



**Government of South Australia**

**Department of Treasury  
and Finance**

State Administration Centre  
200 Victoria Square  
Adelaide SA 5000

GPO Box 1045  
Adelaide SA 5001  
DX56205

Tel 08 8226 9500  
Fax 08 8226 3819  
<http://www.treasury.sa.gov.au>  
ABN 19 040 349 865

T&F08/0190  
TF08D06498

30 September 2008

The Honourable Kevin Foley MP  
Treasurer of South Australia

Dear Treasurer

I hereby forward to you the Annual Report of the Department of Treasury and Finance for 2007-08 as required under the *Public Sector Management Act 1995*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brett Rowse".

Brett Rowse  
ACTING UNDER TREASURER





**Government  
of South Australia**

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Department of Treasury  
and Finance

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**ANNUAL REPORT**

**2007-08**

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# TABLE OF CONTENTS

<b>UNDER TREASURER'S REPORT .....</b>	<b>1</b>
<b>THE ROLE OF TREASURY AND FINANCE .....</b>	<b>2</b>
The department .....	2
The vision .....	2
The purpose .....	2
Major clients .....	2
Strategic directions .....	3
Agencies in Treasurer's Portfolio .....	3
<b>THE YEAR IN REVIEW .....</b>	<b>4</b>
Strengthen state finances .....	4
Achieve performance improvements in South Australian Public Sector .....	4
Improve budget and financial management processes .....	5
Improve service delivery .....	5
Effective industry regulation .....	5
Other highlights .....	5
<b>ENSURING ACCOUNTABILITY FOR PUBLIC SECTOR RESOURCES.....</b>	<b>6</b>
Revenue and Economics Branch .....	6
Finance Branch .....	11
Government Accounting and Reporting Branch .....	14
Policy Analysis and Government Enterprises Branch .....	17
Projects Branch .....	19
<b>FINANCIAL SERVICES PROVISION .....</b>	<b>20</b>
RevenueSA .....	20
South Australian Government Financing Authority .....	24
Super SA .....	26
Corporate Services .....	29
<b>SHARED SERVICES SA .....</b>	<b>33</b>
<b>STATE PROCUREMENT AND FLEET OPERATIONS .....</b>	<b>36</b>
<b>OUR PEOPLE .....</b>	<b>39</b>
Employee numbers, gender and status .....	39
Workforce diversity .....	41
Occupational Health and Safety statistics .....	43
Disability Action Plan .....	45
Carers recognition .....	48
<b>PERFORMANCE .....</b>	<b>49</b>
Financial overview .....	49
Certification of the Financial Report .....	55
Income statement for the year ended 30 June 2008 .....	56
Balance sheet as at 30 June 2008 .....	57
Statement of changes in equity for the year ended 30 June 2008 .....	59
Cash flow statement for the year ended 30 June 2008 .....	60
Program schedule of expenses and income for the year ended 30 June 2008 .....	62

Note index .....	63
Notes .....	66
Statement of administered items income and expenses for the year ended 30 June 2008 .....	92
Statement of administered assets and liabilities as at 30 June 2008 .....	93
Statement of administered changes in equity for the year ended 30 June 2008 .....	94
Statement of administered cash flows for the year ended 30 June 2008 .....	95
Schedule of administered income and expenses for the year ended 30 June 2008 .....	96
Administered financial statements .....	98
Independent audit report .....	115
Audit and risk management .....	117

## **APPENDICES ..... 118**

Appendix 1 — Department Structure as at 30 June 2008 .....	118
Appendix 2 — Acts committed to the Ministers supported by the department as at 30 June 2008 .....	120
Appendix 3 — Legislative measures .....	121
Appendix 4 — Major Boards and Committees as at 30 June 2008 .....	127
Appendix 5 — Use of consultants .....	128
Appendix 6 — Freedom of Information Statement .....	130
Appendix 7— Overseas travel .....	132
Appendix 8 — Revenue collections by Revenue SA .....	133
Appendix 9 — Greening of Government Operations .....	134
Appendix 10 — Asbestos management in government buildings .....	136

## ***UNDER TREASURER'S REPORT***

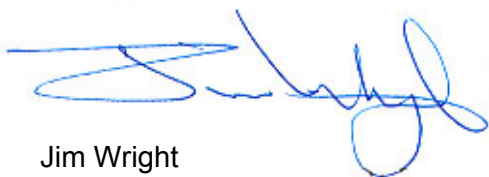
The 2007-08 year was one of continuing reform and improvement in business operations, systems and processes throughout the Department of Treasury and Finance.

Shared service reforms remained a significant focus for the department. Twelve months on from the establishment of the Shared Services Reform Office, Shared Services SA was formed, with the first group of services and employees successfully transitioned and operational by March 2008.

Following the abolition of the Department of Administrative and Information Services (DAIS) in 2006, the department played a major role in the final transfer of staff into receiving agencies, including the Department of Treasury and Finance.

The department has also maintained a strong commitment to improving financial and policy accountability in the South Australian public sector during 2007-08. The state's AAA credit rating was successfully maintained.

This Annual Report details the numerous achievements of the department during 2007-08. These achievements were only made possible by the dedication of staff at all levels of the department. I would like to take this opportunity to sincerely thank them for their ongoing contributions, as the department continues to face the challenges of implementing government reform into 2008-09.



Jim Wright  
UNDER TREASURER

# THE ROLE OF TREASURY AND FINANCE

## THE DEPARTMENT

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

The organisation is made up of a diverse group of dedicated people with an extensive range of knowledge and skills, including economics, finance, accounting, insurance, superannuation, administration and management.

## THE VISION

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

## THE PURPOSE

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

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

## MAJOR CLIENTS

**Government:** Treasury and Finance's principal client is the Treasurer and through the Treasurer, the government, for its work in administering and coordinating the State Government's finances and providing a range of financial services during the reporting year. It also provided support to the Minister for Finance and Minister for Gambling.

**Government agencies:** in addition to administering and coordinating the government's requirements across agencies, the department delivers a range of services, including advice and technical support, to all portfolio groups, state agencies and government businesses.

**SA community:** the broader community, through the elected government and Parliament, is the ultimate client of our services. Treasury and Finance has direct dealings with a range of community members, including taxpayers and their representatives, members of superannuation schemes and the business community generally.



## **STRATEGIC DIRECTIONS**

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

This report provides information on the achievements under these priorities, in the areas of Ensuring Accountability for Public Sector Resources and Financial Service Provision.

## **AGENCIES IN TREASURER'S PORTFOLIO**

The Department of Treasury and Finance is the principal agency in the Treasurer's Portfolio.

## **THE YEAR IN REVIEW**

The 2007-08 year saw the Department of Treasury and Finance focus on its five main priorities:

- strengthen state finances;
- achieve performance improvements in the South Australian Public Sector;
- improve budget and financial management processes;
- improve service delivery; and
- effective industry regulation.

The department's priorities support the *South Australia's Strategic Plan*.

There were a number of highlights in each of the department's priorities during the year as outlined below. Further details on these highlights are contained in the respective branch reports.

### **STRENGTHEN STATE FINANCES**

A key focus of the department's activities is the delivery of successful budget strategies that support the ongoing status of the state's AAA credit rating. Subsequent to the release of the 2007-08 Budget, Standard & Poor's and Moody's conducted ratings reviews and endorsed the AAA credit rating for the state. The 2008-09 Budget was presented by the Treasurer on 5 June 2008.

The department continued to provide financial and economic advice to assist the government in achieving its targets in the *South Australia's Strategic Plan* (SASP). The department worked collaboratively with the Department of Premier and Cabinet to undertake a review of government agencies' SASP implementation plans.

The department was also responsible for providing advice regarding issues for the state arising from election commitments by the newly appointed Commonwealth Government.

### **ACHIEVE PERFORMANCE IMPROVEMENTS IN SOUTH AUSTRALIAN PUBLIC SECTOR**

Shared Services SA was created in October 2007. A shared services model and staged approach for the transition to new shared services arrangements was established. The shared services model mandates all general government sector agencies for participation in the reform. Services transfer to Shared Services SA on a 'business as usual' basis and are then reformed to achieve efficiencies and improved service delivery outcomes. In March 2008 the first group of services and employees successfully transitioned to Shared Services SA. This marked the commencement of Shared Services SA service delivery operations.

The department undertook various reviews of the organisational arrangements and business processes of the procurement and fleet management areas. These resulted in improvements to short term vehicle hire; improved procurement timelines within the public

sector; successful closure of the Supply SA warehouses; and, streamlined vehicle sales by the transition of Auctions SA into Fleet SA.

## **IMPROVE BUDGET AND FINANCIAL MANAGEMENT PROCESSES**

The department continued to provide financial management support to agencies through the provision of helpdesk services for financial and budget systems, financial management and reporting and taxation, as well as running accounting and tax information forums throughout the year.

The department has also implemented arrangements to support budgetary accountability for Chief Executives of government agencies.

## **IMPROVE SERVICE DELIVERY**

The State Superannuation Office worked towards the transfer of the Police Lump Sum and Police Pension Scheme voluntary accounts into the Triple S Scheme. This will result in additional services to Police members and a potential increase to their long term benefit.

## **EFFECTIVE INDUSTRY REGULATION**

The department continued to provide policy advice and support on industry regulation during 2007-08, including the implementation of the National Water Initiative and policy formulation regarding environmental issues.

Specifically this work included supporting:

- the inter-jurisdictional Steering Group on Water Charges;
- the Desalination Working Group;
- the progressive transfer to national regulators of ESCOSA's energy regulation activities; and
- the Responsible Gambling Working Party with gambling policy and regulation.

## **OTHER HIGHLIGHTS**

Other achievements during the year included:

- assisting with the renegotiation of Specific Purpose Payments and reforms in Commonwealth-State financial relations; and
- project team established and procurement process underway for the development of the Marjorie-Jackson Nelson Hospital.

# **ENSURING ACCOUNTABILITY FOR PUBLIC SECTOR RESOURCES**

## **REVENUE AND ECONOMICS BRANCH**

The Revenue and Economics Branch supports Treasury and Finance's priorities of:

- strengthening state finances; and
- improving the budget and financial management process.

The Revenue and Economics Branch provides economic policy advice at the whole of government level on revenue, Commonwealth–State financial relations, economic development, gambling policy, insurance issues and the economic and financial environment in South Australia.

### **Performance**

The major activities included providing advice on a range of revenue measures and policy advice on gambling issues and essential services regulation. The branch also worked to ensure an equitable share of Commonwealth funding through submissions to the Commonwealth Grants Commission (CGC) and participated in the reforms of Commonwealth–State relations initiated by the Council of Australian Governments (COAG).

### **Commonwealth–State relations**

A significant workload for the branch in 2007-08 was undertaken in the area of Commonwealth–State relations and focused on the changes to Commonwealth–State financial arrangements endorsed by COAG and the CGC's 2010 review of horizontal fiscal equalisation (HFE) methods.

The branch provided support to the Heads of Treasuries Specific Purpose Payments (SPP) Working Group which was given the task of rationalising the number of existing SPP agreements, and changing the nature of funding arrangements to focus more on outputs and outcomes. The recommendations by Treasurers to COAG were that the number of SPP agreements be reduced to the major functions of health, affordable housing, schools education, vocational education and training, and disabilities services. In addition, National Partnerships payments would be introduced to support the delivery of specific outputs or projects and to facilitate the implementation, or reward the delivery, of national reforms.

It is proposed that the new framework will be agreed for implementation by 1 January 2009.

The branch also provided input to a number of the COAG working groups established to progress the reform agenda, including health and ageing, climate change and water, business regulation and competition, and Indigenous reform.

The branch continued to participate in the CGC review of the HFE methodology in 2007-08. The review is aimed at simplifying the methods used to distribute GST revenue grants consistent with HFE principles. The branch prepared State submissions to the review on the CGC's approach to specific revenue and expense assessment methods. The branch also

participated in conferences and interjurisdictional staff-level meetings convened by the CGC on specific assessment issues.

In addition, the branch continued to:

- contribute to policy issues relevant to the GST through membership of the GST Administration Sub-Committee and the States and Territories GST Policy Working Group; and
- prepare and coordinate briefing material for Treasurers' Conferences and Heads of Treasuries meetings.

### **Local government issues**

The branch provided policy advice and technical input on local government finance issues. This included assistance with South Australia's submission to a Productivity Commission research study assessing local government revenue. The branch also provided practical support to the Local Government Association's Financial Sustainability Program which is helping councils to improve their financial governance and performance.

### **Gambling policy**

The branch supported the Government with the passage through Parliament of the *Collections for Charitable Purposes (Miscellaneous) Amendment Act 2007*. The Amendment Act provides for increased disclosure requirements for charity collections and a number of other administrative and technical amendments. The provisions contained in the Amendment Act commence 1 November 2008.

The branch supported the Government with the passage through Parliament of the *Statutes Amendment (Investigation and Regulation of Gambling Licensees) Act 2007* during 2007-08. The Amendment Act gives effect to the 2006-07 Budget initiative to recover costs associated with regulating the Casino and the TAB.

The branch supported the Responsible Gambling Working Party during 2007-08. The Working Party presented the First and Second Progress Reports to the Minister for Gambling during 2007-08. The First Progress Report presents a number of practical ways to assist customers who wish to make a commitment to limit their gambling on electronic gaming machines. The Second Progress Report addresses informed decision-making, money management and player tracking systems. Further, the Second Progress Report outlines the Working Party's approach to the trial of player tracking systems through an open invitation to industry proponents to submit proposals.

The branch released an issues paper on the regulation of bookmakers. The issues paper raised a number of questions to help stakeholders identify areas where the administrative and regulatory burden could be reduced for the South Australian Bookmaking industry.

### **State revenue**

The branch continued its core business of monitoring and forecasting State taxation revenue and general purpose Commonwealth grants while developing revenue policy initiatives and assessing revenue proposals.

