Statement of Comprehensive Income for the year ended 30 June 2014**

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	Note	2014 \$'000	2013 \$'000
<b>EXPENSES</b>			
Employee benefit expenses	5	67 043	69 449
Supplies and services	6	36 966	53 577
Depreciation and amortisation expense	7	1 237	1 608
Other expenses	8	4 515	45
Resources provided free of charge	9	411	—
<b>Total expenses</b>		<b>110 172</b>	<b>124 679</b>
<b>INCOME</b>			
Revenues from fees and charges	11	38 497	40 240
Interest revenues	12	13	27
Other income	13	4 888	6 273
<b>Total income</b>		<b>43 398</b>	<b>46 540</b>
<b>NET COST OF PROVIDING SERVICES</b>		<b>(66 774)</b>	<b>(78 139)</b>
<b>REVENUES FROM SA GOVERNMENT</b>			
Revenues from SA Government	14	64 017	84 563
Payments to SA Government	14	(6 108)	(4 661)
<b>Total Revenues from SA Government</b>		<b>57 909</b>	<b>79 902</b>
<b>NET RESULT</b>		<b>(8 865)</b>	<b>1 763</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>(8 865)</b>	<b>1 763</b>

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

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

**Statement of Financial Position as at 30 June 2014**

	<b>Note</b>	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>15</b>	<b>13 723</b>	21 600
Receivables	<b>16</b>	<b>3 990</b>	5 100
<b>Total Current Assets</b>		<b>17 713</b>	26 700
<b>NON-CURRENT ASSETS</b>			
Receivables	<b>16</b>	<b>57</b>	67
Property, plant and equipment	<b>17</b>	<b>1 475</b>	1 033
Intangible assets	<b>18</b>	<b>20 955</b>	24 040
<b>Total Non-Current Assets</b>		<b>22 487</b>	25 140
<b>TOTAL ASSETS</b>		<b>40 200</b>	51 840
<b>CURRENT LIABILITIES</b>			
Payables	<b>20</b>	<b>7 551</b>	9 009
Employee benefits	<b>21</b>	<b>5 927</b>	6 939
Provisions	<b>22</b>	<b>200</b>	292
Other liabilities	<b>23</b>	<b>140</b>	—
<b>Total Current Liabilities</b>		<b>13 818</b>	16 240
<b>NON-CURRENT LIABILITIES</b>			
Payables	<b>20</b>	<b>1 053</b>	1 311
Employee benefits	<b>21</b>	<b>10 961</b>	14 198
Provisions	<b>22</b>	<b>712</b>	911
<b>Total Non-Current Liabilities</b>		<b>12 726</b>	16 420
<b>TOTAL LIABILITIES</b>		<b>26 544</b>	32 660
<b>NET ASSETS</b>		<b>13 656</b>	19 180
<b>EQUITY</b>			
Contributed capital	<b>24</b>	<b>547</b>	547
Retained earnings	<b>24</b>	<b>13 109</b>	18 633
<b>TOTAL EQUITY</b>		<b>13 656</b>	19 180
<b>THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER.</b>			
Unrecognised Contractual Commitments	<b>25</b>		
Contingent Assets and Liabilities	<b>26</b>		

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



**Statement of Changes in Equity for the year ended 30 June 2014**

	<b>Note</b>	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total Equity</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2012</b>		547	16 870	17 417
Net result for 2012-13		—	6 424	6 424
Total comprehensive result for 2012-13		—	6 424	6 424
<b>Balance at 30 June 2013</b>	<b>24</b>	<b>547</b>	<b>23 294</b>	<b>23 841</b>
Error Correction	<b>20</b>	—	(4 661)	(4 661)
Restated balance at 30 June 2013		547	18 633	19 180
Net result for 2013-14		—	(8 865)	(8 865)
Total comprehensive result for 2013-14		—	(8 865)	(8 865)
<b>Transactions with SA Government as owner</b>				
Net assets transferred as a result of an administrative restructure	<b>30</b>	—	3 341	3 341
<b>Balance at 30 June 2014</b>	<b>24</b>	<b>547</b>	<b>13 109</b>	<b>13 656</b>

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

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

**Statement of Cash Flows for the year ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(68 889)	(69 993)
Payments for supplies and services		(33 238)	(53 820)
GST payments on purchases		(4 455)	(5 826)
GST remitted to Australian Taxation Office		(2 516)	(40 476)
Payments for paid parental leave scheme		( 147)	( 152)
Other payments		—	( 112)
Resources provided free of charge		( 411)	—
<b>Cash used in operations</b>		<b>(109 656)</b>	<b>(170 379)</b>
<b>Cash Inflows</b>			
Fees and charges		39 751	38 676
Interest received		13	27
GST receipts on receivables		2 429	40 668
GST recovered from Australian Taxation Office		4 407	5 837
Other Receipts		4 888	5 731
Receipts for Paid Parental Leave		152	164
<b>Cash generated from operations</b>		<b>51 640</b>	<b>91 103</b>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		64 017	84 563
Payments to SA Government		(10 769)	—
<b>Cash generated from SA Government</b>		<b>53 248</b>	<b>84 563</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	28(b)	<b>(4 768)</b>	<b>5 287</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		( 849)	( 174)
Purchase of intangible assets		(2 260)	(3 264)
<b>Cash used in investing activities</b>		<b>(3 109)</b>	<b>(3 438)</b>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(3 109)</b>	<b>(3 438)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(7 877)</b>	<b>1 849</b>
Cash and cash equivalents at the beginning of the period		21 600	19 751
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	28(a)	<b>13 723</b>	<b>21 600</b>

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

**Disaggregated Disclosure  
Expenses and Income  
for the year ended 30 June 2014**

	Accountability for Public Sector Resources		Treasury Services		Support Services		Workers' Compensation Improvement		Gambling Policy	
	Activity 1		Activity 2		Activity 3		Activity 4		Activity 5	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>										
Employee benefit expenses	13 237	13 370	5 316	4 125	3 885	5 294	145	136	354	363
Supplies and services	5 073	4 735	2 113	2 325	1 640	2 552	37	97	53	37
Depreciation and amortisation expense	103	112	10	18	8	21	—	1	2	2
Other expenses	—	11	—	—	—	3	—	—	—	—
Resources provided free of charge	—	—	—	—	—	—	—	—	—	—
<b>Total Expenses</b>	<b>18 413</b>	<b>18 228</b>	<b>7 439</b>	<b>6 468</b>	<b>5 533</b>	<b>7 870</b>	<b>182</b>	<b>234</b>	<b>409</b>	<b>402</b>
<b>INCOME</b>										
Revenues from fees and charges	347	483	6 984	6 241	351	843	190	159	4	6
Interest revenues	4	7	—	—	—	2	—	—	—	—
Other Income	2 180	1 891	—	—	15	298	—	18	1	23
<b>Total Income</b>	<b>2 531</b>	<b>2 381</b>	<b>6 984</b>	<b>6 241</b>	<b>366</b>	<b>1 143</b>	<b>190</b>	<b>177</b>	<b>5</b>	<b>29</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>(15 882)</b>	<b>(15 847)</b>	<b>(455)</b>	<b>(227)</b>	<b>(5 167)</b>	<b>(6 727)</b>	<b>8</b>	<b>(57)</b>	<b>(404)</b>	<b>(373)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>										
Revenues from SA Government	—	—	—	—	—	—	—	—	—	—
Payments to SA Government	—	—	—	—	—	—	—	—	—	—
<b>NET RESULT</b>	<b>(15 882)</b>	<b>(15 847)</b>	<b>(455)</b>	<b>(227)</b>	<b>(5 167)</b>	<b>(6 727)</b>	<b>8</b>	<b>(57)</b>	<b>(404)</b>	<b>(373)</b>

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

**Disaggregated Disclosure  
Expenses and Income  
for the year ended 30 June 2014**

	CTP Reform Project		Veterans Affairs		Financial Services Provision		General / Not Attributable		Activity Total	
	Activity 6	Activity 7	Activity 8	Activity 8	Activity 8	Activity 8	Activity 8	Activity 8	Activity 8	Activity 8
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>										
Employee benefit expenses	1 166	754	748	522	42 192	44 885	—	—	67 043	69 449
Supplies and services	1 038	244	845	422	26 167	43 165	—	—	36 966	53 577
Depreciation and amortisation expense	2	2	10	5	1 102	1 447	—	—	1 237	1 608
Other expenses	—	—	—	1	4 515	30	—	—	4 515	45
Resources provided free of charge	411	—	—	—	—	—	—	—	411	—
<b>Total Expenses</b>	<b>2 617</b>	<b>1 000</b>	<b>1 603</b>	<b>950</b>	<b>73 976</b>	<b>89 527</b>	<b>—</b>	<b>—</b>	<b>110 172</b>	<b>124 679</b>
<b>INCOME</b>										
Revenues from fees and charges	6	6	45	19	30 570	32 483	—	—	38 497	40 240
Interest revenues	—	—	1	—	8	18	—	—	13	27
Other Income	2 450	572	29	92	213	3 379	—	—	4 888	6 273
<b>Total Income</b>	<b>2 456</b>	<b>578</b>	<b>75</b>	<b>111</b>	<b>30 791</b>	<b>35 880</b>	<b>—</b>	<b>—</b>	<b>43 398</b>	<b>46 540</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>( 161)</b>	<b>( 422)</b>	<b>( 1 528)</b>	<b>( 839)</b>	<b>(43 185)</b>	<b>(53 647)</b>	<b>—</b>	<b>—</b>	<b>(66 774)</b>	<b>(78 139)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>										
Revenues from SA Government	—	—	—	—	—	—	64 017	84 563	64 017	84 563
Payments to SA Government	—	—	—	—	—	—	( 6 108)	(4 661)	(6 108)	(4 661)
<b>NET RESULT</b>	<b>( 161)</b>	<b>( 422)</b>	<b>( 1 528)</b>	<b>( 839)</b>	<b>(43 185)</b>	<b>(53 647)</b>	<b>57 909</b>	<b>79 902</b>	<b>(8 865)</b>	<b>1 763</b>

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

**Disaggregated Disclosure  
Assets and Liabilities  
as at 30 June 2014**

	Accountability for Public Sector Resources		Treasury Services		Support Services		Workers' Compensation Improvement		Gambling Policy	
	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5					
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>										
Cash and cash equivalents	—	—	—	—	—	—	—	—	—	—
Receivables	1 024	15	1	1	333	7	147	—	—	—
Property, plant and equipment	19	47	10	20	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—	—	—
<b>Total Assets</b>	<b>1 043</b>	<b>62</b>	<b>11</b>	<b>20</b>	<b>1</b>	<b>333</b>	<b>7</b>	<b>147</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>										
Payables	443	874	210	278	339	214	4	15	10	13
Employee benefits	3 334	4 069	1 339	1 256	979	1 611	37	41	89	110
Provisions	125	106	52	52	40	57	1	2	1	1
Other liabilities	—	—	—	—	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>3 902</b>	<b>5 049</b>	<b>1 601</b>	<b>1 586</b>	<b>1 358</b>	<b>1 882</b>	<b>42</b>	<b>58</b>	<b>100</b>	<b>124</b>
<b>Net Assets</b>	<b>(2 859)</b>	<b>(4 987)</b>	<b>(1 590)</b>	<b>(1 566)</b>	<b>(1 357)</b>	<b>(1 549)</b>	<b>(35)</b>	<b>89</b>	<b>(100)</b>	<b>(124)</b>

**Disaggregated Disclosure  
Assets and Liabilities  
as at 30 June 2014**

	CTP Reform Project		Veterans Affairs		Financial Services Provision		General / Not Attributable		Activity Total	
	Activity 6		Activity 7		Activity 8		2014	2013	2014	2013
	2014	2013	2014	2013	2014	2013	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>										
Cash and cash equivalents	—	—	—	—	—	—	13 723	21 600	13 723	21 600
Receivables	—	5	512	74	1 356	3 160	1 146	1 433	4 047	5 167
Property, plant and equipment	39	—	—	—	374	558	1 033	408	1 475	1 033
Intangible assets	—	—	—	—	20 850	23 873	105	167	20 955	24 040
<b>Total Assets</b>	<b>39</b>	<b>5</b>	<b>512</b>	<b>74</b>	<b>22 580</b>	<b>27 591</b>	<b>16 007</b>	<b>23 608</b>	<b>40 200</b>	<b>51 840</b>
<b>Liabilities</b>										
Payables	36	30	195	52	1 800	2 240	5 567	6 604	8 604	10 320
Employee benefits	188	159	294	229	10 628	13 662	—	—	16 888	21 137
Provisions	21	5	26	9	646	971	—	—	912	1 203
Other liabilities	—	—	—	—	—	—	140	—	140	—
<b>Total Liabilities</b>	<b>245</b>	<b>194</b>	<b>515</b>	<b>290</b>	<b>13 074</b>	<b>16 873</b>	<b>5 707</b>	<b>6 604</b>	<b>26 544</b>	<b>32 660</b>
<b>Net Assets</b>	<b>( 206 )</b>	<b>( 189 )</b>	<b>( 3 )</b>	<b>( 216 )</b>	<b>9 506</b>	<b>10 718</b>	<b>10 300</b>	<b>17 004</b>	<b>13 656</b>	<b>19 180</b>

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## Notes to and forming part of the Financial Statements

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

The Department administers a range of programs and services in support of the government's seven strategic priorities and South Australia's Strategic Plan.

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

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

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

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

### 2 Summary of Significant Accounting Policies

#### 2.1 Statement of Compliance

The Department has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2014. Refer to Note 3.

#### 2.2 Basis of Preparation

The preparation of the financial statements requires:

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

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014 and the comparative information presented.

### 2.3 Reporting Entity

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

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

### 2.4 Transferred functions

Pursuant to section 9(3) of the *Public Sector Act 2009*, the Corporate Services function and Ministerial Fleet services were transferred from Department to the Department of the Premier and Cabinet on 10 February 2014 and 1 April 2014 respectively (refer to note 30).

In 2013-14, as a result of a committal of Acts proclamation outlined in the Government Gazette on 1 August 2013, the Department took on responsibility for the Local Government Taxation Equivalents Fund (LGTEF) as per the *Local Government Finance Authority Act 1983*. Assets and liabilities relating to these business units were transferred to the Department effective as per the gazette date (refer to note 64).

### 2.5 Comparative Information

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

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

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

### 2.6 Rounding

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

### 2.7 Taxation

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

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

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

The Department prepares the Business Activity Statement on behalf of the Administered items and Bureau agencies under the grouping provisions of the GST legislation. Under these provisions, the Department is liable for the payments and entitled to the receipt of GST. As such, the net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

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

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

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June, and the date the financial statements are authorised for issue when the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

## **2.9 Income**

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

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

The following are specific recognition criteria:

### *Fees and charges*

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

### *Contributions received*

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

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

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

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

### *Revenues from SA Government*

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

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

#### *Net gain on disposal of non-current assets*

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

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

#### *Taxation*

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

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

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

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

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

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

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

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

#### *Commonwealth revenues*

Commonwealth revenue disclosed in Note 34 includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). All Commonwealth revenue is recognised when received.

#### *Dividends*

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

#### *Interest revenues*

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

#### *Other revenues*

Other revenue recognised in Note 40 mainly represents the receipt of cash from agencies which is passed on to the Consolidated Account in accordance with the government's relevant policy directive. Revenue received in this manner and subsequently transferred to the Consolidated Account includes repayment of capital and advances, return of cash pursuant to the government's cash alignment policy and return of deposit account balances.

## 2.10 Expenses

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

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

The following are specific recognition criteria:

### *Employee benefit expenses*

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

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

### *Superannuation*

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

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

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

### *Depreciation and amortisation*

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

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

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

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

Land, Water Licences and non-current assets held for sale are not amortised / depreciated.

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

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful Life (Years)</b>
Buildings	Straight Line	0 - 39
Land Improvements	Straight Line	3 - 100
Fitouts - leased buildings	Straight Line	Life of lease
Furniture	Straight Line	5 - 10
Information Technology Equipment	Straight Line	3 - 5
Intangibles	Straight Line	3 - 15
Office Equipment	Straight Line	3 - 5
Plant and Equipment	Straight Line	5 - 10

#### *Grants subsidies and transfers*

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

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

#### *Borrowing costs*

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

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

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

#### *Payments to SA Government*

Payments to the SA Government reflect the return of surplus cash pursuant to the cash alignment policy.

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

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

### **2.12 Assets**

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

#### *Cash and cash equivalents*

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

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

Cash is measured at nominal value.

#### *Receivables*

Receivables include amounts receivable from goods and services provided, GST input tax credits recoverable, prepayments and other accruals. GST receivables include amounts for Controlled, Administered and Bureau activities.

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

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

#### *Other financial assets*

The Department measures financial assets and debt at historical cost, except for interest free loans (measured at the present value of expected repayments).

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

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is probable and the asset's sale is expected to be completed one year from the date of classification. Non-current assets classified as held for sale are not depreciated or amortised.

#### *Non-current assets*

##### Acquisition and recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position.

However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at book value i.e. the amount recorded by the transferor Public Authority immediately prior to the restructure.

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

##### Revaluation of non-current assets

All non-current tangible assets are valued at fair value; and revaluation of non-current assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

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

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

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

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

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

##### Impairment

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

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



### *Intangible Assets*

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

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

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

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

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

### *Fair Value measurement*

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

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

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

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

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

### *Non Financial Assets*

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

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

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

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

## **2.13 Liabilities**

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

### *Payables*

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

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

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

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

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

Employee benefit on-costs include payroll tax, WorkCover levies and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

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

#### *Leases*

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

The Department has entered into operating leases.

#### Finance Leases

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

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

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

#### Operating leases

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

#### *Employee benefits*

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

#### Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

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

#### Long service leave

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

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

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

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

#### *Provisions*

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

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

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

#### *Workers' Compensation*

The workers' compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2014 provided by a consulting actuary engaged through the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

### **2.14 Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

### 3 New and revised Accounting Standards and Policies

The Department did not voluntarily change any of its accounting policies during 2013-14.

In accordance with the new AASB 13 *Fair Value Measurement*, which became effective for the first time in 2013-14, the department has:

- reviewed its fair value valuation techniques (both internal estimates and independent valuation appraisal) for non-financial assets to ensure they are consistent with the standard. Previously, the Department has used the cost approach or the market approach to determine fair value. The Department will continue to measure its non-financial assets using either the cost or market approach. The application of AASB 13 has not had a material impact on the fair value measurements; and
- included additional disclosures where required to assist users in assessing the valuation techniques and inputs used to ascertain fair value measurements used for assets and liability measurements.

Fair value hierarchy and other information is provided in Note 19.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2014. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

### 4 Activities of the Department

In achieving its objectives, the Department undertakes the following activities:

#### *Activity 1: Accountability for Public Sector Resources*

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

#### *Activity 2: Treasury Services*

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

#### *Activity 3: Support Services*

The Department provides vehicles for Ministers, Leader of the Opposition, members of Parliament and VIPs and supports the Treasurer's Office and Veterans SA.

#### *Activity 4: Workers' Compensation Improvement*

The Department is developing operational and legislative changes to improve the effectiveness and efficiency of Workers' Compensation in South Australia.

#### *Activity 5: Gambling Policy*

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

#### *Activity 6: Motor Injury Insurance (CTP) Reform*

The Compulsory Third Party (CTP) Reform Governance Group oversees the implementation of reforms to the South Australian CTP Insurance Scheme.

#### *Activity 7: Veterans Affairs*

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

#### *Activity 8: Financial Services Provision*

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

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

The Disaggregated Disclosure Schedules present expenses, income, assets and liabilities attributed to each of the activities for the years ended 30 June 2014 and 30 June 2013.

<b>5 Employee benefit expenses</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	45 792	49 926
TVSPs (refer below)	3 227	1 193
Long service leave	1 692	694
Annual leave	4 342	4 647
Skills and experience retention leave	171	318
Employment on-costs - superannuation	6 930	7 225
Employment on-costs - other	2 868	3 090
Board fees	327	349
Other employee related expenses	1 694	2 007
<b>Total Employee benefit expenses</b>	<b>67 043</b>	<b>69 449</b>

<b>Targeted Voluntary Separation Packages (TVSPs)</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to these employees:		
TVSPs	3 227	1 193
Leave paid to those employees	1 118	479
	<b>4 345</b>	<b>1 672</b>
Recovery from the Department of Treasury and Finance - Administered Items *	1 775	766
<b>Net cost to Department of Treasury and Finance</b>	<b>2 570</b>	<b>906</b>

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

Reimbursement for expenditure incurred by government agencies for payment of Targeted Voluntary Separation Packages is paid in arrears on an acquittal basis, and is recognised as revenue when received. The Department expects to recover a further \$1 272 000 in 2014-15.

The number of employees who received a TVSP during the reporting period was 27 (13).

<b>Remuneration of employees</b>	<b>2014</b>	<b>2013</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Employees</b>	<b>Employees</b>
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$138 000 to \$141 499*	NA	2
\$141 500 to \$151 499	3	6
\$151 500 to \$161 499	4	7
\$161 500 to \$171 499	9	5
\$171 500 to \$181 499	3	8
\$181 500 to \$191 499	10	3
\$191 500 to \$201 499	1	4
\$201 500 to \$211 499	3	4
\$211 500 to \$221 499	3	1
\$221 500 to \$231 499	1	—
\$231 500 to \$241 499	1	1
\$241 500 to \$251 499	—	1
\$251 500 to \$261 499	1	—
\$261 500 to \$271 499	1	1
\$271 500 to \$281 499	3	3
\$281 500 to \$291 499	1	—
\$291 500 to \$301 499	2	1
\$311 500 to \$321 499	—	2
\$321 500 to \$331 499	3	—
\$331 500 to \$341 499	1	—
\$371 500 to \$381 499	1	—
\$391 500 to \$401 499	—	1
\$411 500 to \$421 499	1	—
\$451 500 to \$461 499	—	1
\$471 500 to \$481 499	1	—
<b>Total Number of Employees</b>	<b>53</b>	<b>51</b>

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2012-13.

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

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

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year, of which 44 (44) are executive and 9 (7) are non executive staff. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$11 678 000 (\$10 234 000).