The work undertaken by the branch included:

- providing advice to the Treasurer on revenue reforms for introduction in the 2008-09 Budget, including additional payroll tax relief and additional assistance for first home buyers through the replacement of the first homebuyer stamp duty concession scheme with a first home bonus grant;
- implementation of arrangements to enable inter-jurisdictional payroll tax harmonisation initiatives to take effect from 1 July 2008, culminating in the passage of associated legislation through Parliament; and
- determining and implementing Emergency Services Levy (ESL) rates for the 2008-09 year.

### **Economic regulation**

The branch continued to support the government's commitment to a transparent water and wastewater pricing mechanism during the year managing the completion of the *Transparency Statement Water and Wastewater Prices in Metropolitan and Regional South Australia 2008-09*. As in previous years, the 2008-09 document outlined the government's urban water and wastewater price setting processes, the matters considered in pricing decisions and the government's compliance with Council of Australian Governments' (COAG) agreements and pricing principles and National Water Initiative obligations.

Work on the development of nationally consistent pricing principles with an inter-jurisdictional Steering Group on Water Charging, chaired by the National Water Commission (NWC) was completed in 2007-08. The draft principles are now being considered through COAG processes.

The branch also worked on a number of other regulatory matters, including:

- continuing to participate in an inter-jurisdictional group that oversees the publication of the *National Performance Report 2006-07 urban water utilities*, and incorporating the first comparative analysis of major and non-major urban water utilities;
- commencing a process to obtain advice on third party access to SA Water's infrastructure;
- participating in COAG processes for developing an enhanced urban water reform framework;
- administration required by the Essential Services Commission Act 2002, including annual budget and performance plan, appointment of Commissioners; and
- participating in the Desalination Working Group.

### **Economic analysis**

The branch completed 128 economic briefings during 2007-08 analysing major economic indicators as part of its ongoing role in monitoring and analysing state, national and international economic trends and outlook. The branch also provided briefings to the Treasurer on independent economic reports and publications.

The branch provided input to a range of emerging economic, environmental and social policy developments during 2007-08. This included the economic and fiscal impacts of issues being discussed by COAG including business regulation, climate change and water. The branch also provided input on issues relating to drought, the development of a national emissions trading scheme, population and housing, the Government's Shared Services initiative, and the economic and fiscal impacts of the proposed mining expansion at Olympic Dam.

The branch continued to oversee the departmental relationship with ratings agencies as part of its role in supporting the maintenance of the State's AAA credit rating. The branch hosted a visit from Standard and Poor's in July 2007 following a visit in the previous month by Moody's Investors Service. The AAA credit rating was maintained in 2007-08, with Standard and Poor's affirming in August 2007 and Moody's publishing its credit opinion in October 2007.

The branch also provided economic advice and data to support State Government submissions to the Industrial Relations Commission and the Australian Fair Pay Commission. This included submissions to the proceedings regarding minimum standards of remuneration and the State Wage Case.

Since 2002, the branch has provided advice on insurance policy matters. The branch continued to monitor and provide advice on trends in insurance markets, the implementation of national administration and approval arrangements for occupational liability capping schemes and ongoing advice on emerging policy issues associated with statutory classes of insurance. In September 2007, the branch, on behalf of the department, prepared a submission to the South Australian Parliament's Economic and Finance Committee *Public Liability Inquiry*.

## ***The year ahead***

- Providing advice on the budgetary and economic impacts of the proposed future expansion of the Olympic Dam mine.
- Implementing the recommendations of the review of the Lottery and Gaming Regulations 1993.
- Implementing amendments for increased disclosure to the Collections for Charitable Purposes Act 1939.
- Providing support to the Responsible Gambling Working Party.
- Continue to monitor and review revenue projections.
- Continue input to the CGC's 2010 methodology review.
- Continue to provide strategic policy advice on urban water and wastewater pricing issues, and participate in COAG processes with respect to enhanced urban water reform.
- Continual review of revenue forecasting methodologies and monitoring of revenues.
- Provision of tax policy advice.

- Monitoring new developments, responding to requests for information and preparing policy responses to the Commonwealth tax review on Australia's Future Tax System.
- Contribute to further payroll tax harmonisation reforms, including the development of legislation to amend the *Payroll Tax Act 1971* to align the Act with the uniform payroll tax legislative model operating in the eastern states.



## **FINANCE BRANCH**

Finance Branch played an important role in supporting Treasury and Finance's 2007-08 priorities of:

- achieving performance improvements in the South Australian Public Sector;
- improving the budget and financial management process; and
- strengthening state finances.

Specifically, Finance Branch manages the state budget process, provides policy advice on budgetary and financial issues across government, and monitors the financial performance of general government agencies.

### ***Performance***

The focus of the branch during 2007-08 continued to be management and improvement of the State Budget process in the context of maintaining the State's AAA credit rating. The branch also improved government financial management through monthly monitoring and Senior Finance Officer Forums, provided policy and costing advice to the government on a range of issues.

### **Budget**

The branch's primary activity was management of the 2008-09 State Budget, delivered in June 2008.

The branch continued to provide financial and economic advice to assist the government to carry out its fiscal strategy and achieve South Australia's Strategic Plan targets, including:

- maintaining the AAA credit rating; and
- continued refinements to the State Budget process were made during 2007-08, with improvements in the quality of agency forward estimates achieved through the introduction of improved processes and critical analysis of information submitted by agencies including on expenditure and fees and charges.

A number of other measures were introduced that improved the quality of information for government decision-making processes, including:

- improvements to the quality and presentation of information relating to budget bids;
- continued development of fiscal modelling tools to assess the longer term financial implications of budget decisions; and
- improvements to the accuracy and timeliness of financial information and the quality of briefing materials provided to Ministers, Expenditure Review and Budget Cabinet Committee (ERBCC) and Cabinet.

## **Financial monitoring**

The branch continued the collection and analysis of monthly monitoring information for general government agencies. The ongoing review of the process provided an opportunity for increasing the accuracy of financial information obtained from agencies and enhancing the quality of briefing materials.

The branch prepared regular reports for the ERBCC regarding monitoring of budget outcomes and specific budget expenditure and saving initiatives. These reports allow Ministers to be informed about agency financial performance and progress against targets.

Full Time Equivalent (FTE) monitoring arrangements were introduced across government during 2007-08. The branch continued the collection and analysis of FTE caps and actual FTE data for agencies. This information was initially collated monthly but has transitioned to quarterly reporting as agencies have resolved any problematic issues.

## **Support Initiatives**

The branch continued to play a significant role in supporting the enterprise bargaining framework for the government's workforce. This included the provision of policy and costing advice to the Treasurer and the government for enterprise bargaining with Public Sector workgroups. Enterprise agreements were finalised for police, nurses, ambulance officers and Parliament House and electoral office employees, which covers approximately 20 per cent of the government workforce.

The branch also conducted regular forums for Senior Finance Officers of government agencies to increase understanding of improvements to budget and financial processes and enhance agency compliance with these processes.

Other support initiatives undertaken by the branch in 2007-08 included:

- facilitating the introduction of a new carryover policy to ensure the carryover rules are well understood and that agencies are able to utilise available funding to achieve the desired outcomes over an appropriate timeframe;
- working with the Department of the Premier and Cabinet to improve budget performance information, including links to strategic plans;
- implementation of a new horizon year process to improve the quality of the base forward estimates and the associated record keeping;
- representing the department on a range of government committees including the State Emergency Management Committee, the National Disaster Relief and Recovery Arrangements Stakeholder Committee, the State Recovery Committee, the ICT Board Procurement Steering Committee and the State Mitigation Advisory Group;
- implementation of a streamlined counterparty journal process; and
- continued implementation of budget adjustments and revised portfolio arrangements resulting from the Shared Services reform.

## ***The year ahead***

- Production of the 2009-10 State Budget.
- Continued improvement of the annual state budget process to ensure outcomes are consistent with government priorities and delivery of budget strategies consistent with maintaining the government's AAA credit rating.
- Continued development of fiscal modelling tools to assess the longer-term financial implications of budget decisions.
- Working with the Department of the Premier and Cabinet to improve budget performance information, including links to strategic plans.
- Continuing regular forums for Senior Finance Officers across government for increased knowledge sharing regarding improvements to budget and financial processes, and agency compliance with these processes.

## **GOVERNMENT ACCOUNTING AND REPORTING BRANCH**

The Government Accounting and Reporting (GAR) Branch played a direct role in supporting Treasury and Finance's 2007-08 priorities of:

- improving the budget and financial management process; and
- strengthening state finances.

GAR indirectly contributed to the priorities of achieving performance improvement and improving service delivery in the SA Public Sector.

GAR maintains government financial systems, manages financial policy, legislation and governance, consolidates and analyses financial information, advises the government on fiscal policies and issues, and manages the government's banking and over the counter revenue collection contracts and the recruitment and development of accounting and finance graduates into the public sector.

### ***Performance***

The branch undertook a range of activities during the year aimed at improving government budget and financial management processes. Specifically, the branch achieved improvements to its budget management systems, improved its financial reporting processes and finalised the renewal of the state's banking arrangements.

#### **Improving the budget and financial management process**

The branch continued the development and enhancement of its budget management systems during 2007-08. This work is aimed at supporting budgetary control and accountability in agencies, and producing high quality information to support government decision-making and the parliamentary appropriation process.

The major consolidated reporting obligations undertaken by the branch during 2007-08 included:

- 2008-09 Budget (June 2008);
- Final Budget Outcome 2006-07;
- AAS 31 Consolidated Financial Statements 2006-07; and
- Mid-year Budget Review 2007-08.

The branch focused on data quality and process improvements to support the improved timeliness of annual actual consolidations. The branch achieved significant improvements in timeliness for the production of the 2006-07 consolidated financial statements. Significant advancements were achieved in the collection of agency monitoring information allowing more regular consolidation of data and improvements to consolidation processes.

The branch also plays an important role in supporting the development of financial management within government agencies. In particular, it provides information and training on a wide range of issues concerning financial management practice. Specific activities undertaken during 2007-08 included:

- hosting the Government Accounting Information Forum for accountants from across government during the year. The forum provided comprehensive technical updates on financial management practices. These included changes to accounting standards, revisions to Treasurer's Instructions and other contemporary accounting and financial management issues. Approximately 160 government accounting officers attended the forum;
- convening three taxation information sessions in relation to specific taxation matters with a total of 188 officers attending these sessions; and
- publishing four Government On Target (GOT) bulletins during the year. These bulletins are available to all South Australian public sector accounting staff, and provide important updates on a range of matters relating to financial management and governance.

The Branch contributed to the development of new accounting standards on whole of government reporting, and the uniform presentation of financial information by governments through the membership of Branch staff on national coordinating committees.

In addition to the financial management help desk service GAR provides to agencies, Treasury executives contribute to Finance, Audit and financial management improvement committees in a number of public authorities.

The branch finalised liaison on new Treasurer's Instructions to replace the Financial Management Framework during 2007-08 and commenced work to roll these new instructions out to agencies.

Following on from the renewal of contractual arrangements for purchase cards and transactional banking, the branch finalised tendering for merchant facilities during 2007-08 and entered into contractual arrangements with the successful provider. The new arrangements provide significant pricing improvements to government.

The branch continued its role in supporting the use of common financial management software across government. This work included the provision of help desk and mainframe support for financial management systems to government agencies. Arrangements were finalised in later 2007-08 for the transition of the Financial Applications Systems Team into Shared Services SA in early 2008-09.

## **Strengthening State finances**

The branch provided advice to the Treasurer in the development of the government's fiscal strategy. In addition, advice was provided on the fiscal policy and fiscal position of other jurisdictions.

This advice was considered by ratings agencies as part of their annual ratings processes. This contributed to the maintenance of South Australia's AAA Credit Rating during the year.

The branch continued to manage the Graduate Development Program (GDP) during the year. The aim of the program is to recruit, place and train accounting and economics graduates for careers in the public service. The GDP offers structured on the job training and

a 12 month professional development program. In 2007-08, 15 graduates participated in the program with 12 training sessions provided.

In preparation for the 2009 graduate intake, branch representatives attended career sessions and spoke at career expos coordinated by the Universities and industry bodies, to promote the program. It is expected that approximately 25 graduates will be offered employment in 2009 as part of the program.

### ***The year ahead***

- Continuing to provide leadership in the areas of quality financial reporting and financial accountability across government.
- Improving the quality and timeliness of financial reporting across government agencies.
- Continuing to improve consolidation and financial reporting processes.
- Providing advice on matters relating to the government's fiscal policy, in particular with respect to key balance sheet items including unfunded superannuation liabilities.

## **POLICY ANALYSIS AND GOVERNMENT ENTERPRISES BRANCH**

The Policy Analysis and Government Enterprises Branch played an important role in supporting Treasury and Finance's 2007-08 priorities of:

- strengthening State finances including maintaining the AAA credit rating;
- achieving performance improvements in the South Australian public sector; and
- improving the budget and financial management process.

The Policy Analysis and Government Enterprises Branch provides strategic analysis and advice on policy issues that impact on government service provision, particularly longer term social policy issues in the areas of health, education, justice and community services. The branch also monitors the financial performance, reviews governance arrangements and provides policy advice on commercial, investment and other ownership issues relating to Government Enterprises.

### **Performance**

The provision of policy advice to the Treasurer in the social policy areas of health, education, housing, justice and community services and provision of policy advice on ownership issues relating to Government Business Enterprises was the focus of the branch's activities during 2007-08. The branch also monitored the financial performance of Government Business Enterprises.

### **Policy advice**

The branch provided advice on a range of issues related to the health and community services sector including health system service improvements, mental health services, hospital activity, child protection, disability services and Commonwealth-State agreements on health care and disability services.

The branch also undertook analysis of policy to help inform deliberations and decisions on financial and policy matters in relation to education services, including proposals to improve school retention through the continuation of the Innovative Community Action Networks, enrolment forecasts and the activity patterns of the vocational educational and training system. The branch continued to provide policy analysis in the area of justice.

The branch also examined a range of issues related to the rationalisation of administration and information services within government as a result of the integration of ex-DAIS units into new agencies.