<b>6 Supplies and services</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation and telecommunication	6 075	6 815
Information technology expenses	6 900	6 813
Motor vehicle expenses	—	6
Minor works, maintenance and equipment	464	548
Legal costs	1 336	3 417
Consultants *	1 577	15 610
Contractors and temporary staff	2 613	4 121
Valuation fees	4 731	4 958
General administration and consumables	6 110	6 489
Corporate recharge expense	2 795	—
Other	4 365	4 800
<b>Total Supplies and services</b>	<b>36 966</b>	<b>53 577</b>

**Supplies and services provided by entities within the SA Government**

Accommodation and telecommunication	5 989	6 682
Information technology expenses	442	482
Minor works, maintenance and equipment	279	373
Legal costs	1 253	1 146
Contractors and temporary staff	—	21
Valuation fees	4 731	4 958
General administration and consumables	3 197	3 579
Corporate recharge expense	2 795	—
Other	1 757	2 742
<b>Total Supplies and services provided by entities within the SA Government</b>	<b>20 443</b>	<b>19 983</b>

The total supplies and services amount disclosed includes GST amounts not-recoverable from the Australian Taxation Office due to the Department not holding a valid tax invoice or payments relating to third party arrangements.

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

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	33	38	130	117
Between \$10 000 and \$50 000	17	17	432	380
Above \$50 000	10	16	1 015	15 113
<b>Total Paid / Payable to the Consultants engaged</b>	<b>60</b>	<b>71</b>	<b>1 577</b>	<b>15 610</b>

The total cost of consultants decreased in 2013-14 due to the finalisation of several major asset divestments in 2012-13. These asset divestments required the expertise of specialist consultants to support the divestment process.

<b>7 Depreciation and amortisation expense</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Furniture	23	32
Information technology equipment	165	283
Office equipment	30	56
<b>Total Depreciation</b>	<b>218</b>	<b>371</b>
<b>Amortisation</b>		
Intangible assets	830	1 045
Building fitouts	189	192
<b>Total Amortisation</b>	<b>1 019</b>	<b>1 237</b>
<b>Total Depreciation and amortisation expense</b>	<b>1 237</b>	<b>1 608</b>

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

<b>8 Other expenses</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Derecognition of assets	4 515	—
Bad and doubtful debts expenses	—	45
<b>Total Other expenses</b>	<b>4 515</b>	<b>45</b>

<b>9 Resources provided free of charge</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Resources provided free of charge	411	—
<b>Total Resources provided free of charge</b>	<b>411</b>	<b>—</b>

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

<b>10 Auditor's remuneration</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit Fees paid / payable to the Auditor-General's Department relating to the audit of financial statements.	602	484
<b>Total Auditor's remuneration</b>	<b>602</b>	<b>484</b>

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

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

<b>11 Revenues from fees and charges</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Fees for the provision of corporate services	306	1 021
South Australian Government Financing Authority	13 650	14 967
South Australian Superannuation Board	15 563	14 960
Community Emergency Services Fund	5 636	5 889
Land tax certificates	256	250
Regulatory fees	77	164
Service provision	1 682	1 903
Fleet management	331	446
Other recoveries	996	640
<b>Total Fees and charges</b>	<b>38 497</b>	<b>40 240</b>

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

Fees for the provision of corporate services	306	1 021
South Australian Government Financing Authority	13 650	14 967
South Australian Superannuation Board	15 563	14 960
Community Emergency Services Fund	5 636	5 889
Service provision	1 682	2 445
Other recoveries	542	166
<b>Total Fees and charges from entities within the SA Government</b>	<b>37 379</b>	<b>39 448</b>

<b>12 Interest revenues</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from entities within the SA Government	13	27
<b>Total Interest revenues</b>	<b>13</b>	<b>27</b>

<b>13 Other income</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Commissions	145	163
Banking recoveries	1 888	416
Return of RESI Corporation residual cash	—	4 690
Other income	406	455
Reimbursement from MAC	2 449	542
Recovery of prior year doubtful debts	—	7
<b>Total Other income</b>	<b>4 888</b>	<b>6 273</b>

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

Return of RESI Corporation residual cash	—	4 690
Other income	385	389
Reimbursement from MAC	2 449	542
Recovery of prior year doubtful debts	—	6
<b>Total Other income from entities within the SA Government</b>	<b>2 834</b>	<b>5 627</b>

<b>14 Revenues from/Payments to SA Government</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	61 265	63 672
Transfers from Treasurer's Contingency Fund	2 752	20 891
<b>Total Revenues from SA Government</b>	<b>64 017</b>	<b>84 563</b>

**Payments to SA Government**

Return of surplus cash pursuant to Cash Alignment Policy	6 108	4 661
<b>Total Payments to SA Government</b>	<b>6 108</b>	<b>4 661</b>

Contingencies included **\$2 231 000** (\$944 000) for TVSP reimbursements, **\$175 000** (\$1 310 000) for the enterprise bargaining supplementation and **\$108 000** (NIL) for the Superannuation Guarantee supplementation.

<b>15 Cash and cash equivalents</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	13 719	21 596
Cash on hand	4	4
<b>Total Cash and cash equivalents</b>	<b>13 723</b>	<b>21 600</b>

**Deposits with the Treasurer**

Includes funds held in the Accrual Appropriation Excess Funds Account. The balance of this fund is \$2 529 000 and is not available for general use.

**Interest rate risk**

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

<b>16 Receivables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	1 947	3 167
Less allowance for doubtful debts	( 1)	( 1)
Accrued revenues	621	660
Prepayments	1 168	1 154
Net GST receivable from the ATO	255	120
<b>Total Current receivables</b>	<b>3 990</b>	<b>5 100</b>
<b>Non-Current</b>		
Receivables	24	39
Prepayments	33	28
<b>Total Non-Current receivables</b>	<b>57</b>	<b>67</b>
<b>Total Receivables</b>	<b>4 047</b>	<b>5 167</b>
<b>Receivables from SA Government Entities</b>	<b>\$'000</b>	<b>\$'000</b>
Receivables	333	1 194
Accrued revenues	615	172
<b>Total Receivables from SA Government Entities</b>	<b>948</b>	<b>1 366</b>



# **Movement in the allowance**

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

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

	2014	2013
	\$'000	\$'000
Carrying amount at the beginning of the period	1	68
Bad debts written off	—	( 67)
<b>Carrying amount at the end of the period</b>	<b>1</b>	<b>1</b>

# **Interest rate and credit risk**

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

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

**Maturity Analysis of Receivables - refer to Table 29.3 in Note 29.**

**Categorisation of financial instruments and risk exposure information - refer to Note 29.**

# **17 Property, plant and equipment**

	2014	2013
	\$'000	\$'000
<b>Building Fitouts</b>		
At cost	2 048	2 049
Accumulated amortisation	(1 636)	(1 448)
<b>Total Building Fitouts</b>	<b>412</b>	<b>601</b>
<b>Furniture</b>		
At cost	338	300
Accumulated depreciation	( 289)	( 267)
<b>Total Furniture</b>	<b>49</b>	<b>33</b>
<b>Information Technology Equipment</b>		
At cost	1 893	1 829
Accumulated depreciation	(1 540)	(1 467)
<b>Total Information Technology Equipment</b>	<b>353</b>	<b>362</b>
<b>Office Equipment</b>		
At cost	454	528
Accumulated depreciation	( 447)	( 491)
<b>Total Office Equipment</b>	<b>7</b>	<b>37</b>
<b>Work in Progress</b>		
At cost	654	—
<b>Total Work in Progress</b>	<b>654</b>	<b>—</b>
<b>Total Property, plant and equipment</b>	<b>1 475</b>	<b>1 033</b>

### Carrying amount of Property, plant and equipment

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

### Impairment

There were no indicators of impairment for Property, Plant and Equipment as at 30 June 2014.

### Reconciliation of Property, Plant and Equipment

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

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

	Information Technology Equipment \$'000	Office Equipment \$'000	Work in Progress \$'000	Total 2014 \$'000
Carrying amount at the beginning of the period	362	37	—	1 033
Additions	156	—	654	849
Depreciation and amortisation expense	( 165)	( 30)	—	( 407)
<b>Carrying amount at the end of the period</b>	<b>353</b>	<b>7</b>	<b>654</b>	<b>1 475</b>

The following table shows the movement of property, plant and equipment during 2012-13:

	Building Fitouts \$'000	Furniture \$'000
Carrying amount at the beginning of the period	540	65
Additions	—	—
Capital transfers from WIP	253	—
Other movements	—	—
Depreciation and amortisation expense	( 192)	( 32)
<b>Carrying amount at the end of the period</b>	<b>601</b>	<b>33</b>

	Information Technology Equipment \$'000	Office Equipment \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at the beginning of the period	539	93	185	1 422
Additions	95	—	92	187
Capital transfers from WIP	—	—	( 253)	—
Other movements	11	—	( 24)	( 13)
Depreciation and amortisation expense	( 283)	( 56)	—	( 563)
<b>Carrying amount at the end of the period</b>	<b>362</b>	<b>37</b>	<b>—</b>	<b>1 033</b>

<b>18 Intangible assets</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Internally developed computer software		
At cost	20 670	20 590
Accumulated amortisation	(11 005)	(10 226)
<b>Total Internally developed computer software</b>	<b>9 665</b>	<b>10 364</b>
Externally acquired software		
At cost	2 940	2 894
Accumulated amortisation	(2 880)	(2 829)
<b>Total Externally acquired software</b>	<b>60</b>	<b>65</b>
Work in Progress		
At cost	11 230	13 611
<b>Total Work in Progress</b>	<b>11 230</b>	<b>13 611</b>
<b>Total Intangible assets</b>	<b>20 955</b>	<b>24 040</b>

#### Reconciliation of Intangible assets

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

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

There were no indications of impairment for Intangible Assets as at 30 June 2014.

The following table shows the movement of intangible assets during 2012-13:

	<b>Internally developed software</b>	<b>Externally acquired software</b>	<b>Work in Progress</b>	<b>Total 2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	10 801	282	10 738	21 821
Additions	289	—	2 975	3 264
Capital transfers from WIP	102	—	( 102)	—
Amortisation expense	( 828)	( 217)	—	(1 045)
<b>Carrying amount at the end of the period</b>	<b>10 364</b>	<b>65</b>	<b>13 611</b>	<b>24 040</b>

## 19 Fair value measurement

### Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Department categorises non-financial assets measured at fair value into a three-tier hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2014.

The Department had no valuations categorised into Level 1.

Fair value measurements at 30 June 2014

	<u>2014</u> \$'000	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000
<b>Recurring fair value measurements</b>				
Building Fitouts (note 17)	412	—	—	412
Furniture (note 17)	49	—	—	49
Information Technology Equipment (note 17)	353	—	—	353
Office Equipment (note 17)	7	—	—	7
<b>Total recurring fair value measurements</b>	<b>821</b>	<b>—</b>	<b>—</b>	<b>821</b>

Comparative information for non-financial assets is not required under the transitional provisions of the new standard.