### **COAG reforms**

The Policy Analysis and Government Enterprises Branch contributed to the renegotiation of SPP and reforms in Commonwealth-State financial relations with proposes changes to the nature of funding arrangements to focus more on outputs and outcomes. The branch represented the department on the COAG Indigenous Reform Working Group, the COAG Productivity Agenda Working Group and its subgroups in areas of schooling, skills and workforce development and early childhood development and subgroups of the COAG Health and Ageing Working Group. Advice was provided in relation to issues for the State

arising from reform proposals and the implementation of Commonwealth Government election commitments.

### **Performance measurement and evaluation**

The branch in collaboration with the Department of Premier and Cabinet was closely involved in the review of agencies' South Australia's Strategic Plan implementation plans and the development of associated performance indicators to be incorporated in agencies' portfolio statements.

### **Government Business Enterprises**

The Policy Analysis and Government Enterprises Branch supported improvements in financial management practices, budget reporting requirements and management of the budget process of Public Non Financial Corporations including the finalisation of new ownership framework arrangements in the Land Management Corporation.

### ***The year ahead***

- Continuing to provide analysis and advice on key policy issues relating to education, health, housing, justice, child protection and disability services and administrative and information services and COAG reforms.
- Monitoring the performance of Government Business Enterprises.
- Applying the Government's Ownership Framework for Public Non-Financial Corporations to all Government Business Enterprises.



## **PROJECTS BRANCH**

The Projects Branch played an important role in supporting the Treasury and Finance 2007-08 priority of:

- achieving performance improvements in the South Australian public sector.

The Projects Branch facilitates private sector participation in infrastructure development under the government's Partnerships SA policy. The branch also provides advice to agencies on major capital investment proposals.

Projects Branch provides an oversight function to ensure that Public Private Partnership (PPP) projects conform to the policy guidelines.

### ***Performance***

The key priority for the branch in 2007-08 was to provide guidance and oversight to sponsor agencies in the implementation of the new schools, the new prisons and secure facilities PPP projects. The branch also participated in the completion of the Outline Business Case for the new Marjorie Jackson Nelson Hospital PPP and the procurement study for the Adelaide Desalination Plant.

### **Financial management**

The branch contributed to the improvement of the capital investment process through the development of a quality assurance process for investment business cases. This process was developed in conjunction with the Department of Transport, Energy and Infrastructure and in accordance with the *State Infrastructure Plan*.

The branch worked to improve financial management practices within other government agencies through its representation on major project working groups and steering committees, with a focus on detailed financial and risk analysis.

### **Infrastructure development**

The branch provided an advisory role for agencies developing business cases for infrastructure projects. It ensured that business cases complied with relevant policies and that the proposals were correctly costed, potential budget impacts were recognised and alternative procurement options were adequately assessed.

### ***The year ahead***

- Progressing the implementation of the schools, and secure facilities PPP projects through Expression of Interest and Request for Proposal stages.
- In collaboration with the Department of Health, providing guidance on the development of PPP project documentation for the Marjorie Jackson-Nelson hospital.
- In collaboration with the SA Water, participating in the delivery of the Adelaide Desalination Plant.

# **FINANCIAL SERVICES PROVISION**

## **REVENUESA**

RevenueSA played an important role in supporting Treasury and Finance's 2007-08 priorities of:

- strengthening state finances; and
- improving service delivery.

RevenueSA is responsible for the management of taxation legislation, revenue collection and compliance systems that enable the government to raise revenue using its taxation powers, and provides policy advice on taxation issues. It is also responsible for the management of various grants, rebates and subsidy schemes for the government.

## **Performance**

During 2007-08, RevenueSA focused on effectively managing and enforcing taxation legislation, with a particular emphasis on compliance issues and identifying the best value for money solution for replacing its information technology systems.

RevenueSA collected approximately \$3.1 billion in revenue during 2007-08, as detailed in Appendix 6. The revenue collected exceeded 2007-08 Budget (\$2.8b) estimates by approximately \$300 million, which is largely a consequence of the strong performance of the property market. RevenueSA also approved and paid 9763 First Home Owner Grant (FHOG) applications and rebated approximately \$12.5 million and \$8.3 million under the Payroll Tax Trainee and Export rebate schemes respectively.

## **Compliance activity**

The government continues to focus resources to support compliance with the state's taxation laws, grant, rebate and subsidy schemes. RevenueSA takes positive action to identify and resolve non compliance through investigation, data matching and strategic intelligence capabilities. Risk based compliance programs are conducted across the full range of taxes and schemes. Statistical based data matching is increasingly being used to improve audit and debt management case selection techniques.

Compliance activity in 2007-08 focused on Payroll-Tax, Land Tax, Emergency Services Levy and Stamp Duties land rich anti avoidance activities. The total revenue collected from compliance enforcement activities for 2007-08 was \$88.6 million.

## Revenue collected through Compliance and Debt Management Programs

Tax Head	Target	Revenue collected	Number of taxpayers investigated and completed
	\$000	\$000	
Payroll Tax	21 520	19 867	1 325
Land Tax	9 120	15 156	5 520
First Home Owners Grant	2 300	1 851	432
Stamp Duty Insurance	2 060	359	7
Stamp Duty Motor Vehicles	285	70	76
Stamp Duty Conveyance	14 250	49 230	858
Stamp Duty Rental Business	1 240	630	62
Stamp Duty Mortgages	400	—	—
Emergency Services Levy	1 600	1 418	3 504
Other (inc Petroleum, Debits & Liquidations)	200	—	8
<b>Total</b>	<b>52 975</b>	<b>88 586</b>	<b>11 792</b>

## Taxation management

RevenueSA remains committed to high service levels for taxpayers and their representatives by processing a large volume of transactions within tight time constraints. In 2007-08 RevenueSA staff were engaged in a range of activities including lodgement, enforcement, compliance and dispute resolution.

During 2007-08 RevenueSA continued its successful taxpayer information seminar program. Seminars were conducted in Adelaide, Mount Gambier and Berri and provided information on stamp duty, land tax and payroll tax. Attendee feedback indicated that the seminars were relevant and informative. As an adjunct to the seminar sessions, during the visits to regional areas compliance visits were also made to individual taxpayers. Together these activities support and connect with the local communities regarding their understanding and compliance with State revenue laws.

The RevenueSA annual taxpayer survey was deferred until July 2008 to allow for the inclusion of core questions on public sector customer and client satisfaction with government services required by *South Australia's Strategic Plan*.

## Internet based self-determination system — RevNet

RevenueSA continued to achieve an ongoing rate of 94 per cent for stamp duty documents self-determined using the RevNet system.

A further 600 taxpayers (taking the total to 3600) elected to use the payroll tax monthly payment facility to make their payroll tax payments online. As a further indicator of the satisfaction with the RevNet system, 99 per cent of payroll tax taxpayers lodged their annual reconciliation statement online.

Over 95 per cent of new payroll tax taxpayers now register online. A pilot was commenced following the development of enhanced online functionality to allow the provision, payment and stamping of Stamp Duty Opinion assessments via RevNet.

## **Land tax aggregation**

In preparation for the introduction of the new land tax aggregation provisions on 1 July 2008, RevenueSA initiated a comprehensive communication strategy, including the issue of correspondence to taxpayers whose land ownerships included a minor interest to raise awareness about the new provisions.

Landholders were also asked to verify their land holdings to ensure database accuracy and were given the opportunity to make submissions seeking recognition of the owners of small minor interests in land.

Considerable system development work has been completed to enable minority interests to be identified and appropriate land tax assessment notices to be issued.

## **Payroll tax harmonisation**

As a consequence of an announcement, by State and Territory Treasurers on 29 March 2007, to undertake a major national overhaul of payroll tax arrangements, with the objective of cutting red tape for thousands of Australian businesses that operate across jurisdictions, RevenueSA facilitated the implementation of legislative changes to give effect, from 1 July 2008, to common provisions and definitions in the following eight agreed areas:

- timing of lodgement of returns;
- motor vehicle allowances;
- accommodation allowances;
- a range of fringe benefits;
- work performed outside a jurisdiction;
- employee share acquisition schemes;
- superannuation contributions for non-working directors; and
- grouping of businesses.

## **Red tape reduction**

In 2007-08 RevenueSA made significant progress on the implementation of initiatives to deliver red tape savings to business. The major cost saving initiative involving the removal of redundant provisions and regulations for various state taxation laws progressed to an amending Bill, the *Statutes Amendment and Repeal (Taxation Administration) Bill 2008*, which was tabled in Parliament on 7 May 2008.

RevenueSA finalised implementation of initiatives enabling online completion and lodgement of payroll tax trainee and exporter rebate applications and commenced pilot testing of systems which enable stamp duty opinion assessments to be processed through RevNet and payroll tax monthly returns payments to be made by electronic funds transfer.

## **Standard business reporting**

In conjunction with other State Revenue Offices RevenueSA agreed to support the multi-agency Commonwealth initiative to simplify business-to-government reporting. RevenueSA has provided standard business reporting architecture requirements for payroll tax monthly and annual reconciliation returns, to this project.

## **Improved client service**

In accordance with the South Australian Government's Strategic Plan Target 1.7 to increase the satisfaction of South Australians with government services by 10 per cent by 2010 and maintain or exceed that level of satisfaction thereafter, RevenueSA developed an implementation plan and commenced strategies to achieve this outcome.

## **Legislative reform**

During 2007-08 RevenueSA managed legislative amendments culminating in the enactment of the *Stamp Duties (Trusts) Amendment Act 2008* and the *Pay-roll Tax (Harmonisation Project) Amendment Act 2008*.

## **Information technology services**

RevenueSA made substantial progress during 2007-08 towards the procurement of a replacement information technology system. Following completion of the evaluation phase of the RevenueSA information technology replacement project (RISTEC), negotiations were undertaken with the viable respondents. These extended negotiations of the terms and conditions of the system supply contract will ensure the implementation phase is completed in a timely way and within budget projections. 2008-09 will see the commencement of the implementation phase with the successful respondent.

## ***The year ahead***

- Complete the procurement phase of RISTEC and commence the implementation phase with the successful supplier.
- Continue targeted compliance programs (\$52.6m collected per annum).
- Implement further payroll tax harmonisation reforms.
- Continue to provide taxpayer education through information seminars in both regional and metropolitan areas.
- Implement remaining red tape reduction initiatives approved by the Competitiveness Council and Cabinet.
- Continue to support the standard business reporting initiative to simplify payroll tax reporting to government.
- Continue to implement strategies to improve client service in accordance with South Australia's Strategic Plan Target 1.7.

## **SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

The South Australian Government Financing Authority (SAFA) is a statutory authority constituted under the *Government Financing Authority Act 1982* and resourced by Treasury and Finance staff.

SAFA played an important role in supporting Treasury and Finance's 2007-08 corporate priorities of:

- strengthening state finances; and
- improving service delivery.

SAFA functions as the central financing authority for and captive insurer of the State of South Australia, its businesses and agencies, and plays an integral role in the overall management of the State's finances and risks. SAFA harnesses economies of scale and relevant expertise in wholesale financial markets and insurance markets. The Treasurer of South Australia guarantees SAFA's borrowings and general financial obligations.

SAFA is South Australia's primary face to the domestic and international financial markets for the management of the State's funding and investment flows and for transacting in derivative products for risk management purposes.

Following the amalgamation of SAFA with the South Australian Government Captive Insurance Corporation (SAICORP) effective 1 July 2006, SAFA is also South Australia's primary face to the domestic and international insurance markets for providing whole-of-government catastrophe reinsurance, and providing insurance cover, risk management advice and assistance to government agencies.

In addition to SAFA's role as the central financing authority for and captive insurer of the State Government, SAFA is also responsible for corporate governance, transaction management and support services for the state owned electricity corporations (as owners and lessors of the state's electricity assets) and for administration on behalf of the Treasurer of contracts associated with a number of industry assistance schemes.

Full details of SAFA's operations can be found in its annual report for 2007-08.

### **Performance**

SAFA's major activities for the year focussed on delivering services to clients and also on achieving the key priorities contained in its Business Plan for 2007-08. The primary objectives of the plan being to improve and extend services to current clients, diversify and expand its client base and business activities and maintain a culture of continuous improvement in business operations, systems and processes.

### **Key achievements**

Key achievements by SAFA over 2007-08 included:

- Met the government's funding requirements.
- Successfully renewed the government's reinsurance program.

- Managed the impacts flowing from the US subprime mortgage crisis and ensuing credit crunch on its operations.
- Negotiated terms and conditions of new contracts with successful proponents granted financial assistance under the Innovation and Investment Fund for South Australia.
- Assumed responsibility from the Department of Trade and Economic Development (DTED) for the administration of four additional industry assistance funds.
- Completed a strategic review of SAFA's insurance function and developed a plan to implement agreed actions.
- Provided additional risk management services to agencies relating to benchmarking, software, training and networking.
- Developed investment objectives for SAICORP Insurance Fund 2 involving the investment of funds in Funds SA's Growth Product.
- Undertook a tender for SAFA's registry services and implemented the transition to a new provider.
- Finalised the wind-up of SAFA's subsidiaries and affiliated companies.

### ***The year ahead***

The government has announced significant capital expenditure over the next few years to fund water security initiatives and public transport infrastructure. Consequently, funding demands from SAFA by government entities will increase significantly.

In addition, the Commonwealth Government has recently announced a decision to abolish withholding tax on bonds issued by State Governments.

As a consequence of these developments, SAFA plans in the year ahead to undertake a comprehensive review of its funding facilities and also review the debt management arrangements for the Treasurer's debt.

Other key high-level priorities to be pursued by SAFA over the course of 2008-09 include:

- Raising capital to meet the government's funding requirements;
- Issuing a new Select Line in advance of the Select Line maturing in September 2009;
- Negotiating and renewing the government's reinsurance program;
- Managing the early termination of the US Cross Border Lease over the state's transmission network; and
- Ensuring the effective monitoring and management of contracts associated with the state owned electricity corporations (as owners and lessors of the state's electricity assets) and industry assistance programs.

## SUPER SA

The State Superannuation Office plays a role in supporting Treasury and Finance's 2007-08 priority of:

- improving service delivery.

Specifically, the State Superannuation Office administers the major superannuation schemes for public sector employees, on behalf of the South Australian Superannuation Board (Board). The office also administers the SA Ambulance Service Superannuation Scheme for the Board who acts as Trustee. In this role, it adopts the Board's trading name of Super SA. The State Superannuation Office also provides superannuation arrangements for parliamentarians, judges and governors. The office, through the department, also provides advice to the government on superannuation policy.

During 2007-08, the State Superannuation Office made preparations for the closure of the Police Lump Sum superannuation scheme and the transfer of Pension Scheme members voluntary accounts to the Triple S Scheme. This is in line with the strategy to consolidate the administration of smaller superannuation funds. The transfer occurred on 1 July 2008.

Full details of the State Superannuation Office's role in fulfilling its requirements for the Board can be found in the Board's Annual Report for 2007-08.

### Key objectives

As the State Superannuation Office's main client is the South Australian Superannuation Board, the State Superannuation Office adopts the Board's key objectives. For the 2007-08 financial year, the objectives were:

- **Adequacy** – to increase the number of members contributing for their retirement and encourage members to have an appropriate level of insurance;
- **Services and Communications** – meet member and stakeholder expectations of continually improving services, products and communication; and
- **Sustainable Fund** – ensure that strategies are implemented to maintain Super SA as a sustainable public sector fund.

### Performance

#### Adequacy

A target of 5760 active Triple S members electing to commence making personal contributions for the first time was set for 2007-08. This target was exceeded with a total of 5971 new contributors in Triple S.

As part of a marketing campaign to promote increased engagement and awareness of income protection insurance among Triple S members, particularly the under 35s, two short film vodcasts were produced for the website. The vodcasts contributed to member awareness increasing, which was evidenced by an increase in the number of forms and fact sheets being downloaded from the website.



## Services and Communications

The office continued its successful e-newsletters for members, HR and payroll staff. The office has also worked in conjunction with Funds SA to produce, for the website and newsletters, an explanation of the market volatility experienced during the financial year and resultant downturn in investment returns. Members were reminded of the long-term nature of superannuation.

The website provides a number of on line calculators to assist members in determining the best options for them in relation to their superannuation. The design of the pages in the secure member and employer areas of the website was upgraded to make them more user-friendly.

The Information Team made a total of 1019 worksite visits and ran 84 scheduled seminars during 2007-08. As a result, a total of 20 061 members experienced face-to-face contact with an Information Officer, either at their workplace or at a Super SA seminar venue. This exceeded the Board's target of reaching 17 per cent of the active membership (or 18 878) in this way.

## Sustainable Fund

A new pension payment system was selected by a tender process during the financial year. The new system is expected to provide improved reporting, processing speed and security and was fully operational at year-end.

During the year, the Allocated Pension product experienced very strong growth with a significant increase in members leading to \$126.7 million funds under management at 30 June 2008. The Flexible Rollover Product also experienced strong growth with \$145.3 million funds under management at the end of June 2008.

## Membership across government schemes

Scheme	Contributory Members	Non-Contributory Members	Preserved	Super annuants	Flexible Rollover Product	Allocated Pension	Total
Triple S Scheme (open)	32 364	72 188	55 765	<sup>(a)</sup>	1 248	620	162 185
Pension Scheme (closed)	3 621	n.a.	1 320	15 283	—	—	20 224
Lump Sum Scheme (closed)	6 159	n.a.	2 095	n.a.	—	—	8 254
Parliamentary Superannuation Scheme	69	<sup>(b)</sup>	3	108	—	—	180
Judges Pension Scheme	n.a.	44	—	54	—	—	98
Governor's Pension Scheme	n.a.	n.a.	—	3	—	—	3
SA Ambulance Scheme	1 116	52	26	n.a.	—	—	1 194
<b>Total</b>	<b>43 329</b>	<b>72 284</b>	<b>59 209</b>	<b>15 448</b>	<b>1 248</b>	<b>620</b>	<b>192 138</b>

(a) These schemes are accumulation schemes and provide lump sums on retirement not pensions.

(b) All members of Parliament must contribute.

## **Legislative changes**

There were 2 significant changes made to the *Superannuation Act 1988* and the *Southern State Superannuation Act 1994* (the Acts) during 2007-08. The *Statutes Amendment (Transition to Retirement – State Superannuation) Act 2008* amended the Acts to provide for members of the Pension, Lump Sum and Triple S schemes to access proportions of their superannuation on transitioning to retirement, and came into effect on 1 July 2008.

The *Statutes Amendment (Police Superannuation) Act 2008* amended the *Southern State Superannuation Act 1994* and the *Police Superannuation Act 1990* with effect from 1 July 2008 to provide for the transfer of members of the Police Lump Sum Scheme, preserved members of the Police Pension Scheme with lump sum benefits; and members of the Police Pension Scheme with voluntary contribution accounts to the Triple S Scheme and the closure of the Police Lump Sum Scheme. Consequential regulations also allow existing members of the SA Ambulance Service Superannuation Scheme being given the option of transferring their accrued benefit to the Triple S Scheme between 1 July 2008 and 30 June 2009.

Full details of these legislative amendments, consequential regulations and other regulations made during the year can be found in Appendix 3.

## **The year ahead**

- Continuing the focus on increasing the number of members making voluntary contributions for the first time and also encouraging contributing members to increase their insurance and contributions.
- Provision of more online services and tools for members. This includes providing online access for Allocated Pension and Flexible Rollover Product members and providing the facility for Triple S members to switch investment options online. The intention is to also improve online calculators and projectors.
- Introduction of Triple S insurance enhancements proposed in the actuarial review of Triple S insurance arrangements.

## CORPORATE SERVICES

Corporate Services played an important role in supporting Treasury and Finance's 2007-08 priorities of:

- improving service delivery;
- managing our people; and
- managing our resources.

Specifically, it provides:

- corporate support services within the Treasurer's portfolio and to the Department of the Premier and Cabinet, including business operations and strategic services in the administrative, audit and risk management, communications, procurement, financial, human resource, information technology and security fields; and
- coordination of the departmental strategic management process, including the corporate planning and budgeting cycle.

## Performance

### Major projects

#### ***Restructure of corporate functions***

The former Department of Administrative and Information Services (DAIS) Human Resources, Administration, Corporate Finance and Corporate ICT functions ceased on 5 October 2007 and staff from these areas were either transferred to one of four receiving agencies or declared surplus to requirements.

Corporate Services completed the successful transfer of these staff members as well as their associated budget allocations.

This involved the development of a policy framework and extensive consultation with employees and their representatives.

#### ***State Procurement and Support Operations — Supply SA Warehouse***

On 14 November 2007 Cabinet approved the closure of the two Supply SA Warehouses located at Camden Park and Whyalla. A negotiated agreement was subsequently reached to transfer control of the Camden Park warehouse to SA Health. The Corporate Services branch assisted in this process and significant work was performed to ensure the successful closure of operations and transfer of the premises and employees to SA Health, effective from 30 June 2008.

#### ***State Procurement and Support Operations — Government Auctions SA***

Government Auctions SA (GASA) is a branch that is organisationally grouped under Supply SA. With the closure of the warehouses a review of the operations in April 2008 saw the transfer of GASA to Fleet SA effective from 30 June 2008. The Corporate Services branch assisted in this process and work was performed to ensure the successful transfer of the business and people to Fleet SA.

### ***State Procurement and Support Operations — ICT Support***

In January 2008, a Working Party was formed to conduct a review of SPSO ICT Support and make recommendations concerning its future role in the delivery of ICT services. In May, following extensive consultation, the Under Treasurer approved a proposal to abolish SPSO ICT Support and transfer all employees and their service delivery obligations to either Corporate Services or Shared Services SA. Those employees engaged in supporting the SPSO ICT network and infrastructure, and providing help desk services to users on that network, transferred to Shared Services SA. The remaining staff, engaged in support and development of agency business applications, client relationship management and ICT project management, transferred to Corporate Services.

### ***Shared services reform***

Corporate Services continued work in collaboration with Shared Services SA during the year. This included the transfer of accounts payable and accounts receivable functions and resources from Corporate Services to Shared Services SA on 31 March 2008. This work also included the formation and ongoing review and monitoring of budgets associated with the transition of staff and functions to Shared Services SA.

### ***Publications management***

Corporate Services managed the publication of the 2008-09 State Budget Papers in cooperation with other relevant branches. Other publications managed included the departmental Standards and Style Guide, 2006-07 Annual Report and the 2007-10 Corporate Plan.

### ***Electorate Office security***

The branch continued to implement standardised physical security measures, across South Australian Electorate Offices. This work included the upgrading of electronic security systems and a significant minor works program. It has also resulted in improved emergency management procedures and testing regimes within Electorate Offices.

### ***Disability access***

The department's Disability Action Plan outlines the necessary actions to ensure that its services and products are accessible to people with disabilities. Corporate Services completed a review of disability access for all departmental premises, accounting for the facilities management aspect of this plan.

## **Significant operational programs**

### ***Departmental training***

The branch developed and implemented a number of training sessions on departmental wide issues.

- **Culture Matters training** — the department is committed to providing a workplace that is culturally inclusive and where all employees feel respected and valued. As one of the key strategies in the Cultural Inclusion and Reconciliation Framework, an Aboriginal Cultural Awareness program, entitled 'Culture Matters' was delivered for managers and supervisors, general staff and staff with direct customer service roles. The program focussed on increasing awareness of the history, cultural values, beliefs and communication styles of Aboriginal people and was well received by participants.

- **Disability Awareness Training** — this provided managers and staff of the former DAIS Business Units that transferred to DTF, an understanding of their roles and responsibilities under the *Disability Discrimination Act 1992 (Cth)*, to eliminate discrimination against people on the grounds of disability. The program further supported an awareness of the rights of people with disabilities in the areas of access to services, employment and in the workplace and how to improve interactions with people with a disability.
- **Performance Management Program (PMP)** — as part of the process of continuous improvement in the management, performance and development of our people, Corporate Services provides annual training in the PMP process. This ensures all supervising managers and employees are well prepared for their annual performance discussions and the development of individual development plans.
- **Selection Panel Training** — providing training to directors, managers, supervisors and nominated staff involved with the filling of positions within the Department. The program was aimed at improving knowledge and understanding of the selection process and how to be an effective member of a selection panel.
- **OHS&W Training** — Office Ergonomics and Manual Handling sessions were provided for Health & Safety Representatives and nominated support staff.

#### **Workforce Participation/Diversity**

The department supports its diverse workforce in contributing to the government's commitment of making a better future for South Australia.

- **Cultural Inclusion and Reconciliation** — the department's Cultural Inclusion and Reconciliation Framework presents a synthesis of strategies and actions that will expand the cultural competence of DTF management and employees, provide increased employment opportunities for Aboriginals and maintain effective monitoring and reporting systems to measure success against objectives.
- **Women in Treasury (WiT)** — this is the principal vehicle for identifying gender related issues and providing recommendations on appropriate initiatives. The department recognises the benefits of this forum in progressing strategies to enable changes to employment practices and profiles of women in the workforce. A review of WiT and its programs resulted in the formation of a new WiT advisory body with an updated Terms of Reference. A Work Plan is being developed for 2008-09.
- **Youth** — the department values its young employees and is committed to engaging young people as partners in decision-making. The department became a signatory to the Premier's *Memorandum on Youth Participation* and introduced a place on the Human Resources Committee designated specifically to be a voice for Under 35's. Three young employees also represented the department at a whole of government level in the Office for Youth A-Team consultation programs and subsequent reports to Chief Executives and the Government Reform Commission.
- **Disability (Promoting Independence)** — the department's Disability Action Plan 2007-09 reflects the strategies and actions that the department will take to continue to ensure that its services and products are accessible to people with disabilities. The Plan aligns with six outcome areas to improve disability access.

### ***Occupational Health Safety and Welfare (OHS&W)***

Corporate Services coordinated a number of OHS&W initiatives during the year to improve staff wellbeing, including:

- Continuing to provide the Employee Assistance Program (EAP) to employees;
- Sponsoring onsite influenza vaccinations to employees;
- Delivery of work-related stress information sessions to management and staff. The sessions were designed to give participants an understanding of the signs and impact of workplace stress and learning strategies to minimise and manage stress, particularly in support of the recent organisational changes.
- Engagement of external consultants to conduct a gap analysis against the WorkCover Performance Standards for Self-Insurers, in accordance with the department's audit schedule; and
- Participation in a gap analysis conducted by WorkCover, as part of the whole of Government Evaluations against the WorkCover Performance Standards.

### ***The year ahead***

- Continue to work with Shared Services SA on implementation of the shared services reform.
- Complete redevelopment and implementation of the department's new intranet infrastructure and software.
- Integration of ex-DAIS financial systems with the department's existing financial systems.
- Implementation of a planned approach to understand workforce needs and to develop attendant strategies to ensure the department is well positioned for the future.
- Provide a comprehensive Leadership and Development framework for the development of current and future leaders and the development of systems to support high quality corporate, technical and management training.
- Provide assistance with assessment and implementation of the recommendations from the reviews of Contract Services, Fleet SA and SPSO ICT Support and establish new organisation structures and business models to improve service delivery.
- A program of mandatory three-yearly OHS&W Update Training Sessions will be rolled out for all employees. The program will provide a general update of OHS&W Policies and Procedures and further details around the OHS&W responsibilities at both Manager/ Supervisor and Staff levels.

# **SHARED SERVICES SA**

During 2007-08 the Department of Treasury and Finance facilitated the establishment of a new single shared services organisation that succeeded the Shared Services Reform Office. The new organisation, Shared Services SA, is a branch of the Department of Treasury and Finance.

Shared Services SA is responsible for Treasury and Finance's 2007-08 priority:

- develop and implement shared services reform across government.

Shared services reform brings together corporate and business support functions, services and systems into a single organisation, whose business is to provide customer focussed services as efficiently and effectively as possible.