There were no transfers of assets into or out of the level 3 hierarchy in 2014. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

### Valuation techniques and inputs

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

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

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

### Reconciliation of fair value measurements - Level 3

	<u>Office</u> <u>Equipment</u> \$'000	<u>Building fit</u> <u>outs</u> \$'000	<u>Furniture</u> \$'000	<u>Information</u> <u>Technology</u> <u>Equipment</u> \$'000
<b>Opening balance at the beginning of the period</b>	37	601	33	362
Additions	—	—	39	156
<b>Subtotal</b>	<b>37</b>	<b>601</b>	<b>72</b>	<b>518</b>
<b>Gains/(losses) for the period recognised in net result:</b>				
Depreciation	( 30)	( 189)	( 23)	( 165)
<b>Closing balance at the end of the period</b>	<b>7</b>	<b>412</b>	<b>49</b>	<b>353</b>

<b>20 Payables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors and accrued expenses*	6 663	7 737
Employment on-costs	861	1 250
Paid Parental Leave Scheme payable	27	22
<b>Total Current Payables</b>	<b>7 551</b>	<b>9 009</b>
<b>Non-Current</b>		
Employment on-costs	1 053	1 311
<b>Total Non-Current Payables</b>	<b>1 053</b>	<b>1 311</b>
<b>Total Payables</b>	<b>8 604</b>	<b>10 320</b>
<b>Payables to SA Government Entities</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Creditors and Accrued Expenses*	5 543	2 063
Employment on-costs	883	1 104
<b>Total Payables to SA Government Entities</b>	<b>6 426</b>	<b>3 167</b>

\* During 2013-14 the Department determined that it had not included an obligation (payable) to return \$4.661m in residual cash received from the winding up of the RESI Corporation in 2012-13 to the Consolidated Account. The actual payment of this cash to the Consolidated Account occurred in 2013-14 but as at 30 June 2013 the Department, under approval from the Treasurer, had an obligation to pay this cash to the Consolidated Account.

The following table discloses the impact that this error has had on the previously reported balance of payables:

	<b>\$'000</b>
Balance at 30 June 2013	3 076
Error correction	4 661
<b>Restated balance as at 30 June 2013</b>	<b>7 737</b>

#### Interest rate and credit risk

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

**Maturity Analysis of Payables - refer to table 29.3 in Note 29.**

**Categorisation of financial instruments and risk exposure information - refer to Note 29.**

<b>21 Employee benefits</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	157	—
Annual leave	3 699	4 633
Long service leave	1 840	1 988
Skills and experience retention leave	231	318
<b>Total Current Employee benefits</b>	<b>5 927</b>	<b>6 939</b>
<b>Non-Current</b>		
Long service leave	10 961	14 198
<b>Total Non-Current Employee benefits</b>	<b>10 961</b>	<b>14 198</b>
<b>Total Employee benefits</b>	<b>16 888</b>	<b>21 137</b>

The Department's long service leave liability was estimated in accordance with AASB 119, using assumptions based on employee experience from a range of similar SA government entities.

This estimate for 2014 used a salary inflation rate of 4%, which remained unchanged from the prior year.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2013 (3.75%) to 2014 (3.50%).

<b>22 Provisions</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	<u>200</u>	<u>292</u>
<b>Total Current Provisions</b>	<u>200</u>	<u>292</u>
<b>Non-Current</b>		
Provision for workers' compensation	<u>712</u>	<u>911</u>
<b>Total Non-Current Provisions</b>	<u>712</u>	<u>911</u>
<b>Total Provisions</b>	<u><u>912</u></u>	<u><u>1 203</u></u>
<b>Reconciliation of Provisions</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>1 203</b>	<b>1 183</b>
Payments/other sacrifices of future economic benefits	( 704)	( 432)
Additional provisions recognised	<u>413</u>	<u>452</u>
<b>Carrying amount at the end of the period</b>	<u><u>912</u></u>	<u><u>1 203</u></u>

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

<b>23 Other liabilities</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue within the SA Government	<u>140</u>	<u>—</u>
<b>Total Other liabilities</b>	<u>140</u>	<u>—</u>
<b>24 Equity</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital contribution	<u>547</u>	<u>547</u>
Retained earnings	<u>13 109</u>	<u>18 633</u>
<b>Total Equity</b>	<u><u>13 656</u></u>	<u><u>19 180</u></u>

## 25 Unrecognised Contractual Commitments

### (a) Remuneration Commitments

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

	2014	2013
	\$'000	\$'000
Not later than one year	7 214	9 257
Later than one year but not later than five years	13 224	19 553
Later than five years	—	194
<b>Total Remuneration Commitments</b>	<b>20 438</b>	<b>29 004</b>

Amounts disclosed include commitments arising from executive and other employment contracts. The Department does not offer fixed - term remuneration contracts greater than five years.

### (b) Operating Lease Commitments

#### The Department as Lessee

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

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

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

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

	2014	2013
	\$'000	\$'000
Not later than one year	4 153	4 691
Later than one year but not later than five years	1 876	6 958
Later than five years	91	239
<b>Total Non-Cancellable Operating Lease Commitments</b>	<b>6 120</b>	<b>11 888</b>

### (c) Other Commitments

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

	2014	2013
	\$'000	\$'000
Not later than one year	4 082	4 168
Later than one year and not later than five years	1 691	4 016
<b>Total Other Commitments</b>	<b>5 773</b>	<b>8 184</b>

## 26 Contingent Assets and Liabilities

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

## 27 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during 2013-14 financial year were:

### SAFA Advisory Board

Mr Brett Rowse (Presiding Member)\*  
Mr Mark Day  
Mr Leonard Foster  
Mr Claude Long  
Ms Yvonne Sneddon  
Ms Juliet Brown  
Ms Anne Westley\*  
Mr Garry Goddard (Deputy Member)\*  
Mr Peter Mendo (Deputy Member)\*  
Mr Jamie Hollamby (Deputy Member)\*

### SAFA Audit and Risk Management Committee

Ms Yvonne Sneddon (Chair)  
Mr Leonard Foster  
Ms Juliet Brown  
Mr Jamie Hollamby\*

### Playford Capital Board

Mr Ian Kowalick (Chair)  
Mr Marty Gauvin  
Ms Gay Wallace  
Mr Timothy Burfield\*  
Ms Amanda Heyworth\*  
Mr Kevin Cantley\*

### Super SA Board

Mr Philip Jackson (Presiding Member)  
Mr Kevin Cantley\*  
Ms Virginia Deegan  
Dr Bill Griggs\*  
Ms Jan McMahon  
Ms Deborah Black  
Ms Liz Hlipala (Deputy Member)\*  
Ms Leah York (Deputy Member)

### Super SA Member Services Committee

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

### Veterans Advisory Council

Sir Eric Neal AC CVO  
GPCAPT R Black AM (Retd)  
Mr KJ Gillman  
Mr M Benyk  
Mrs C Fittock  
Mr W Schmitt AM  
Mr G Harrison OAM  
LCDR J Godwin RANR  
LTCOL J Spencer OAM RFD (Retd)  
BRIG L Lewis AM (Retd)^  
Mr M Von Berg MC  
LTCOL IR Gregg  
Dr P D Schulz OAM  
Mr C M Burns CSC  
Ms H K Adamson  
BRIG T J Hanna AM  
Mr B L Horan  
Mr J L Hough  
Ms J R Hudson  
WGCDR R A Macintosh AFC (Retd)  
LTCOL M D Wells  
Mr L Eddy

### DTF Audit and Risk Committee

Mr Andrew Blaskett \* (Chair)  
Mr Anthony Steele \*  
Mr Craig Fowler \*  
Mr Tim Smith \*  
Mr John Hill - Independent Member ^  
Mr Alan Martin\*

### Super SA Audit and Finance Committee

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

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

^ BRIG L Lewis AM (Retd) and Mr John Hill were entitled to but elected not to receive remuneration for their membership of the Veteran's Advisory Council and the DTF Audit and Risk Committee respectively.

	2014 Number	2013 Number
The number of members whose remuneration received or receivable falls within the following bands:		
\$0 - \$9 999	43	39
\$10 000 - \$19 999	3	—
\$20 000 - \$29 999	3	4
\$30 000 - \$39 999	4	5
\$40 000 - \$49 999	2	2
Total Number of Members	55	50

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$362 000 (\$379 000).

Amounts paid to a superannuation plan for board/committee members was \$35 000 (\$30 000).

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



**28 Cash Flow Reconciliation**

	2014 \$'000	2013 \$'000
<b>(a) Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Statement of Cash Flows	13 723	21 600
Statement of Financial Position	13 723	21 600
<b>(b) Reconciliation of net cash provided by (used in) operating activities to net cost of providing services</b>		
<b>Net cash provided by (used in) operating activities</b>	<b>(4 768)</b>	<b>5 287</b>
Less revenues from SA Government	(64 017)	(84 563)
Add payments to SA Government	6 108	—
<b>Add non cash items</b>		
Depreciation and amortisation expense	(1 237)	(1 608)
Derecognition of assets	(4 515)	—
Bad and doubtful debts expenses	—	67
Derecognition of liabilities as part of Administrative Restructure	(3 341)	—
<b>Movement in assets / liabilities</b>		
(Decrease) increase in receivables	(1 120)	1 902
Decrease (Increase) in payables	1 716	( 26)
Decrease in employee benefits	4 249	773
Decrease (increase) in provisions	291	( 20)
Increase (Decrease) in other liabilities	( 140)	49
<b>Net cost of providing services</b>	<b>(66 774)</b>	<b>(78 139)</b>

**29 Financial Instruments/Financial Risk Management****Table 29.1 Categorisation of financial instruments**

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

**2014**

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

**2013**

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	15, 28	21 600	21 600
Receivables	Receivables <sup>(1) (2)</sup>	16	3 167	3 167
	<b>Total Financial Assets</b>		<b>24 767</b>	<b>24 767</b>
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	20	2 592	2 592
	<b>Total Financial Liabilities</b>		<b>2 592</b>	<b>2 592</b>

<sup>(1)</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. All amounts recorded are carried at cost (not materially different from amortised cost).

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

#### Fair value

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

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

#### Credit risk

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

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

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

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

**Table 29.2 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days	Overdue for 30 – 60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000
<b>2014</b>				
Not impaired				
Receivables <sup>(1)</sup>	68	—	—	68
Impaired				
Receivables <sup>(1)</sup>	—	—	1	1
<b>Total</b>	<b>68</b>	<b>—</b>	<b>1</b>	<b>69</b>
<b>2013</b>				
Not impaired				
Receivables <sup>(1)</sup>	8	4	50	62
Impaired				
Receivables <sup>(1)</sup>	—	—	1	1
<b>Total</b>	<b>8</b>	<b>4</b>	<b>51</b>	<b>63</b>

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

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

**Table 29.3: Maturity analysis of financial assets and liabilities**

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

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2013</b>				
<b>Financial assets</b>				
Cash and cash equivalents	21 600	21 600	—	—
Receivables	3 167	3 167	—	—
<b>Total financial assets</b>	<b>24 767</b>	<b>24 767</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	2 592	2 592	—	—
<b>Total financial liabilities</b>	<b>2 592</b>	<b>2 592</b>	<b>—</b>	<b>—</b>

#### Liquidity risk

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

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

The carrying amount of financial liabilities recorded in Table 29.3 represent the Department's maximum exposure to financial liabilities.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The Department is not exposed to any significant market risk.