In October 2007 the government approved a shared services model, including a mandate covering all general government sector agencies for participation in the reform. The model included the transfer of services to Shared Services SA on an 'as is' basis and then their subsequent reform to achieve efficiencies and improved service delivery outcomes. Shared Services SA operates on a full cost recovery basis, with its pricing reflecting the cost of service provision.

## **Performance**

Following the establishment of the shared services model, the primary focus for Shared Services SA turned to the three phases of service transition, service delivery and service reform.

### **Transition**

The key priority for the branch in 2007-08 was establishing a transition approach and the commencement of transition of services from agencies to Shared Services SA. A staged approach was adopted for the transition to new shared services arrangements, with in-scope corporate functions, services and systems being divided into three Tranches.

#### **Tranche 1**

- Tranche 1 services were identified as priority services for transfer to Shared Services SA.
- Tranche 1 comprised accounts receivable, payroll and accounts payable processes.
- Tranche 1 agencies were divided into groups 1A, 1B, 2 and 3 to commence a staged and managed approach to transition during 2007-08.
- Tranche 1 Group 1A services and staff successfully transitioned to Shared Services SA on 31 March 2008. This transition consisted of 75 staff who were previously located within the Department of Treasury and Finance's Corporate Services and State Procurement and Support Operations sections.
- Tranche 1 Group 1B services and employees will transition to Shared Services SA during July-August 2008. 144 in-scope employees will transition during this period.

- Tranche 1 Group 2 services and employees are scheduled to transition to Shared Services during October 2008. Group 2 comprises 162 in-scope employees from 11 agencies.
- Tranche 1 Group 3 (Health) services and employees are scheduled to transition during late November through to early December 2008. Approximately 230 FTEs from SA Health will transition to Shared Services SA.

### **Tranche 2**

- Tranche 2 Services comprise HR reporting and administration, ICT infrastructure and network support and general accounting services.
- During 2007-08 Shared Services SA commenced initial planning on the service design of Tranche 2 services with their transition to Shared Services SA scheduled for 2009.

### **Tranche 3**

- Tranche 3 Services comprise fixed asset accounting, tax compliance, procurement consultancy and ICT user support.
- Preliminary planning has commenced for the transition of these services to Shared Services SA from 2009.

In June 2008 Cabinet approved the transition of ICT infrastructure services. The transition of ICT infrastructure services will commence in 2008-09 and is a prerequisite activity for the server consolidation reform program.

During the year Shared Services SA established its corporate vision and values. Shared Services SA internal corporate capability was also developed and implemented.

To accommodate the estimated 2300 employees that will transfer to Shared Services SA, two accommodation sites were established and a third site sourced.

A range of activities commenced to develop and implement corporate compliance and risk management strategies that include defining Shared Services SA Audit Strategy and Internal Control Framework. A Risk Management Framework and Operational Risk Register is being developed.

A number of workforce management strategies were undertaken, including the development of a suite of human resource management principles, employee consultation and engagement strategies, regional employment principles and a performance management program.

Operational functions including financial management, administrative processes, records and information management practices were developed and implemented. Occupational, Health, Safety & Welfare strategies and initiatives were also implemented.

### **Service Delivery**

During the year a Service Delivery function was established along the four lines of business (accounting services, employee services, ICT services and procure-to-pay services) to manage the strategic service relationships with agencies.



Shared Services SA commenced service delivery from 31 March 2008 following the successful transition of Tranche 1 Group 1A services and staff. Service delivery performance since transition has met the service continuity assurances given to client agencies and continues to meet expectations.

Service Delivery is supported by a Client Services function and during 2007-08 it developed and implemented a suite of service level management materials, performance measurement and reporting framework and a channel management strategy for customer queries. A Shared Services Customer Support system that provides a logical, straightforward process to enable customer contact and enhance customer interactions was developed. It incorporates an integrated enquiry management system (called Q-Master) that will quickly put customers in touch with the right person to answer their enquiries.

## **Reform**

Once services are established within Shared Services SA and stabilised, reform activity is commenced to simplify, standardise, consolidate and rationalise processes, systems and resources to improve efficiencies and achieve cost savings.

During 2007-08 initial planning of reform activity commenced and will progress thereafter as services and resources continue to transition to Shared Services SA.

Shared Services SA has also commenced planning for other reform activities that include the implementation of an e-Procurement system to automate the procure-to-pay process in government and also a server consolidation program to reduce the numbers of servers in use across the South Australian Government.

## ***The year ahead***

- Complete the transition of Tranche 1 services from agencies to Shared Services SA.
- Provision of performance-based service delivery to client agencies including the provision of Quarterly Performance reports to client agencies detailing Shared Services SA performance against published service levels.
- Commence reform activity to simplify, standardise, consolidate and rationalise processes, systems and resources to gain efficiencies and improved service delivery outcomes.
- Undertake strategy development and detailed design and development for the next tranche of shared services, and commence migration of these services from agencies to Shared Services SA.
- Commence the transition of Tranche 2 and 3 services to Shared Services SA.

# STATE PROCUREMENT AND FLEET OPERATIONS

State Procurement and Support Operations Branch (SPSO) played an important role in supporting Treasury and Finance's priorities of:

- achieving performance improvements in the South Australian public sector;
- improving service delivery; and
- managing our people.

SPSO consists of Contract Services, Fleet SA, and for part of the year, included ICT and Business Support Services and the former DAIS Corporate Services.

The branch provides a range of services to other government agencies including contract and procurement management and light vehicle fleet management.

Specifically it provides:

- a broad range of corporate business services (up to 31 March 2008);
- services and advice that promote the delivery of effective and efficient procurement processes across the public sector;
- support and advisory services to the State Procurement Board in the delivery of its key objectives under the *State Procurement Act 2004*;
- comprehensive fleet management to government for its passenger and light commercial motor vehicle fleet; and
- a chauffeur service to approved members of Parliament, together with an ad hoc chauffeur service to visiting dignitaries and VIPs.

During 2007-08 there were several changes to SPSO units:

- Relocation of the Corporate Areas of DAIS — with the rationalisation and subsequent relocation of most of the corporate areas of DAIS to other agencies, some of those corporate functions were transferred to Business Support so that support for the former DAIS business units could continue. At the same time, amendments were made to the Service Level Agreements in place with government agencies to ensure that the new corporate arrangements were accurately reflected in those agreements.
- Relocation of Business Support Functions — in October 2007 the E-Procurement work group was relocated from Business Support to Shared Services SA. The Records and Information Management work group relocated to Corporate Services in the Department of Treasury and Finance on 31 March 2008. At the same time, the remainder of Business Support, which comprised payroll, accounts payable, accounts receivable and ancillary finance functions, relocated to Shared Services SA. All of the Business Support functions were relocated seamlessly with no adverse effects on clients.
- Closure of Supply SA Warehouse Facilities at Camden Park and Whyalla — the government announced the closure of Supply SA on 10 December 2007. The Whyalla facility ceased operations on 15 February 2008 and the Camden Park facility ceased operations on 30 June 2008.

- Preparation for the transfer of Government Auctions from Contract Services to Fleet SA — this transfer is to take effect from 1 July 2008.

## **Performance**

### **Major projects**

#### **Corporate Online**

Business Support implemented Westpac's Corporate Online application during the year. This product has substantially improved electronic access to Westpac's banking services. It has provided increased security and functionality that has resulted in efficiency gains for Business Support and its clients.

#### **SA Tenders and Contracts Website – Upgrade of Technology Platform**

The technology platform for the SA Tenders and Contracts Website was upgraded during the year. This website is used to advertise tender opportunities for both the SA Government and Local Government. The computer hardware on which the website operates was upgraded and the underlying software was replaced to bring it in line with current standards.

#### **Public Authorities Project**

Contract Services identified all public authorities subject to the State Procurement Board and issued them with a procurement authority in line with the State Procurement Board's policies.

#### **State Procurement Board Policy Framework**

Contract Services further developed the State Procurement Board's policy framework with the introduction of the Unsolicited Proposals Policy, the Panel Contracts Guideline and the International Obligations Policy. There was also a review and update of the Board's Base Level Procurement Authority Policy and Reporting Guideline, the Procurement Reporting Policy, the Approvals Process Policy and associated guidelines, and the Emergency Situations Policy. The Suppliers Guide to Winning Government Business was released in December 2007.

As a statutory authority, the State Procurement Board produces its own annual report in which more detail is provided.

#### **Fleet SA Environmental Projects**

With the release of the Tackling Climate Change - South Australia's Greenhouse strategy, Fleet SA continued to support the achievement of the Government's target of ensuring 50 per cent of the State's vehicle fleet are using environmentally friendly fuels by 2010.

Vehicles included in this target are all vehicles fitted with LPG, all hybrid vehicles, vehicles being fuelled with bio fuels and vehicles fitted with common rail (high efficiency) diesel. Currently 38 per cent of vehicles are now using environmentally friendly fuels, meeting the 'lower emission fuels' criteria.

Fleet SA introduced E10 fuel, a renewable non-fossil fuel with 10% ethanol, to its bulk fuel sites at Netley and the State Centre car park. E10 fuel helps reduce greenhouse gas emissions and reliance on fossil fuels; ensuring fleet vehicles are using more environmentally friendly fuels.

## **Significant Operational Programs**

### ***Online Short Term Hire Booking System***

Fleet SA commenced the development of a short-term hire online booking system for implementation in 2008-09. The system will allow customers to make direct bookings online and assist to maximise vehicle usage in the short-term hire fleet to achieve cost efficiencies.

### ***Fleet Management Analytical Tool***

During the year, Fleet SA reviewed emerging technology for the analysis of fleet management. The Statistical Analysis Software (SAS) tool was purchased late in the financial year and will be used as a tool to better analyse vehicle trends in relation to financial performance and operation in 2008-09.

### ***Fleet Management Policy Improvements***

During the year, Fleet SA reviewed a number of policies and implemented new terms and conditions for Member of Parliament vehicles. Executive vehicle policies were also re-written.

## **Whole of Government Programs**

### ***Audit and Related Services Contract***

The Audit and Related Services Contract was established in August 2007 for a period of three years.

### ***Across Agency Support***

Fleet SA continued to provide expert advice and support to government agencies to assist them to target measures to reduce their operational costs. This included the provision of advice on the running of their fleet vehicles, fleet mix decisions, and fit for purpose choices for their operations.

## ***The year ahead***

- Establishing government contracts for printing and stationery.
- Developing and implementing a procurement monitoring program.
- Finalising the development of the State Procurement Board's new website.
- Developing and implementing strategies to support the attraction, retention, development and training of government procurement staff.
- Reviewing the State Procurement Board's Reporting Policy and the Government's Disclosure of Contracts Policy with a view to rationalising them into one data collection for multiple purposes.
- Implementing the Australia and New Zealand Government Framework for Sustainable Procurement.
- Working towards an indicative target of 42.5% of the government vehicle fleet on environmentally friendly fuels by 30 June 2009.
- Implementing the online short-term hire booking system.
- Improving fleet customer information through quarterly customer performance reports.

# OUR PEOPLE

## EMPLOYEE NUMBERS, GENDER AND STATUS

### Employee numbers

	Persons	FTEs
Total number of employees as at 30 June 2008	1047	1003.77
Female %	53.8	55.7
Male %	46.2	44.3

### Recruitment and separations during 2007-08

	Persons
Number of employees recruited to agency	214
Number of employees separated from agency	235

### Leave without pay

	Persons
Number of persons on leave without pay as at 30 June 2008	30

### Number of employees by salary bracket (as at 30 June 2008)

	Male	Female	Total
\$0 – \$43 999	100	110	210
\$44 000 – \$56 999	122	165	287
\$57 000 – \$72 999	161	124	285
\$73 000 – \$91 999	141	74	215
\$92 000 +	39	11	50
<b>Total</b>	<b>563</b>	<b>484</b>	<b>1047</b>

### Employee status by FTE (as at 30 June 2008)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	464.1	38.4	57	0	559.5
Male	386.6	36.7	21	0	444.3
<b>Total</b>	<b>850.7</b>	<b>75.1</b>	<b>78</b>	<b>0</b>	<b>1003.8</b>

### Employee status by number of persons (as at 30 June 2008)

	Ongoing	Short term contract	Long term contract	Casual	Total
Female	426	37	21	—	484
Male	467	39	57	—	563
Total	893	76	78	—	1047

### Number of Executives by status in current position, gender and classification (as at 30 June 2008)

Classification	Ongoing		Contract tenured		Contract untenured		Total		
	F	M	F	M	F	M	F	M	Total
EXEOA	—	—	—	—	2	4	2	4	6
EXECOB	—	—	—	—	—	1	—	1	1
EXECOC	—	—	—	—	—	1	—	2	2
EXECOD	—	—	—	—	—	—	—	—	—
EXECOF	—	—	—	—	—	1	—	1	1
SAES1	—	—	—	—	10	25	10	25	35
SAES2	—	—	—	—	1	9	1	9	10
Total	—	—	—	—	13	41	13	42	55

### Leave management (not including recreational leave)

	2004–05	2005–06	2006–07	2007–08
Average number of sick leave days taken per FTE	7.6	8.4	8.1	8.7
Average number of family carer's leave days taken per FTE	0.7	0.8	0.9	0.9
Average number of Special Leave with pay days taken per FTE for individual needs and responsibilities (as outlined on page 42 of Commissioner's Standard 3.4)	0.5	0.4	0.6	0.4
<b>Total average leave per FTE</b>	<b>8.8</b>	<b>9.6</b>	<b>9.6</b>	<b>10.0</b>

## WORKFORCE DIVERSITY

### Age profile (as at 30 June 2008)

Age	Female	Male	Total	% of all employees	% of SA workforce <sup>(a)</sup>
15 – 19	2	1	3	0.3	6.7
20 – 24	46	22	68	6.5	10.5
25 – 29	75	58	133	12.7	10.2
30 – 34	77	73	150	14.3	9.9
35 – 39	86	76	162	15.5	11.2
40 – 44	65	69	134	12.8	11.9
45 – 49	42	70	112	10.7	12.3
50 – 54	44	79	123	11.8	11.3
55 – 59	32	81	113	10.8	8.6
60 – 64	13	32	45	4.3	5.0
65 +	2	2	4	0.4	2.4
<b>Total</b>	<b>484</b>	<b>563</b>	<b>1047</b>	<b>100</b>	<b>100.0</b>

(a) Source: Australian Bureau of Statistics Australian Demographic Statistics, Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at March 2007.