### 30 Transferred functions

#### Transferred out

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

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

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

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

#### 2012-13

There were no restructures during 2012-13

### 31 Events after the end of the reporting period

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



# **DEPARTMENT OF TREASURY AND FINANCE**

## **ADMINISTERED FINANCIAL STATEMENTS**

**for the year ended 30 June 2014**

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**Statement of Administered Comprehensive Income for the year ended 30 June 2014**

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	Note	2014 \$'000	2013 \$'000
<b>INCOME</b>			
Taxation	33	3 758 830	3 651 128
Commonwealth revenues	34	6 473 708	6 408 322
Dividends	35	245 310	695 088
Interest revenues	36	79 510	120 941
Revenues from SA Government	37	1 853 493	1 944 728
Grants and contributions	38	270 967	134 032
Revenues from fees and charges	39	76 344	75 338
Other revenues	40	491 939	845 430
<b>Total income</b>		<b>13 250 101</b>	<b>13 875 007</b>
<b>EXPENSES</b>			
Payments to SA Government	37	10 193 086	10 866 375
Employee benefit expenses	41	438 197	452 219
Supplies and services	42	57 560	58 314
Borrowing costs	43	363 801	388 926
Grants, subsidies and transfers	44	2 246 087	2 301 334
Depreciation and amortisation expense	45	485	478
Net loss from the disposal of non-current assets	46	2 997	388 567
Other expenses	47	154 803	107 362
<b>Total expenses</b>		<b>13 457 016</b>	<b>14 563 575</b>
<b>NET RESULT</b>		<b>(206 915)</b>	<b>(688 568)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in revaluation surplus	52	—	187
<b>NET RESULT AND TOTAL COMPREHENSIVE INCOME</b>		<b>(206 915)</b>	<b>(688 381)</b>

**Statement of Administered Financial Position as at 30 June 2014**

	<b>Note</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	48	1 622 553	1 597 660
Receivables	49	11 630	11 798
Other financial assets	50	150	414
Non-current assets held for sale	51	557	—
<b>Total Current Assets</b>		<b>1 634 890</b>	<b>1 609 872</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	49	12	15
Other financial assets	50	—	175
Property, plant and equipment	52	1 301	5 248
Intangible assets	53	325	325
<b>Total Non-Current Assets</b>		<b>1 638</b>	<b>5 763</b>
<b>TOTAL ASSETS</b>		<b>1 636 528</b>	<b>1 615 635</b>
<b>CURRENT LIABILITIES</b>			
Payables	55	1 327 814	1 095 167
Employee benefits	56	1 094	886
Provisions	57	90	100
Other liabilities	58	21	31
<b>Total Current Liabilities</b>		<b>1 329 019</b>	<b>1 096 184</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	55	67 941	72 792
Employee benefits	56	836	956
Provisions	57	310	348
Other liabilities	58	705	730
<b>Total Non-Current Liabilities</b>		<b>69 792</b>	<b>74 826</b>
<b>TOTAL LIABILITIES</b>		<b>1 398 811</b>	<b>1 171 010</b>
<b>NET ASSETS</b>		<b>237 717</b>	<b>444 625</b>
<b>EQUITY</b>			
Accumulated surplus		237 082	443 990
Asset revaluation surplus		635	635
<b>TOTAL EQUITY</b>	59	<b>237 717</b>	<b>444 625</b>
Unrecognised Contractual Commitments	60		
Contingent Assets and Liabilities	61		



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**Statement of Administered Changes in Equity for the year ended 30 June 2014**

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	Revaluation Surplus	Accumulated Surplus/ (Deficit)	TOTAL
	\$'000	\$'000	\$'000
<b>Balance at 30 June 2012</b>	448	128 327	128 775
Net result for 2012-13	—	(688 568)	(688 568)
Gain on revaluation of land and buildings	187	—	187
Total comprehensive result for 2012-13	187	(688 568)	(688 381)
Net assets transferred as a result of an administrative restructure	64 —	1 004 086	1 004 086
<b>Balance at 30 June 2013</b>	<b>635</b>	<b>443 845</b>	<b>444 480</b>
Error Correction	52 —	145	145
Restated balance at 30 June 2013	59 635	443 990	444 625
Total comprehensive result for 2013-14	—	(206 915)	(206 915)
Net assets transferred as a result of an administrative restructure	64 —	7	7
<b>Balance at 30 June 2014</b>	<b>59 635</b>	<b>237 082</b>	<b>237 717</b>

Statement of Administered Cash Flows for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash inflows</b>			
Taxation received		3 685 741	3 651 128
Receipts from Commonwealth		6 473 707	6 408 321
Dividends		240 455	287 337
Interest received		79 510	120 941
Receipts from SA Government		1 852 506	1 944 728
Grants and contributions		270 967	134 032
Fees and charges		77 043	113 371
GST receipts on receivables		1 006	504
GST recovered from Australian Taxation Office		2 479	1 602
Receipts for Paid - Parental Leave Scheme		4	—
SA Lotteries Sale		—	402 771
Other receipts		491 939	603 997
<b>Cash generated from operations</b>		<b>13 175 357</b>	<b>13 668 732</b>
<b>Cash outflows</b>			
Payments to SA Government		(9 955 416)	(10 180 134)
Employee benefit payments		( 438 142)	( 452 265)
Payments for supplies and services		( 62 615)	( 19 728)
Interest payments		( 363 801)	( 388 926)
Grants, subsidies and transfers		(2 246 087)	(2 301 334)
GST payments on purchases		( 2 587)	( 1 540)
GST remitted to Australian Taxation Office		( 1 005)	( 838)
Payments for paid parental leave scheme		—	( 2)
Other payments		( 81 713)	( 107 362)
<b>Cash used in operations</b>		<b>(13 151 366)</b>	<b>(13 452 129)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	62(b)	<b>23 991</b>	<b>216 603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 92)	( 62)
<b>Cash used in investing activities</b>		<b>( 92)</b>	<b>( 62)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>( 92)</b>	<b>( 62)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash inflows</b>			
Proceeds from other financial assets		987	657
Cash received from Administrative restructure		7	—
<b>Cash generated from financing activities</b>		<b>994</b>	<b>657</b>
<b>Cash outflows</b>			
Repayment of interest bearing liabilities		—	(1 423)
<b>Cash used in financing activities</b>		<b>—</b>	<b>(1 423)</b>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>994</b>	<b>( 766)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>24 893</b>	<b>215 775</b>
Cash and cash equivalents at 1 July		1 597 660	1 381 885
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	62(a)	<b>1 622 553</b>	<b>1 597 660</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2014**

	Admin Items on behalf of the Consolidated Account		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account		Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme		ETSA Sales/Lease Proceeds Account		Hospitals Fund		Housing Loans Redemption Fund	
	Activity 1		Activity 2		Activity 3		Activity 4		Activity 5		Activity 6		Activity 7		Activity 8	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>INCOME</b>																
Taxation	3 513 977	3 368 994	—	—	—	—	99 123	98 620	—	—	—	—	144 338	183 514	—	—
Commonwealth revenues	5 360 923	5 240 583	25 016	23 947	—	—	—	—	—	—	—	—	—	—	—	—
Dividends	240 455	287 337	—	—	—	—	—	—	—	—	4 855	407 751	—	—	—	—
Interest revenues	77 705	118 852	—	—	—	—	73	90	401	493	—	—	—	—	—	—
Revenues from SA Government	72 820	54 314	—	—	—	—	—	—	—	—	—	—	—	—	—	393
Grants and contributions	99 999	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revenues from fees and charges	75 926	74 931	—	—	20 000	20 000	103 153	90 462	—	—	—	—	—	—	—	—
Other revenues	468 443	406 491	—	—	—	—	416	398	—	—	—	—	—	—	—	—
<b>Total Administered Income</b>	<b>9 910 248</b>	<b>9 551 502</b>	<b>25 016</b>	<b>23 947</b>	<b>20 000</b>	<b>20 000</b>	<b>202 765</b>	<b>189 570</b>	<b>401</b>	<b>493</b>	<b>4 855</b>	<b>407 751</b>	<b>144 338</b>	<b>183 514</b>	<b>379</b>	<b>393</b>
<b>EXPENSES</b>																
Payments to SA Government	9 833 448	9 495 012	—	—	—	—	—	—	—	—	—	—	144 338	183 514	—	—
Employee benefit expenses	265	473	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Supplies and services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants, subsidies and transfers	76 535	56 017	—	—	20 000	20 000	202 625	189 616	—	—	—	—	—	—	—	—
Depreciation and amortisation expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net loss from the disposal of non-current assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenses	—	—	25 016	23 947	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Administered Expenses</b>	<b>9 910 248</b>	<b>9 551 502</b>	<b>25 016</b>	<b>23 947</b>	<b>20 000</b>	<b>20 000</b>	<b>202 625</b>	<b>189 616</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>144 338</b>	<b>183 514</b>	<b>—</b>	<b>—</b>
<b>NET RESULT</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>140</b>	<b>( 46)</b>	<b>401</b>	<b>493</b>	<b>4 855</b>	<b>407 751</b>	<b>—</b>	<b>—</b>	<b>379</b>	<b>393</b>
<b>OTHER COMPREHENSIVE INCOME</b>																
Changes in revaluation surplus	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>140</b>	<b>( 46)</b>	<b>401</b>	<b>493</b>	<b>4 855</b>	<b>407 751</b>	<b>—</b>	<b>—</b>	<b>379</b>	<b>393</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2014**

	Activity 9		Activity 10		Activity 11		Activity 12		Activity 13		Activity 14		Activity 15		Activity 16	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>INCOME</b>																
Taxation	1 087 769	1 143 792	—	—	—	—	—	—	1 392	—	—	—	—	—	—	—
Commonwealth revenues	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest revenues	—	—	24	40	—	—	834	1 073	4	—	—	—	—	—	—	—
Revenues from SA Government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and contributions	—	—	25 757	2 565	—	96	—	—	—	—	—	—	10	(10)	22 048	20 919
Revenues from fees and charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	9
Other revenues	—	—	3 701	1 979	—	—	—	—	—	—	—	—	—	—	24	—
<b>Total Administered Income</b>	<b>1 087 769</b>	<b>1 143 792</b>	<b>29 482</b>	<b>4 584</b>	<b>—</b>	<b>96</b>	<b>834</b>	<b>1 073</b>	<b>1 396</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>(10)</b>	<b>22 074</b>	<b>20 928</b>
<b>EXPENSES</b>																
Payments to SA Government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Employee benefit expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15 832	14 146
Supplies and services	—	—	—	—	—	—	—	—	—	—	—	—	43	113	5 982	6 358
Borrowing costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants, subsidies and transfers	1 191 033	1 276 228	13 284	39 246	—	2 368	847	6 238	1 398	—	—	—	—	—	1	3
Depreciation and amortisation expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	299	300
Net loss from the disposal of non-current assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenses	—	—	2 715	1 460	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Administered Expenses</b>	<b>1 191 033</b>	<b>1 276 228</b>	<b>15 999</b>	<b>40 706</b>	<b>—</b>	<b>2 368</b>	<b>847</b>	<b>6 278</b>	<b>1 398</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43</b>	<b>113</b>	<b>22 114</b>	<b>20 807</b>
<b>NET RESULT</b>	<b>(103 264)</b>	<b>(132 436)</b>	<b>13 483</b>	<b>(36 122)</b>	<b>—</b>	<b>(2 272)</b>	<b>(13)</b>	<b>(5 205)</b>	<b>(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(33)</b>	<b>(123)</b>	<b>(40)</b>	<b>121</b>
<b>OTHER COMPREHENSIVE INCOME</b>																
Changes in revaluation surplus	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>(103 264)</b>	<b>(132 436)</b>	<b>13 483</b>	<b>(36 122)</b>	<b>—</b>	<b>(2 272)</b>	<b>(13)</b>	<b>(5 205)</b>	<b>(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(33)</b>	<b>(123)</b>	<b>(40)</b>	<b>121</b>

**Disaggregated Disclosures  
Administered Expenses and Income  
For the year ended 30 June 2014**

	Super SA Select		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account		Treasury Working Account		Treasury - Asset Management Account		Asset Divestment		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>														
Taxation	—	—	—	—	—	—	—	—	—	—	—	—	3 758 830	3 651 128
Commonwealth revenues	—	—	—	—	—	—	—	—	—	—	—	—	6 473 708	6 408 322
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	245 310	695 088
Interest revenues	—	—	—	—	—	—	—	—	90	—	—	—	79 510	120 941
Revenues from SA Government	—	—	1 780 673	1 890 414	—	—	—	—	—	—	—	—	1 853 493	1 944 728
Grants and contributions	—	—	—	—	—	—	—	—	—	—	—	—	270 967	134 032
Revenues from fees and charges	—	—	—	—	—	—	—	—	—	—	—	—	76 344	75 338
Other revenues	—	—	430	1 076	25	25	19 307	9 258	9	1 655	—	424 946	491 939	845 430
<b>Total Administered Income</b>	<b>—</b>	<b>—</b>	<b>1 781 103</b>	<b>1 891 490</b>	<b>25</b>	<b>25</b>	<b>19 307</b>	<b>9 258</b>	<b>99</b>	<b>1 655</b>	<b>—</b>	<b>424 946</b>	<b>13 250 101</b>	<b>13 875 007</b>
<b>EXPENSES</b>														
Payments to SA Government	—	—	213 645	150 001	—	—	—	—	1 655	—	—	1 037 848	10 193 086	10 866 375
Employee benefit expenses	—	—	422 100	437 600	—	—	—	—	—	—	—	—	438 197	452 219
Supplies and services	—	—	51 490	51 778	37	25	—	—	8	—	—	—	57 560	58 314
Borrowing costs	—	—	363 801	387 503	—	—	—	—	—	—	—	1 423	363 801	388 926
Grants, subsidies and transfers	—	—	740 364	711 471	—	—	—	147	—	—	—	—	2 246 087	2 301 334
Depreciation and amortisation expense	—	—	155	—	31	26	—	—	—	—	—	152	485	478
Net loss from the disposal of non-current assets	—	—	2 997	—	—	—	—	—	—	—	—	388 567	2 997	388 567
Other expenses	500	—	107 265	72 844	—	—	19 307	9 111	—	—	—	—	154 803	107 362
<b>Total Administered Expenses</b>	<b>500</b>	<b>—</b>	<b>1 901 817</b>	<b>1 811 197</b>	<b>68</b>	<b>51</b>	<b>19 307</b>	<b>9 258</b>	<b>1 663</b>	<b>—</b>	<b>—</b>	<b>1 427 990</b>	<b>13 457 016</b>	<b>14 563 575</b>
<b>NET RESULT</b>	<b>(500)</b>	<b>—</b>	<b>(120 714)</b>	<b>80 293</b>	<b>(43)</b>	<b>(26)</b>	<b>—</b>	<b>—</b>	<b>(1 564)</b>	<b>1 655</b>	<b>—</b>	<b>(1 003 044)</b>	<b>(206 915)</b>	<b>(688 568)</b>
<b>OTHER COMPREHENSIVE INCOME</b>														
Changes in revaluation surplus	—	—	—	—	—	187	—	—	—	—	—	—	—	187
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>(500)</b>	<b>—</b>	<b>(120 714)</b>	<b>80 293</b>	<b>(43)</b>	<b>161</b>	<b>—</b>	<b>—</b>	<b>(1 564)</b>	<b>1 655</b>	<b>—</b>	<b>(1 003 044)</b>	<b>(206 915)</b>	<b>(688 381)</b>

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

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

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

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

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

- Commonwealth Mirror Taxes on Commonwealth Places Revenue Account
- Community Development Fund
- Community Emergency Services Fund
- Country Equalisation Scheme Account
- ETSA Sales/Lease Proceeds Account
- Hospitals Fund
- Housing Loan Redemption Fund
- Industry Financial Assistance Account
- Intergovernmental Agreement on Federal Financial Relations
- Local Government Concessions Senior Card Holders
- Local Government Disaster Fund
- Local Government Taxation Equivalents Fund
- Market Projects Unit
- Minister for Finance - Super SA Select
- Responsible Gambling Working Party
- Support Services to Parliamentarians
- Treasurer's Interest in the National Wine Centre Account
- Treasury Working Account
- Treasury and Finance Administered Items Account
- Treasury Asset Management Account

### **32.1 Summary of Significant Accounting Policies**

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

**33 Taxation**

	2014 \$'000	2013 \$'000
Stamp duties	1 494 906	1 401 128
Commonwealth Places Mirror - stamp duties	931	263
Payroll tax	1 300 805	1 275 370
Commonwealth Places Mirror - payroll tax	22 756	22 312
Land tax	571 612	581 965
Commonwealth Places Mirror - land tax	1 381	1 371
Emergency Services levy	99 123	98 620
Local Government rate equivalents	8 149	3 333
Income tax equivalents	178 586	131 546
Contributions from Lotteries Commission of South Australia	73 048	108 790
Save the River Murray levy	—	26 380
Hindmarsh Island Bridge levy	42	50
Casino Duty	7 491	—
<b>Total Taxation</b>	<b>3 758 830</b>	<b>3 651 128</b>

**Taxation received/receivable from entities within the SA Government**

Stamp duties	4 794	4 728
Payroll tax	249 624	229 859
Land tax	217 996	214 777
Emergency Services levy	2 739	3 252
Local Government rate equivalents	7 923	3 108
Income tax equivalents	178 586	131 546
Contributions from Lotteries Commission of South Australia	73 048	108 790
<b>Total Taxation received/receivable from entities within the SA Government</b>	<b>734 710</b>	<b>696 060</b>

**34 Commonwealth revenues**

	2014 \$'000	2013 \$'000
<b>Commonwealth General Purpose Grants</b>		
GST revenue grants	4 646 819	4 509 740
Commonwealth Places Mirror taxes	25 016	23 946
<b>Total Commonwealth General Purpose Grants</b>	<b>4 671 835</b>	<b>4 533 686</b>
<b>Commonwealth Specific Purpose Grants</b>		
Concessions to pensioners and others	27 663	26 756
Council of Australian Governments Funding arrangements	669 736	606 798
Intergovernmental Agreement on Federal Financial Relations - Recurrent	1 046 044	1 049 980
Intergovernmental Agreement on Federal Financial Relations - Capital	53 989	184 399
Other grants paid to Consolidated Account	4 437	6 472
First Home Owners Boost	4	231
<b>Total Commonwealth Specific Purpose Grants</b>	<b>1 801 873</b>	<b>1 874 636</b>
<b>Total Commonwealth revenues</b>	<b>6 473 708</b>	<b>6 408 322</b>

**35 Dividends**

	2014 \$'000	2013 \$'000
Adelaide Convention Centre	1 094	—
Forestry SA	—	29 527
Transmission Lessor Corporation	—	156 061
Generation Lessor Corporation	4 855	5 564
Distribution Lessor Corporation	—	247 276
Homestart Finance	7 176	6 329
Public Trustee Office	1 528	—
SA Water Corporation	196 171	235 775
South Australian Asset Management Corporation	—	4 620
South Australian Government Employee Residential Property	1 706	1 706
South Australian Government Financing Authority	32 780	8 230
<b>Total Dividends received/receivable from entities within the SA Government</b>	<b>245 310</b>	<b>695 088</b>

<b>36 Interest revenues</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	79 510	120 941
<b>Total Interest revenues</b>	<b>79 510</b>	<b>120 941</b>
<b>Total Interest received/receivable from entities within the SA Government</b>	<b>73 108</b>	<b>116 996</b>
<b>37 Revenues from/Payments to SA Government</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from the Consolidated Account pursuant to the Appropriation Act	1 780 673	1 890 414
Appropriations under other acts	72 820	54 314
<b>Total Revenues from SA Government</b>	<b>1 853 493</b>	<b>1 944 728</b>
<b>Payments to SA Government</b>		
Transfer of revenue received on behalf of the Consolidated Account	9 833 448	10 532 861
Other payments to the Consolidated Account	144 338	183 514
Return of surplus cash pursuant to Cash Alignment Policy	213 645	150 000
Dividends paid to Consolidated Account	1 655	—
<b>Total Payments to SA Government</b>	<b>10 193 086</b>	<b>10 866 375</b>
<b>38 Grants and contributions</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants and Contributions	270 967	134 032
<b>Total Grants and contributions</b>	<b>270 967</b>	<b>134 032</b>
SA Government entities	270 541	132 382
<b>Total Grants and contributions received/receivable from entities within the SA Government</b>	<b>270 541</b>	<b>132 382</b>
<b>39 Revenues from fees and charges</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee Fees	75 926	74 931
Support Services to Parliamentarians	1	9
Other recoveries	417	398
<b>Total Revenue from fees and charges</b>	<b>76 344</b>	<b>75 338</b>
<b>Fees and charges received/receivable from entities within the SA Government:</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee Fees	75 926	74 931
Support Services to Parliamentarians	—	2
<b>Total Fees and charges from entities within the SA Government</b>	<b>75 926</b>	<b>74 933</b>



<b>40 Other revenues</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Discounted cash flow valuations for financial assistance loans	3 701	1 967
Repayment of advances	117 101	55 326
Return of cash to Consolidated Account - cash alignment policy	302 230	192 301
Return of capital	10 375	66 904
Return of deposit account balances	10 508	42 782
Essential Services Commission of SA	7 354	8 718
Support Services to Parliamentarians	24	12
Forgiveness of liabilities - Forestry SA	—	22 175
Sale proceeds - SA Lotteries	—	402 771
Recoveries DPTI Indentured Ports	9 977	26 679
Other income	30 669	25 795
<b>Total Other revenues</b>	<b>491 939</b>	<b>845 430</b>

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Revenues received/receivable from entities within the SA Government</b>		
Repayment of advances	117 094	55 192
Return of cash to Consolidated Account - cash alignment policy	302 230	192 301
Return of capital	10 375	66 904
Return of deposit account balances	10 508	4 682
Essential Services Commission of SA	7 354	8 718
Recoveries DPTI Indentured Ports	9 977	26 679
Other income	2 574	7 854
<b>Total Other revenues received/receivable from entities within SA Government</b>	<b>460 112</b>	<b>362 330</b>

<b>41 Employee benefit expenses</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation contributions to various schemes	422 100	437 600
Salaries and wages	12 222	11 327
Long service leave	590	124
Annual leave	902	845
Skills and experience retention leave	7	9
Employment on-costs - superannuation	1 226	1 106
Employment on-costs - other	742	662
Minister's salary, electorate and expense allowance	265	473
Other employee related expenses	143	73
<b>Total Employee benefit expenses</b>	<b>438 197</b>	<b>452 219</b>

<b>Remuneration of Employees</b>	<b>2014</b>	<b>2013</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Employees</b>	<b>Employees</b>
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$138 000 to \$141 499*	NA	1
\$151 500 to \$161 499	1	1
\$181 500 to \$191 499	1	—
<b>Total Number of Employees</b>	<b>2</b>	<b>2</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was **\$338 000** (\$295 000).