### Aboriginal and Torres Strait Islander Employees (as at 30 June 2008)

	Aboriginal Staff	Total Staff	% of agency employees <sup>(a)</sup>
\$0 – \$43 999	5	210	2.4
\$44 000 – \$56 999	4	287	1.4
\$57 000 – \$72 999	1	285	0.3
\$73 000 – \$91 999	—	215	—
\$92 000 +	—	50	—
<b>Total</b>	<b>10</b>	<b>1047</b>	<b>0.9</b>

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

### Cultural and linguistic diversity (as at 30 June 2008)

	Female	Male	Total	% of agency employees	SA Community <sup>(a)</sup>
Number of employees born overseas	45	39	84	8.02	20.3%
Number of employees who speak language(s) other than English at home	20	14	34	3.25	15.5%

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

## Disability

	Female	Male	Total	% of agency employees
Number of employees with disabilities (according to Commonwealth DDA definition)	n.a	n.a	55	5.3
Number of employees with ongoing disabilities requiring workplace adaptation	6	8	14	1.3

## Disability types

	Female	Male	Total	% of agency employees
Physical	n.a	n.a	33	3.1
Intellectual	n.a	n.a	2	0.2
Sensory	n.a	n.a	16	1.5
Psychological/Psychiatric	n.a	n.a	9	0.9
Other	n.a	n.a	9	0.9
<b>Total</b>	<b>n.a</b>	<b>n.a</b>	<b>69</b>	<b>6.6</b>

## Number of employees using voluntary flexible working arrangements

	Female	Male	Total
Purchased Leave	9	13	22
Flexitime	458	494	952
Compressed Weeks	1	2	3
Part-time Job Share	20	2	22
Working from Home	1	5	6

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

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

(a) These figures do not include State Procurement and Support Operations Branch (SPSO) or other employees that have joined the department in the past 12 months. SPSO joined the department from 1 October 2006. The PMP reporting process is undertaken in July/August.



# OCCUPATIONAL HEALTH AND SAFETY STATISTICS

## OHS Notices and corrective action taken

Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	—
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	—
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	—

Two incidents occurred resulting in hospitalisation, both of which were notified, but were later deemed non work-related.

## Agency gross<sup>(a)</sup> workers compensation expenditure for 2007-08 compared with 2006-07<sup>(b)</sup>

Expenditure	2007-08 \$'000	2006-07 \$'000	Variation +(-) \$'000	% Change +(-)
Income maintenance	26	28	-2	-7.1
Lump sum settlements redemptions — Sect 42	—	40	-40	-100.0
Lump sum settlements permanent disability — Sect 43	53	52	+1	+1.0
Medical/Hospital costs combined	56	34	+22	+64.7
Other	3	2	+1	+50.0
<b>Total claims expenditure</b>	<b>14</b>	<b>16</b>	<b>-0.02</b>	<b>—</b>

(a) before third party recovery

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

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

	Base: 2005-06	Performance — 12 months to end of June 2008 <sup>(b)</sup>			Final target
	No. or %	Actual	Notional quarterly target <sup>(c)</sup>	Variation	No. or %
1. Workplace fatalities	—	—	—	—	—
2. New workplace injury claims	16	10	14	-4	13
3. New workplace injury claims frequency rate	9.3 <sup>(e)</sup>	6	8.4	-2.4	7.5
4. Lost time injury frequency rate <sup>(d)</sup>	4.2 <sup>(e)</sup>	3	3.8	-0.8	3.4
5. New psychological injury claims	1	2	1	+1	1
6. Rehabilitation and return to work:					
a. Early assessment within 2 days	43.8%	60.0%	≥ 80%	- 20%	≥ 80%
b. Early intervention within 5 days	100%	100%	≥ 80%	+20%	≥ 80%
c. RTW within 5 business days	100%	70%	≥ 75%	-5%	≥ 75%
7. Claim determination:					
a. Claims determined in 10 business days	56.3%	50%	≥ 75%	- 25%	≥ 75%
b. Claims still to be determined after 3 months	25%	20%	≤ 3%	+17%	≤ 3%
8. Income maintenance payments for recent injuries:					
a. 2006-07 injuries (at 24 months development)	—	\$25 596.41	\$22 113.49	+\$3 482.93	< prev. 2 yrs avg.
b. 2007-08 injuries (at 12 months development)	—	\$15 133.98	\$10 063.28	+\$5 070.70	< prev. 2 yrs avg.

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

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

(c) Based on cumulative reduction from base at a constant quarterly figure.

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

(e) Based on figures for DTF Portfolio

# DISABILITY ACTION PLAN

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

## Outcome 1 — Access to Services

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

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

As a tenant of leased accommodation, the department relies on the Department for Transport, Energy and Infrastructure to conduct access audits of all existing and new tenancies. The department has additionally undertaken an extensive review of all departmental sites in relation to the *Disability Discrimination Act 1992* and the *Disability Services Act 1993*.

An independent review was completed in May 2008 and this information will now form the basis of the DTF Master Accommodation Plan and the department will now schedule the issues identified for rectification over the 2008-09 period.

In addition to the Disability Access Review, DTF is undertaking, or has undertaken, a number of initiatives aimed at improving access or amenities for people with disabilities. These include:

- Within the State Administration Centre, the department has initiated a program of progressively installing automatic sliding doors to at least one main tenancy point on each floor.
- Workplace modifications implemented in consultation with an employee with disabilities and a specialist, in response to specific needs.
- Previous refurbishment at Super SA to accommodate both clients and staff with disabilities include:
  - Hearing augmentation in the training facility. Any special needs for those with disabilities are identified at enrolment.
  - Shower facilities suitable for people with ambulant disabilities.
  - Wide corridors and doorways.
  - High contrast between structural columns and floor.
  - Low customer counter with hearing assistance facilities.

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

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

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

The Department's Disability Action Plan incorporates the requirement for publications to be accessible to people with disabilities. The department has adopted the whole of government branding policy/guidelines for publications to ensure accessibility to services.

The departmental strategy on managing the website content (internet/intranet) is through a content management system with rigid templates that ensures accessibility is maintained. Recent upgrades to the DTF external website has included accessibility information for users. The Disability Awareness site on the Intranet provides useful links and information that can assist staff in relation to locating services, news items and publications, including the Department's Disability Action Plan.

Super SA and RevenueSA have continued to develop their client interface websites to ensure their information and services are accessible and inclusive for people with disabilities.

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

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

## **Outcome 3 — Disability awareness**

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

The Disability Awareness Training program, aimed at increasing general awareness and understanding of people with disabilities, has continued to be successfully delivered to staff and managers throughout the department. The program will continue each year to ensure that all staff have had the opportunity to participate and provide feedback on issues relevant to their workplace.

The Government's Promoting Independence: Disability Action Plans for South Australia seventh progress report was promoted to senior management and staff via the Intranet and through the internal working party, to promote further understanding of the issues, progress and achievements to date.

The composition of the disability working party has expanded to include management and employee representatives from all areas of the department, including Shared Services SA. The working party continues to invite various external disability groups to meetings, to encourage better understanding of services available and establish/improve our consultative processes to ensure appropriate consultation/considerations in policy development, planning and systems to meet the needs of people with disabilities.

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

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

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

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

### **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 Disability Action Plan 2007-09 is based on the six outcomes areas and is framed to ensure that it meets the requirements of Commonwealth Disability Discrimination Act 1992 and the SA Equal Opportunity Act 1984. The Plan has been registered on the Human Rights and Equal Opportunity Commission, Disability Rights Section and is transparent in terms of what the department has committed itself to achieving, and its implementation approach. The Plan is provided in a format suitable for access on the site.

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

The department's Disability Action Plan/Policy outlines its strategy and actions, which contributes to the SASP target, and the department will monitor its performance accordingly. Supporting this, the department adopts the processes outlined in Commissioner's Standard 2 - Quality Staffing with regards to employment considerations - Public Sector Special Employment Programs - Disability Employment Register.

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

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

Selection Panel Training was provided to directors, managers, supervisors and nominated staff involved with the filling of positions within the department and included a session on employing people with disabilities.

A departmental survey to all staff to capture data on the number of staff with disabilities was recently conducted. This will assist in providing baseline data for the purpose of SASP target reporting and a further analysis of responses to ensure that appropriate support is provided.

## CARERS RECOGNITION

### Consultation with carers

	Response
1. Have employees, who are carers, been consulted in regards to workplace policies and practices that affect them?	plan to
2. Have staff and/or resources been allocated to undertake these processes? A Carers Plan has been developed which includes allocated resources such as a designated Human Resources.	Yes

### Carers in partnership

	Response
3. Has information been developed about the rights of employees who are carers?	in process

### Carers Charter awareness

	Response
4. Has the Carers Charter and the Carers Recognition Act been promoted and distributed across the organisation? What percentage of staff are aware?	have commenced less than 50%
5. Is training provided to managers to raise awareness about employees that are carers and their needs?	no

### Information available

	Response
6. Is a corporate strategy in place to ensure information and communication is provided to employees, who are carers, that will assist them to make choices in relation to employment arrangements?	preparing one
7. Have employees, who are carers, been consulted in regards to their needs for information and preferred means of distribution?	in process
8. Do employees, who are carers, receive information that is specific to carers?	no
9. Is information provided to employees who are: young carers; Aboriginal carers; or, carers of those from culturally and linguistically diverse backgrounds?	no

### Carer's wellbeing

	Response
10. Are strategies in place for employees, who are carers, that will support them in maintaining their own health and wellbeing?	no

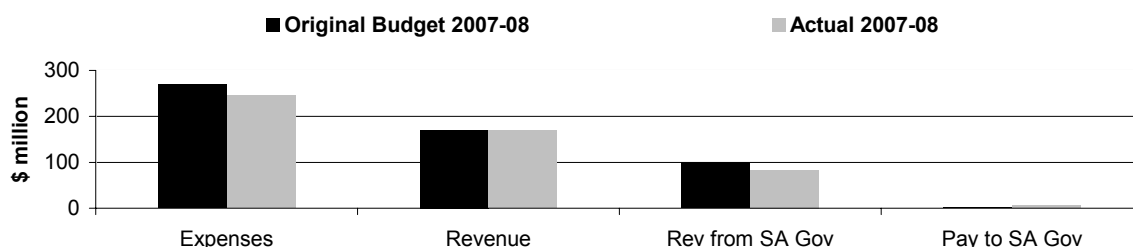
# PERFORMANCE

## FINANCIAL OVERVIEW

This section of the report provides an analysis of the financial performance of the department. The tables below summarise the Income Statement, Balance Sheet and Cash Flow Statement and include a comparison of the original budget for 2007–08, the results for 2007–08 and the results for 2006–07. The detailed Financial Statements for 2007–08 are presented later in this report.

### Summary income statement

	Original Budget 2007–08 \$'000	Actual 2007–08 \$'000	Actual 2006–07 \$'000
Expenses	269 068	245 495	161 730
Revenues	170 649	168 992	99 997
<b>Net cost of providing services</b>	<b>(98 419)</b>	<b>(76 503)</b>	<b>(61 733)</b>
Revenues from SA Government	98 924	83 196	60 818
Payments to SA Government	2 232	6 466	—
<b>Net result before restructure</b>	<b>(1 727)</b>	<b>227</b>	<b>(915)</b>
Net revenue from administrative restructure	—	—	11 363
<b>Net result after restructure</b>	<b>(1 727)</b>	<b>227</b>	<b>10 448</b>
Income tax equivalents	109	450	162
<b>Net result after restructure and tax</b>	<b>(1 836)</b>	<b>(223)</b>	<b>10 286</b>



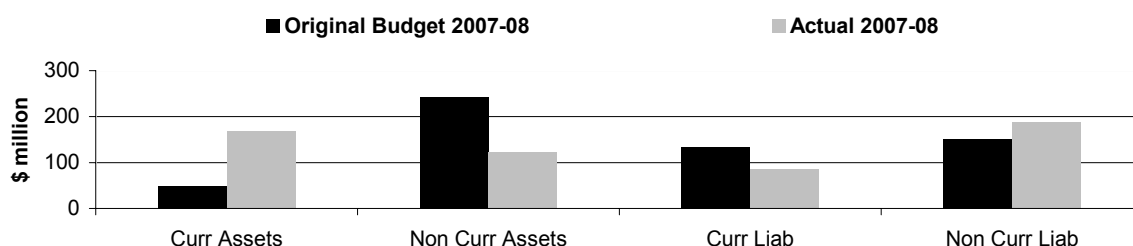
As reflected in the table, the 2007-08 Net Result After Restructure and Tax of \$223 000 represents a favourable variation of \$1.6 million from the original budget. This variation is summarised as follows:

- Expenses were \$23.6 million lower than the original budget primarily due to decreased employment costs attributable to staff vacancies, the closure of the Supply SA warehouse and the allocation of savings associated with Future ICT. The lower than budget result is also due to adjustments to the timing of the implementation of Shared Services.
- Revenues decreased by \$1.7 million compared to budget primarily due to lower than expected fees and charges from ICT services and the Supply SA warehouse as a result of the closure partially offset by net gains on the disposal of government fleet replacement vehicles.

- Revenues from the Government of South Australia were \$15.7 million lower than budget primarily due to adjustments to the timing of the implementation of Shared Services and the Tax Revenue Management System project (RISTEC). The lower than budget result was also due to the implementation of savings strategies resulting from the abolition of the Department for Administrative and Information Services (DAIS).