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2012-13.

<b>42 Supplies and services</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
State's share of GST administration	51 030	51 451
Support Services to Parliamentarians	5 766	6 208
Unclaimed monies	460	326
Consultants	19	10
Contractors and temporary staff	2	—
General administration and consumables	96	183
Other	187	136
<b>Total Supplies and services</b>	<b>57 560</b>	<b>58 314</b>

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Support Services to Parliamentarians	3 070	3 443
Unclaimed monies	10	—
General administration and consumables	63	167
Other	133	120
<b>Total Supplies and services by entities within the SA Government</b>	<b>3 276</b>	<b>3 730</b>

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

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

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	2	—	9	—
Between \$10 000 and \$50 000	1	1	10	10
<b>Total paid/payable to the Consultants</b>	<b>3</b>	<b>1</b>	<b>19</b>	<b>10</b>

<b>43 Borrowing costs</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on borrowings	338 080	353 895
Interest paid on deposit accounts and other monies	25 721	35 031
<b>Total Borrowing costs</b>	<b>363 801</b>	<b>388 926</b>
<b>Borrowing costs paid/payable to entities within SA Government</b>		
Interest on borrowings	338 080	353 895
Interest paid on deposit accounts and other monies	23 687	31 957
<b>Total Borrowing costs paid/payable to entities within SA Government</b>	<b>361 767</b>	<b>385 852</b>

<b>44 Grants, subsidies and transfers</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent grants, subsidies and transfers	2 094 425	2 157 526
Capital grants, subsidies and transfers	151 662	143 808
<b>Total Grants, subsidies and transfers</b>	<b>2 246 087</b>	<b>2 301 334</b>
<b>Grants, subsidies and transfers paid to entities within SA Government</b>		
Recurrent grants, subsidies and transfers	1 947 215	2 032 961
Capital grants, subsidies and transfers	151 662	143 808
<b>Total Grants, subsidies and transfers paid to entities within SA Government</b>	<b>2 098 877</b>	<b>2 176 769</b>

<b>45 Depreciation and amortisation expense</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings	62	36
Office equipment	—	4
Land Improvements	124	141
<b>Total Depreciation</b>	<b>186</b>	<b>181</b>
<b>Amortisation</b>		
Building fitouts	299	297
<b>Total Amortisation</b>	<b>299</b>	<b>297</b>
<b>Total Depreciation and amortisation expense</b>	<b>485</b>	<b>478</b>
<b>46 Net loss from the disposal of non-current assets</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Standing Timber</b>		
Proceeds from sale of standing timber	—	635 077
Carrying value of standing timber disposed	—	( 587 693)
Net gain from disposal of standing timber	—	47 384
<b>Land</b>		
Carrying value of land leased	—	435 951
Net loss on derecognition of land	—	( 435 951)
<b>Land Improvements</b>		
Carrying value of land leased	( 2 810)	—
Net loss on derecognition of land improvements	( 2 810)	—
<b>Buildings</b>		
Carrying value of land leased	( 187)	—
Net loss on derecognition of buildings	( 187)	—
<b>Net loss from disposal of assets</b>	<b>2 997</b>	<b>388 567</b>
<b>47 Other expenses</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Refunds and remissions	98 721	23 119
Payments to the South Australian Superannuation Fund	—	38 100
Payments to Commonwealth Government	25 016	23 947
Bad debts	306	917
Doubtful debts	( 117)	( 1 154)
Repayment of borrowings	3 517	3 795
Loans forgiven	2 525	1 697
Other	24 835	16 941
<b>Total Other expenses</b>	<b>154 803</b>	<b>107 362</b>
<b>Other expenses paid/payable to entities within the SA Government</b>		
Repayment of borrowings	3 517	3 795
Other	5 817	8 483
<b>Total Other expenses paid/payable to entities within the SA Government</b>	<b>9 334</b>	<b>12 278</b>
<b>48 Cash and cash equivalents</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	1 465 372	1 498 419
Promissory notes	28 419	28 287
DTF Loans Administration Account*	128 762	70 954
<b>Total Cash and cash equivalents</b>	<b>1 622 553</b>	<b>1 597 660</b>

#### Promissory notes

Promissory notes are issued for three month periods by the Local Government Finance Authority of South Australia. Promissory notes earn interest at their respective promissory note rates.

#### Interest rate risk

Deposits with the Treasurer earn a floating interest rate based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

#### \*DTF Loans Administration Account

During 2013-14 the Department noted that cash held in the DTF Loans Administration Account (LAA) was previously misclassified as receivables. The Department has since reclassified the balance of the LAA from receivables to cash and cash equivalents.

<b>49 Receivables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	3 056	2 069
Allowance for doubtful debts	( 2 487)	( 2 003)
Accrued revenues	10 843	11 566
Prepayments	1	42
GST input tax recoverable	217	124
<b>Total Current Receivables</b>	<b>11 630</b>	<b>11 798</b>
<b>Non-Current</b>		
Receivables	12	15
<b>Total Non-Current Receivables</b>	<b>12</b>	<b>15</b>
<b>Total Receivables</b>	<b>11 642</b>	<b>11 813</b>
<b>Receivables from SA Government Entities</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Receivables	35	4
Accrued revenues	10 839	11 563
<b>Total Receivables from SA Government Entities</b>	<b>10 874</b>	<b>11 567</b>

#### Movement in the Allowance for doubtful debts

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

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

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	2 003	2 559
Movement in the Allowance	484	( 556)
<b>Carrying amount at the end of the period</b>	<b>2 487</b>	<b>2 003</b>

#### Interest rate and credit risk

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

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

Maturity Analysis of Receivables - refer to Table 63.3 in Note 63.

Categorisation of financial instruments and risk exposure information - refer to Note 63.

<b>50 Other financial assets</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Loans for financial assistance	550	1 014
Provision for doubtful debts	( 400)	( 600)
<b>Total Current Other financial assets</b>	<b>150</b>	<b>414</b>
<b>Non-Current</b>		
Loans for financial assistance	—	575
Provision for doubtful debts	—	( 400)
<b>Total Non-Current Other financial assets</b>	<b>—</b>	<b>175</b>
<b>Total Other financial assets</b>	<b>150</b>	<b>589</b>

#### Movement in the Provision for doubtful debts

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

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

	2014 \$'000	2013 \$'000
Carrying amount at the beginning of the period	1 000	1 600
Movement in the Provision	( 600)	( 600)
<b>Carrying amount at the end of the period</b>	<b>400</b>	<b>1 000</b>

Maturity Analysis of Receivables - refer to Table 63.3 in Note 63.

Categorisation of financial instruments and risk exposure information - refer to Note 63.

	2014 \$'000	2013 \$'000
<b>51 Non-current assets held for sale</b>		
Land	145	—
Buildings	412	—
<b>Total assets held for sale</b>	<b>557</b>	<b>—</b>
<b>52 Property, plant and equipment</b>		
<b>Buildings</b>		
At valuation	972	1 627
Accumulated depreciation	( 32)	( 26)
<b>Total Buildings</b>	<b>940</b>	<b>1 601</b>
<b>Building fitouts</b>		
At cost	1 680	1 589
Accumulated amortisation	( 1 377)	( 1 079)
<b>Total Building fitouts</b>	<b>303</b>	<b>510</b>
<b>Land</b>		
At valuation*	58	203
<b>Total Land</b>	<b>58</b>	<b>203</b>
<b>Land Improvements</b>		
At valuation	—	5 345
Accumulated amortisation	—	( 2 411)
<b>Total Land Improvements</b>	<b>—</b>	<b>2 934</b>
<b>Total Property, Plant and Equipment</b>	<b>1 301</b>	<b>5 248</b>

\*During 2013-14 the Department determined that it had incorrectly derecognised two parcels of land totalling \$145 000 under the lease arrangements for the State's Green Triangle forest plantations as at 30 June 2013. This land is owned by the Treasurer and is not subject to the lease arrangements for the State's Green triangle forest plantations.

The Department has recognised an error correction in the Statement of Administered Changes in Equity for the year ended 30 June 2014 and restated the opening balances of accumulated surplus/deficit and land.

The following table discloses the impact that this error has had on the previously reported balance of land:

	Current \$'000
Balance at 30 June 2013	58
Error correction	145
<b>Restated balance as at 30 June 2013</b>	<b>203</b>

#### Valuation of Non-Current Assets

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

### Impairment

There were no indications of impairments for property, plant and equipment as at 30 June 2014.

### Reconciliation of property, plant and equipment

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

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

The following table shows the movement of property, plant and equipment during 2012-13:

	Land \$'000	Land Improvements \$'000	Standing Timber \$'000	Buildings \$'000	Building fitouts \$'000
Carrying amount at the beginning of the period	46	—	—	822	745
Additions	—	—	—	—	62
Prior Period Adjustment	145	—	—	—	—
Transfer through Administrative Restructure	435 951	3 075	587 693	640	—
Revaluation Increment/Decrement	12	—	—	175	—
Other - Disposals	( 435 951)	—	(587 693)	—	—
Depreciation and amortisation expense	—	( 141)	—	( 36)	( 297)
<b>Carrying amount at the end of the period</b>	<b>203</b>	<b>2 934</b>	<b>—</b>	<b>1 601</b>	<b>510</b>

	Office equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	4	1 617
Additions	—	62
Prior Period Adjustment	—	145
Transfer through Administrative Restructure	—	1 027 359
Revaluation Increment/Decrement	—	187
Other - Disposals	—	(1 023 644)
Depreciation and amortisation expense	( 4)	( 478)
<b>Carrying amount at the end of the period</b>	<b>—</b>	<b>5 248</b>

### 53 Intangible Assets

	2 014 \$'000	2 013 \$'000
<b>Water Licences</b>		
At cost	325	325
<b>Total Water Licences</b>	<b>325</b>	<b>325</b>
<b>Total Intangible Assets</b>	<b>325</b>	<b>325</b>

### Reconciliation of Intangible Assets

There has been no movement in Intangibles.

### Impairment

There were no indications of impairment for Intangible Assets as at 30 June 2014.

## 54 Fair value measurement

### Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Department categorises non-financial assets measured at fair value into a three-tier hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2014.

The department had no valuations categorised into Level 1

	2014 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>		
Buildings (note 52)	940	940
Building Fitouts (note 52)	303	303
Land (note 52)	58	58
Total recurring fair value measurements	1 301	1 301
<b>Non Recurring fair value measurements</b>		
Buildings held for sale (note 51)	412	412
Land held for sale (note 51)	145	145
Total non recurring fair value measurements	557	557
<b>Total</b>	<b>1 858</b>	<b>1 858</b>

There were no transfers of assets into or out of the level 3 hierarchy in 2014. The Department's policy is to recognise transfers into or out of fair value hierarchy levels as at the end of reporting period.

Comparative information for non-financial assets is not required under the transitional provisions of the new standard.

### Valuation techniques and inputs

Building fitouts are recognised at cost less accumulated depreciation. In accordance with APF III 'Asset Accounting Framework', property, plant and equipment is only revalued when its fair value at acquisition date exceeds \$1 million and its estimated useful life is greater than 3 years. Building fitouts do not meet this threshold.

Because estimates of residual value and useful life are not based on observable market data, building fitouts are categorised into level 3.