### Summary balance sheet

	Original Budget 2007-08 \$'000	Actual 2007-08 \$'000	Actual 2006-07 \$'000
Current assets	49 309	167 946	95 184
Non current assets	242 633	122 856	173 184
<b>Total assets</b>	<b>291 942</b>	<b>290 802</b>	<b>268 368</b>
Current liabilities	133 991	85 128	28 093
Non current liabilities	152 238	188 028	222 406
<b>Total liabilities</b>	<b>286 229</b>	<b>273 156</b>	<b>250 499</b>
Net assets	5 713	17 646	17 869
<b>Equity</b>	<b>5 713</b>	<b>17 646</b>	<b>17 869</b>



Current assets were \$118.6 million more than budget due to a higher than anticipated cash balance due to departmental under spend in 2007-08 and the impact of the government fleet replacement program.

Non current assets were \$119.8 million less than budget primarily due to the impact of the government fleet replacement program.

Current liabilities were \$48.9 million less than budget due to lower short term borrowings associated with the government fleet replacement program.

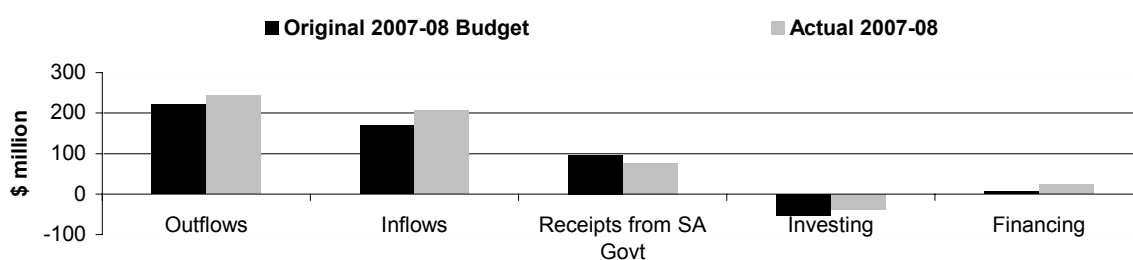
Non current liabilities were \$35.8 million more than budget primarily due to the impact of the government fleet replacement program.



## Summary cash flow statement

	Original Budget 2007-08 \$'000	Actual 2007-08 \$'000	Actual 2006-07 \$'000
Cash flows from operating activities			
Cash outflows	(221 163)	(242 395)	(149 564)
Cash inflows	170 418	205 643	139 153
Cash flows from SA Government	96 583	76 730	60 712
<b>Net cash provided by operating activities</b>	<b>45 838</b>	<b>39 978</b>	<b>50 301</b>
Cash flows from investing activities			
Cash outflows	(94 023)	(81 290)	(57 018)
Cash inflows	39 732	44 214	29 020
<b>Net cash used by investing activities</b>	<b>(54 291)</b>	<b>(37 076)</b>	<b>(27 998)</b>
Cash flows from financing activities			
Cash outflows	(31 163)	(59 993)	(55 279)
Cash inflows	38 183	84 276	53 212
<b>Net cash used in financing activities</b>	<b>7 020</b>	<b>24 283</b>	<b>(2 067)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1 433)</b>	<b>27 185</b>	<b>20 236</b>
Cash and cash equivalents at the beginning of the financial year	27 518	31 590	11 354
<b>Cash and cash equivalents at the end of the financial year</b>	<b>26 085</b>	<b>58 775</b>	<b>31 590</b>

**Note:** The cash outflows/inflows from operating activities original budget does not include a GST component. However, they are represented on a gross basis from an actuals perspective to represent the payment to and receipts from the Australian Taxation Office.



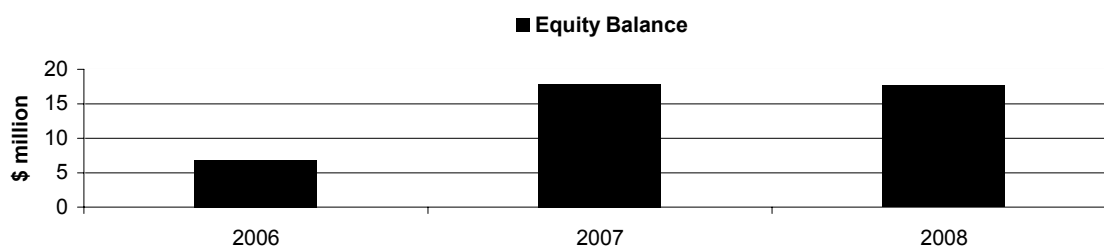
The operating activities result in the Cash Flow Statement is consistent with the details outlined for the Income Statement and the Balance Sheet taking into account the impacts of GST.

The net cash flows from investing activities were \$17.2 million less than budget mainly due to the impact of the purchase and sale of motor vehicles for the government fleet replacement program.

The net cash flows from financing activities were \$17.2 million more than budget mainly due to the impact of borrowings for motor vehicles for the government fleet replacement program.

## Summary statement of changes in equity

	Actual \$'000
Balance as at 30 June 2006	6 838
Balance as at 30 June 2007	17 869
Balance as at 30 June 2008	17 646



The changes in equity from year to year reflect the net result as reported in the income statement and adjustments to the balance sheet. The 2007-08 balance is consistent with 2006-07.

## Trends

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

### Key performance indicators

	2007-08 \$'000	2006-07 \$'000	2005-06 \$'000
Net Cost of Providing Services	76 503	61 733	41 322
Revenues from Government as total Source of funding	32.99%	37.82%	56.9%
Average Employee Cost	81	80	78
Operating Expenses per Employee	234	205	127
Consultants as percentage of Operating Expenses	0.59%	1.04%	0.72%
Cash Balance	58 775	31 590	11 354
Net Assets	17 646	17 869	6 838
Increase/(Decrease) in Net Assets	(223)	11 031	(527)
Current Assets/Current Liabilities	1.97	3.39	2.27
% of Creditors paid within 30 days	93%	88%	96%

The Net Cost of Providing Services increased from the previous year mainly due to the full year impact of the transfer of State Procurement and Support Operations (SPSO) from DAIS to Treasury and Finance and subsequent increase in operating expenses and revenue.

The proportion of revenue sourced from the government has decreased primarily due to the full year impact of higher operating revenue received by SPSO.

The average cost per employee did not change significantly from 2006-07 whilst the operating expenses per employee increased from 2006-07 due to the full year impact of the transfer of SPSO from DAIS to Treasury and Finance. The consultancy costs as a

percentage of operating costs decreased primarily as a result of the transfer of SPSO from DAIS to Treasury and Finance and subsequent increase in operating expenses.

The increase in the cash balance is primarily due to the impact of the government fleet replacement program and increase in borrowings.

The ratio of current assets to liabilities has decreased mainly due to an increase in short term borrowings associated with the government fleet replacement program.

## ***Account payment performance***

All agencies are required to report monthly the number and value of creditors' accounts paid and the extent to which the accounts have been paid in accordance with Treasurer's Instruction 11. This instruction requires all undisputed accounts to be paid within 30 days of the date of the invoice or claim unless there is a discount or a written agreement between the agency and the creditor.

The following table demonstrates that the department paid 93 per cent of all invoices for the portfolio by the due date. The number of accounts paid result is above the government benchmark of 90 per cent.

### **Account payment performance**

	Number paid	%	Amount paid \$'000	%
Paid by the due date	48 037	93	215 563	93
Paid less than 30 days after the due date	2 770	5	12 898	6
Paid more than 30 days after the due date	759	2	2 469	1
<b>Total</b>	<b>51 566</b>	<b>100</b>	<b>230 930</b>	<b>100</b>

## ***Major contracts***

There are six contractual arrangements with a total value of over \$4 million managed by the department.

There are three whole of government contracts for banking and related services: transaction banking services (Westpac Banking Corporation), purchase cards (ANZ) and merchant facilities (ANZ). These contracts were established on 29 November 2002 for an initial period of three years, and were extended for a further two years.

In February 2007, approval was granted to extend the transaction banking and purchase cards contracts for an additional period of two years each, with the option to extend for a further two years, which came into effect on 29 November 2007. The merchant facilities contract was re-tendered and contract approval granted to ANZ for an initial term of two years, with extension options not exceeding eight years, which came into effect in January 2008.

The transactional banking services contract has an estimated value of \$12.9 million over a total of nine years. It is anticipated that the purchase cards contract will generate a rebate to government of around \$540 000 over a total of nine years (\$60 000 per annum). The value of the merchant facilities contract is commercial in confidence.

In October and November 2005 the department entered into contracts with Australia Post, Commonwealth Bank of Australia and Bill Express Limited for Over the Counter Collection Services. All three contracts are for an initial three year period with options to extend for a further four years. The contracts have an estimated total value of \$12.0 million over a potential seven year period.

In November 2004 the department contracted with SSA Global Technology Australia Pty Ltd for a Financial Transactional Processing System. The contract is for an initial five year period with an option to extend for a further year.

The management of the contract for Metropolitan Crash Repair Network Services with a panel of twenty suppliers transferred to the department following the dissolution of DAIS. The contract, which was executed in July 2006, was for an initial period of one year with an option to extend for a further three periods of one year each. An extension was approved on 25 June 2008 and came into effect on 1 July 2008. The contract has an estimated total value of \$8.0 million over a total potential period of four years.

## CERTIFICATION OF THE FINANCIAL REPORT

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

- complies with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the department; and
- presents a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2008 and the results of its operation and cash flows for the financial year.

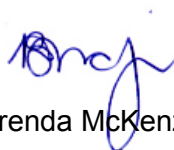
We certify that the internal controls employed by the Department of Treasury and Finance for the financial year over its financial reporting and its preparation of the general purpose financial report have been effective throughout the reporting period.



Jim Wright

UNDER TREASURER

20 September 2008



Brenda McKenzie

ACTING DIRECTOR, FINANCIAL SERVICES

18 September 2008

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
<b>EXPENSES</b>			
Employee benefit expenses	5	85 036	63 298
Supplies and services	6	99 162	62 136
Depreciation and amortisation expense	7	45 591	24 491
Borrowing costs	8	13 625	6 291
Other expenses	9	2 081	5 514
<b>Total Expenses</b>		<b>245 495</b>	<b>161 730</b>
<b>INCOME</b>			
Revenues from fees and charges	11	165 631	98 289
Interest revenues	12	129	68
Net gain from disposal of non-current assets and other assets	13	2 746	1 252
Other revenues	14	486	388
<b>Total Income</b>		<b>168 992</b>	<b>99 997</b>
<b>NET COST OF PROVIDING SERVICES</b>		<b>(76 503)</b>	<b>(61 733)</b>
<b>REVENUES FROM / PAYMENTS TO SA GOVERNMENT</b>			
Revenues from SA Government	15	83 196	60 818
Payments to SA Government	15	(6 466)	—
<b>NET RESULT BEFORE RESTRUCTURE</b>		<b>227</b>	<b>( 915)</b>
Net Revenue from Administrative Restructure	29		11 363
<b>NET RESULT AFTER RESTRUCTURE</b>		<b>227</b>	<b>10 448</b>
Income tax equivalents	16	450	162
<b>NET RESULT AFTER RESTRUCTURE AND TAX</b>		<b>( 223)</b>	<b>10 286</b>

**THE NET RESULT AFTER RESTRUCTURING AND TAX IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER**

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

# BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	17	58 775	31 590
Receivables	18	18 259	16 744
Inventories	19	—	2 400
Property, plant and equipment	21	86 779	41 351
		<b>163 813</b>	<b>92 085</b>
Non-current assets classified as held for sale	20	4 133	3 099
<b>Total Current Assets</b>		<b>167 946</b>	<b>95 184</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	18	—	136
Property, plant and equipment	21	118 313	166 861
Intangible assets	22	4 543	6 187
<b>Total Non-Current Assets</b>		<b>122 856</b>	<b>173 184</b>
<b>TOTAL ASSETS</b>		<b>290 802</b>	<b>268 368</b>
<b>CURRENT LIABILITIES</b>			
Payables	23	11 974	17 792
Borrowings	24	62 462	376
Employee benefits	25	7 901	7 308
Provisions	26	616	720
Other current liabilities	27	407	776
		<b>83 360</b>	<b>26 972</b>
Liabilities directly associated with non-current assets held for sale		1 768	1 121
<b>Total Current Liabilities</b>		<b>85 128</b>	<b>28 093</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	23	1 571	1 558
Borrowings	24	165 823	204 273
Employee benefits	25	17 375	16 242
Provisions	26	410	333
Other non-current liabilities	27	2 849	—
<b>Total Non-Current Liabilities</b>		<b>188 028</b>	<b>222 406</b>
<b>TOTAL LIABILITIES</b>		<b>273 156</b>	<b>250 499</b>
<b>NET ASSETS</b>		<b>17 646</b>	<b>17 869</b>

## BALANCE SHEET AS AT 30 JUNE 2008 CONTINUED

### EQUITY

Asset revaluation reserve	28	108	108
Retained earnings	28	17 538	17 761
<b>TOTAL EQUITY</b>		<b>17 646</b>	<b>17 869</b>

### THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER

Unrecognised Contractual Commitments	30
Contingent Assets and Liabilities	31

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



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 30 June 2006</b>		108	6 730	<b>6 838</b>
Net result after restructure and tax for 2006-07		—	12 019	<b>12 019</b>
<b>Total recognised income and expense for 2006-07</b>		—	12 019	<b>12 019</b>
<b>Balance at 30 June 2007</b>	<b>28</b>	108	18 749	<b>18 857</b>
Error Correction		—	( 988)	<b>( 988)</b>
<b>Restated balance at 30 June 2007</b>		<b>108</b>	<b>17 761</b>	<b>17 869</b>
Net result after restructure and tax for 2007-08		—	( 223)	<b>( 223)</b>
<b>Total recognised income and expenses for 2007-08</b>		—	( 223)	<b>( 223)</b>
<b>Balance at 30 June 2008</b>	<b>28</b>	108	17 538	<b>17 646</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.