Land and buildings that exceeded the threshold set by APF III were valued as follows:

Description	Fair Value	Valuation Technique	Unobservable Inputs
Land and Buildings	\$999,000	Income approach (Discounted cash flow)	Discount rate of 6.82% Lease charges per square metre. Projected cost of refurbishment at lease termination per square metre.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

### Reconciliation of fair value measurements - Level 3

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

<b>55 Payables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors - electricity entities lease proceeds	5 341	4 855
Creditors - revenue received on behalf of the Consolidated Account	1 280 679	1 047 864
Creditors - other	24 878	29 520
Accrued expenses	16 755	12 778
Employment on-costs	157	135
GST payable	—	15
Paid parental leave scheme payable	4	—
<b>Total Current Payables</b>	<b>1 327 814</b>	<b>1 095 167</b>
<b>Non-Current</b>		
Creditors - electricity entities lease proceeds	64 862	70 202
Employment on-costs	78	88
Creditors - other	2 501	2 502
Super SA Select Loan	500	—
<b>Total Non-Current Payables</b>	<b>67 941</b>	<b>72 792</b>
<b>Total Payables</b>	<b>1 395 755</b>	<b>1 167 959</b>
<b>Payables to SA Government Entities</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Creditors - electricity entities lease proceeds	70 203	75 057
Creditors - revenue on behalf of the Consolidated Account	1 280 679	1 047 864
Creditors - other	—	257
Accrued expenses	10 871	11 908
Employment on-costs	101	96
<b>Total Payables to SA Government Entities</b>	<b>1 361 854</b>	<b>1 135 182</b>

#### Interest rate and credit risk

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

Maturity Analysis of Payables - refer to Table 63.3 in Note 63.

Categorisation of financial instruments and risk exposure information - refer to Note 63.

<b>56 Employee benefits</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	46	—
Annual leave	687	678
Long service leave	348	198
Skills Experience Retention leave	13	10
<b>Total Current Employee benefits</b>	<b>1 094</b>	<b>886</b>
<b>Non-Current</b>		
Long service leave	836	956
<b>Total Non-Current Employee benefits</b>	<b>836</b>	<b>956</b>
<b>Total Employee benefits</b>	<b>1 930</b>	<b>1 842</b>

The Department's long service leave liability was estimated in accordance with AASB 119, using actuarial assumptions based on employee experience from a range of similar SA government entities.

This estimate for 2014 used a salary inflation rate of 4%, which remained unchanged from the prior year.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2013 (3.75%) to 2014 (3.50%).



<b>57 Provisions</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	90	100
<b>Total Current Provisions</b>	<b>90</b>	<b>100</b>
<b>Non-Current</b>		
Provision for workers' compensation	310	348
<b>Total Non-Current Provisions</b>	<b>310</b>	<b>348</b>
<b>Total Provisions</b>	<b>400</b>	<b>448</b>
<b>Reconciliation of Provisions</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	448	448
Reduction in provisions recognised	( 48)	—
<b>Carrying amount at the end of the period</b>	<b>400</b>	<b>448</b>

A liability has been recognised to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

<b>58 Other liabilities</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	21	31
<b>Total Current other liabilities</b>	<b>21</b>	<b>31</b>
<b>Non-Current</b>		
Unearned revenue	705	730
<b>Total Non-Current other liabilities</b>	<b>705</b>	<b>730</b>
<b>Total Other liabilities</b>	<b>726</b>	<b>761</b>

All unearned revenue relates to pre-paid lease income. Specifically, the Treasurer entered into an agreement with the University of Adelaide to lease land and buildings previously owned by the National Wine Centre over a 40 year period, for an upfront consideration of \$1 000 000 which has been recorded as unearned revenue and is being apportioned over the life of the lease.

<b>59 Equity</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Revaluation surplus	635	635
Accumulated Surplus	237 082	443 990
<b>Total Equity</b>	<b>237 717</b>	<b>444 625</b>

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

#### **60 Unrecognised Contractual Commitments**

##### **(a) Remuneration commitments**

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

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	1 919	2 147
Later than one year but not later than five years	2 060	141
Later than five years	338	—
<b>Total Remuneration commitments</b>	<b>4 317</b>	<b>2 288</b>

Amounts disclosed include commitments arising from executive and other employment contracts. The Department does not offer fixed-term remuneration contracts greater than five years.

**(b) Operating lease commitments**

**The Department as Lessee**

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

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

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

	2014	2013
	\$'000	\$'000
Not later than one year	1 288	1 789
Later than one year but not later than five years	1 320	986
Later than five years	37	—
<b>Total Operating lease commitments</b>	<b>2 645</b>	<b>2 775</b>

**(c) Other commitments**

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

	2014	2013
	\$'000	\$'000
Not later than one year	73 524	170 822
Later than one year and not later than five years	20 267	26 075
Later than five years	1 050	1 750
<b>Total Other commitments</b>	<b>94 841</b>	<b>198 647</b>

**61 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 unconditionally and irrevocably guarantees to each beneficiary the due and punctual payment and performance by the Adelaide Convention Centre Corporation of the Corporation's obligations to that beneficiary.

Under an agreement, dated 9 May 1996, with the Australian Energy Market Operator (AEMO), previously known as National Electricity Market Management Company (NEMMCO), the Treasurer may be required to contribute to the winding up of AEMO. The maximum exposure at 30 June 2014 is capped at \$692 000.

Under section 15 of the Government Financing Authority Act 1982, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the State of South Australia. This includes any derivative counterparties default. As at 30 June 2014, derivative credit exposure was \$551.5 million.

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

Under an agreement with the South Australian Netball Association, the Treasurer has provided a Deed of Guarantee for the repayment of a loan, which the South Australian Netball Association has with an external banking institution with a total exposure of \$347 041.

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

The Treasurer has indemnified SAFA against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. In 2013-14 this policy resulted in a payable from SAFA to the Treasurer of \$12.2 million.

The Treasurer has agreed to indemnify the Export Finance and Insurance Corporation, the Commonwealth Government's export finance agency, for a guarantee of up to \$291 million to external lenders to the Port Pirie Smelter Transformation Project being undertaken by Nyxstar. The indemnity is not expected to be issued before January 2015.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2013 was \$662 million.

## 62 Cash Flow Reconciliation

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

Statement of Cash Flows  
Statement of Financial Position

2014	2013
\$'000	\$'000
1 622 553	1 597 660
1 622 553	1 597 660

### (b) Reconciliation of net cash (used in) provided by operating activities to net result

	2014	2013
	\$'000	\$'000
<b>Net cash (used in) provided by operating activities</b>	<b>23 991</b>	<b>216 603</b>
<b>Add Non cash items</b>		
Depreciation and amortisation expense	( 485)	( 478)
Bad debts expenses	( 306)	( 917)
Doubtful debts expenses	117	1 154
Discounted cash flow valuations for financial assistance loans - other revenues	3 701	1 967
Movements in financial assistance loans	—	657
Loans forgiven	( 2 525)	19 055
Net loss on disposal of Assets	( 2 997)	( 388 567)
Transferred to Consolidated Account - Proceeds from Forestry SA	—	( 635 077)
<b>Movement in assets / liabilities</b>		
Decrease in receivables	( 171)	( 37 837)
Decrease in other financial assets (not operating)	( 439)	( 57)
Decrease (increase) in payables	( 227 796)	134 535
(Increase) decrease in employee benefits	( 88)	49
Decrease in provisions	48	—
Decrease in other liabilities	35	345
<b>Net result</b>	<b>( 206 915)</b>	<b>( 688 568)</b>

## 63 Financial Instruments/Financial Risk Management

Table 63.1 Categorisation of financial Instruments

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

2014

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount	Fair value
			2014	2014
			\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	48,62	1 622 553	1 622 553
Loans and receivables	Receivables <sup>(1)</sup> (2)	49	3 056	3 056
Held to maturity investments	Other financial assets	50	150	150
	<b>Total Financial Assets</b>		<b>1 625 759</b>	<b>1 625 759</b>
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	55	1 375 760	1 375 760
	<b>Total Financial Liabilities</b>		<b>1 375 760</b>	<b>1 375 760</b>

2013

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount	Fair value
			2013 \$'000	2013 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	48,62	1 597 660	1 597 660
Loans and receivables	Receivables <sup>(1) (2)</sup>	49	2 069	2 069
Held to maturity investments	Other financial assets	50	589	589
	<b>Total Financial Assets</b>		1 600 318	1 600 318
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	55	1 152 441	1 152 441
	<b>Total Financial Liabilities</b>		1 152 441	1 152 441

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

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

#### Fair value

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

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair value due to the short term nature of these. Refer to Notes 49 and 55.

#### Credit risk

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

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

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the Department does not hold any collateral as security to any of its financial assets. Other than receivables and other financial assets, there is no evidence to indicate that the financial assets are impaired. Refer to Notes 49 and 55 for information on the allowance for impairment in relation to receivables.

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

**Table 63.2 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days	Overdue for 30 – 60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000
<b>2014</b>				
<b>Not impaired</b>				
Other financial assets	—	—	150	150
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	2 487	2 487
<b>Total</b>	—	—	2 637	2 637
<b>2013</b>				
<b>Not impaired</b>				
Other financial assets	—	—	589	589
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	2 003	2 003
<b>Total</b>	—	—	2 592	2 592

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

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

**Table 63.3 Maturity analysis of financial assets and liabilities**

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

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2013</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1 597 660	1 597 660	—	—
Receivables	2 069	2 069	—	—
Other financial assets	589	414	175	—
<b>Total financial assets</b>	<b>1 600 318</b>	<b>1 600 143</b>	<b>175</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	1 152 441	1 082 239	—	70 202
<b>Total financial liabilities</b>	<b>1 152 441</b>	<b>1 082 239</b>	<b>—</b>	<b>70 202</b>

#### Liquidity risk

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

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

The carrying amount of financial liabilities recorded in Table 63.3 represent the Department's maximum exposure to financial liabilities.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The Department is not exposed to any significant market risk.

#### 64 Transferred Functions

##### 2013-14

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

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

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

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

##### 2012-13

The following assets and liabilities of Forestry SA transferred to the Treasurer in 2012-13.

##### Transferred In

Certain assets and liabilities of Forestry SA transferred to the Treasurer effective 17 October 2012.

	Total \$'000
<b>Non-Current Assets</b>	
Standing Timber	587 693
Land	435 951
Land Improvements	3 075
Building infrastructure	640
Water Licences	325
<b>Total Non-Current Assets</b>	<u>1 027 684</u>
<b>Non-Current Liabilities</b>	
Loan from SAFA	23 598
<b>Total Non-Current Liabilities</b>	<u>23 598</u>
<b>Net Assets transferred</b>	<u><u>1 004 086</u></u>

#### 65 Events after the end of the reporting period

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.



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## To the Under Treasurer Department of Treasury and Finance

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Treasury and Finance for the financial year ended 30 June 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2014
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2014
- a Statement of Administered Financial Position as at 30 June 2014
- a Statement of Administered Changes in Equity for the year ended 30 June 2014
- a Statement of Administered Cash Flows for the year ended 30 June 2014
- Disaggregated Disclosures - Expenses and Income attributable to administered activities for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Under Treasurer and the Director, Financial Services.

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

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

## Auditor's Responsibility

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

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

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

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2014, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
26 September 2014