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Employee benefit payments		(82 893)	(61 383)
Payments for supplies and services		(103 304)	(57 972)
Interest paid		(13 625)	(6 291)
GST payments on purchases		(19 587)	(12 544)
GST remitted to Australian Taxation Office		(22 986)	(11 374)
<b>Cash used in operations</b>		<b>(242 395)</b>	<b>(149 564)</b>
<b>Cash Inflows</b>			
Fees and charges		162 192	102 047
Interest received		123	118
Proceeds from restructuring activities		—	12 720
GST receipts on receivables		22 297	13 215
GST input tax credits		20 738	10 665
Other receipts		293	388
<b>Cash generated from operations</b>		<b>205 643</b>	<b>139 153</b>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		83 196	60 818
Payments to SA Government		(6 466)	—
Income tax equivalent paid		—	( 106)
<b>Cash generated from SA Government</b>		<b>76 730</b>	<b>60 712</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	33(b)	<b>39 978</b>	<b>50 301</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		(80 483)	(56 725)
Purchase of intangible assets		( 807)	( 293)
<b>Cash used in investing activities</b>		<b>(81 290)</b>	<b>(57 018)</b>
<b>Cash Inflows</b>			
Proceeds from sale of property, plant and equipment		44 214	29 020
<b>Cash generated from investing activities</b>		<b>44 214</b>	<b>29 020</b>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<b>(37 076)</b>	<b>(27 998)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash outflows</b>			
Repayment of borrowings		(59 644)	(55 279)
Repayment of finance leases		( 349)	—
<b>Cash used in financing activities</b>		<b>(59 993)</b>	<b>(55 279)</b>
<b>Cash inflows</b>			
Proceeds from borrowings		84 276	53 212
<b>Cash generated from financing activities</b>		<b>84 276</b>	<b>53 212</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>24 283</b>	<b>(2 067)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>27 185</b>	<b>20 236</b>
Cash and cash equivalents at the beginning of the financial year	<b>31 590</b>	<b>11 354</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b> 33(a)	<b>58 775</b>	<b>31 590</b>

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

# **PROGRAM SCHEDULE OF EXPENSES AND INCOME FOR THE YEAR ENDED 30 JUNE 2008**

	Program 1		Program 2		Program 3		Program 4		Program 5		Program Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>												
Employee benefit expenses	14 305	12 386	32 539	29 796	10 729	2 858	27 192	18 024	271	234	85 036	63 298
Supplies and services	4 715	4 006	20 114	20 778	7 884	1 482	66 431	35 861	18	9	99 162	62 136
Depreciation and amortisation expense	718	687	1 873	1 765	118	9	42 881	22 029	1	1	45 591	24 491
Borrowing costs	—	—	—	—	—	—	13 625	6 291	—	—	13 625	6 291
Other expenses	—	—	—	—	—	—	2 081	5 514	—	—	2 081	5 514
<b>Total Expenses</b>	<b>19 738</b>	<b>17 079</b>	<b>54 526</b>	<b>52 339</b>	<b>18 731</b>	<b>4 349</b>	<b>152 210</b>	<b>87 719</b>	<b>290</b>	<b>244</b>	<b>245 495</b>	<b>161 730</b>
<b>INCOME</b>												
Revenues from fees and charges	1 643	1 086	29 944	30 461	1 118	2	132 925	66 740	1	—	165 631	98 289
Interest revenues	—	—	—	—	22	—	107	68	—	—	129	68
Net Gain from disposal of assets	—	—	—	—	—	—	2 746	1 252	—	—	2 746	1 252
Other revenues	86	71	342	201	13	1	45	115	—	—	486	388
<b>Total Income</b>	<b>1 729</b>	<b>1 157</b>	<b>30 286</b>	<b>30 662</b>	<b>1 153</b>	<b>3</b>	<b>135 823</b>	<b>68 175</b>	<b>1</b>	<b>—</b>	<b>168 992</b>	<b>99 997</b>
<b>NET COST OF PROVIDING SERVICES</b>	<b>(18 009)</b>	<b>(15 922)</b>	<b>(24 240)</b>	<b>(21 677)</b>	<b>(17 578)</b>	<b>(4 346)</b>	<b>(16 387)</b>	<b>(19 544)</b>	<b>( 289)</b>	<b>( 244)</b>	<b>(76 503)</b>	<b>(61 733)</b>
<b>REVENUES FROM / PAYMENT TO SA GOVERNMENT</b>												
Revenues from SA Government	20 434	16 299	27 404	21 586	19 898	4 450	15 133	18 234	327	249	83 196	60 818
Payments to SA Government	(1 941)	—	(2 604)	—	(1 890)	—	—	—	( 31)	—	(6 466)	—
<b>NET RESULT BEFORE RESTRUCTURE</b>	<b>484</b>	<b>377</b>	<b>560</b>	<b>( 91)</b>	<b>430</b>	<b>104</b>	<b>(1 254)</b>	<b>(1 310)</b>	<b>7</b>	<b>5</b>	<b>227</b>	<b>( 915)</b>

The Programs are listed below and descriptions are contained in Note 4:

- (1) Accountability for Public Sector Resources
- (2) Financial Services Provision
- (3) Shared Services
- (4) State Procurement and Support Operations
- (5) Gambling Policy

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

## NOTE INDEX

Note 1 Objectives of the Department of Treasury and Finance

Note 2 Summary of Significant Accounting Policies

Note 3 Changes in Accounting Policies

Note 4 Programs of the Department

### Expense Notes

Note 5 Employee Benefit Expenses  
Remuneration of Employees

Note 6 Supplies and Services

Note 7 Depreciation and Amortisation Expense

Note 8 Borrowing Costs

Note 9 Other Expenses

Note 10 Auditor's Remuneration

Note 16 Income Tax Equivalent payments

### Income Notes

Note 11 Revenues from Fees and Charges

Note 12 Interest Revenues

Note 13 Net Gain/Loss from the Disposal of Non-Current Assets and Other Assets

Note 14 Other Revenues

Note 15 Revenues from/Payments to SA Government

### Asset Notes

Note 17 Cash and Cash Equivalents

Note 18 Receivables

Note 19 Inventories

Note 20 Non-Current Assets classified as Held for Sale

Note 21 Property, Plant and Equipment

Note 22 Intangible Assets

## **Liability Notes**

Note 23 Payables

Note 24 Borrowings

Note 25 Employee Benefits

Note 26 Provisions

Note 27 Other Liabilities

## **Equity Note**

Note 28 Equity

## **Other Notes**

Note 29 Net Revenue from Administrative Restructure

Note 30 Unrecognised and Contractual Commitments

Note 31 Contingent Assets and Liabilities

Note 32 Remuneration of Board and Committee Members

Note 33 Cash Flow Reconciliation

Note 34 Financial Instruments/Financial Risk Management

Note 35 Events after Balance Date

## **Administered Items Notes**

Note 36 Summary of Significant Accounting Policies

Note 37 Taxation

Note 38 Commonwealth Revenues

Note 39 Dividends

Note 40 Interest Revenues

Note 41 Revenues from/Payments to SA Government

Note 42 Grants and Contributions

Note 43 Revenues from Fees and Charges

Note 44 Other Revenues

Note 45 Employee Benefit Expenses

Note 46 Supplies and Services

Note 47 Interest Expense

Note 48 Grants, Subsidies and Transfers

Note 49 Depreciation Expense

Note 50 Other Expenses

Note 51 Cash and Cash Equivalents

Note 52 Receivables

Note 53 Other Financial Assets

Note 54 Property, Plant and Equipment

Note 55 Payables

Note 56 Employee Benefits

Note 57 Provisions

Note 58 Interest Bearing Liabilities - SA Government entities

Note 59 Other Liabilities

Note 60 Unrecognised and Contractual Commitments

Note 61 Net Revenue from Administrative Restructure

Note 62 Contingent Assets and Liabilities

Note 63 Lease

Note 64 Cash Flow Reconciliation

Note 65 Financial Instruments/Financial Risk Management

Note 66 Events after Balance Date

# NOTES

## 1 Objectives of the Department of Treasury and Finance

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

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

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

The department provides the government with policy and financial advice on achieving the SASP through the following departmental priorities:

### **Strengthen state finances including maintaining the AAA credit rating**

*Related SASP Objective: Growing Prosperity*

*Target Area: Credit rating; Strategic Infrastructure*

### **Achieve performance improvements in the South Australian public sector**

*Related SASP Objective: Growing Prosperity*

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

### **Improve budget and financial management processes**

*Related SASP Objective: Growing Prosperity*

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

### **Improve service delivery**

*Related SASP Objective: Growing Prosperity*

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

### **Effective industry regulation**

*Related SASP Objective: Growing Prosperity*



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

## **Corporate priorities**

*Related SASP Objective: Growing Prosperity*

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

To achieve these objectives, the department delivers a number of programs for the government. The program information is summarised in Note 4.

## **2 Summary of Significant Accounting Policies**

### **2.1 Statement of Compliance**

The financial report is a general purpose financial report. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Australian accounting standards include Australian equivalents to International Financial Reporting Standards and AAS 29 *Financial Reporting by Government Departments*. Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the department for the reporting period ending 30 June 2008. These are outlined in Note 3.

#### *Basis of Preparation*

The preparation of the financial report 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 Income Statement);
  - c) employee target voluntary separation package information;
  - d) employees whose normal remuneration is \$100 000 or more (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 Income Statement, Balance Sheet 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 Cash Flow Statement has been prepared on a cash basis.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

## **2.2 Reporting Entity**

The department is a government department of the State of South Australia, established pursuant to the *Public Sector Management Act 1995*. The department is an administrative unit acting on behalf of the Crown.

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

## **2.3 Administrative Restructure**

The *Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2006* (dated 28 September 2006) declared that the Contract and Procurement Services, Fleet SA, Support Services and Corporate Services (other than Parliamentary Network Support Group, Injury Management Unit and Placement Services) Business Units transferred from the Department for Administrative and Information Services (DAIS) to the department. This public sector restructure was effective from 1 January 2007 for financial reporting purposes. Refer to note 29.

## **2.4 Comparative Information**

The presentation and classification of items in the financial report are consistent with prior periods except where a specific accounting policy statement or Australian accounting standard has required a change.

Where presentation or classification of items in the financial report has been amended comparative amounts have been reclassified unless reclassification is impracticable.

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

## **2.5 Rounding**

All amounts in the financial report have been rounded to the nearest thousand dollars (\$'000).

## **2.6 Taxation**

In accordance with Treasurer's Instruction 22 *Tax Equivalent Payments*, some business units are required to pay to the State Government income tax equivalents. The income tax liability is based on the Treasurer's accounting profit method, which requires the corporate tax rate be applied to the net profit. The current income tax liability relates to the income tax expense outstanding for the current period.

Income taxation equivalents are required to be paid by the following business units of the department:

- Fleet SA
- Government Supplies Warehouse (Supply SA)

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 Tax Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and creditors are stated with the amount of GST included.

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

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

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

## **2.7 Events after Balance Date**

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

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

## **2.8 Income and Expenses**

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the department will occur and can be reliably measured.

Income and expenses 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.

The notes accompanying the financial statements disclose income, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date.

Transactions with SA Government entities and Non SA Government entities are classified according to their nature.

The following are specific recognition criteria:

## **Income**

### *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 receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

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

### *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.

## **Expenses**

### *Employee benefits*

Employee benefit expense includes all cost related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

### *Superannuation*

The amount charged to the Income Statement represents the contributions made by the department to the superannuation plan in respect of current services of current departmental staff. The Department centrally recognises the superannuation liability in the whole-of-government general purpose financial report.

#### *Contributions paid*

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

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

#### *Borrowing costs*

All borrowing costs are recognised as expenses.

#### *Payments to SA Government*

Payments to the SA Government represent the return of surplus cash pursuant to the cash alignment policy and is paid directly to the Consolidated Account.

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

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

## **2.9 Cash and Cash Equivalents**

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

Cash is measured at nominal value.

## **2.10 Receivables**

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

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

Collectibility of trade 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.

## **2.11 Inventories**

Inventories are mainly general stock on hand (other than those held for distribution at no or nominal consideration) held by Supply SA and are valued at the lower of average cost or net realisable value, using the average weighted cost method.

The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

## **2.12 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).

## **2.13 Non-Current Assets Acquisition and Recognition**

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

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Balance Sheet. 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 the value recorded by the transferor prior to transfer.

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

## **2.14 Revaluation of Non-Current Assets**

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

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

Any revaluation increment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement.

Any revaluation decrease is recognised in the Income Statement, 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 reserve to the extent of the credit balance existing in the revaluation reserve 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 reserve relating to that asset is transferred to retained earnings.

## **2.15 Impairment**

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

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

## 2.16 Non-Current Assets (or disposal groups) Held for Sale

Non-current assets (or disposal groups) 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 highly 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 and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

## 2.17 Depreciation and Amortisation of Non-Current Assets

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

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

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

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

Land and assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets. Depreciation rates were amended as a result of the change in useful lives.

Class of Asset	Depreciation Method	Useful Life (Years)
Buildings	Straight Line	20–40
Fitouts — owned buildings	Straight Line	3–10
Fitouts — leased buildings	Straight Line	Remaining life of lease
Furniture	Straight Line	10
Information Technology Equipment	Straight Line	3–5
Intangibles	Straight Line	3–10
Motor Vehicles	Straight Line	1–5
Office Equipment	Straight Line	3–5
Plant and Equipment	Straight Line	5–10

## 2.18 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 or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiable, 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 will be capitalised. Other expenditure for modifications that merely maintain the existing level of performance or system functionality will be expensed.

## **2.19 Payables**

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

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

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

All amounts 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.

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

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

## **2.20 Borrowings/ Financial Liabilities**

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

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

### ***Light Motor Vehicles - Loan Arrangements with SAFA***

Arrangements for the ongoing acquisition of motor vehicles have existed with the South Australian Government Financing Authority since 2003. Funding has been provided through a loan facility direct to Fleet SA. The vehicle purchases are financed on a credit foncier basis of three year fixed periods from November 2005 with balances of loans maturing over the next three years. During the reporting period an amount of \$84,291,000 was borrowed.



## **2.21 Employee Benefits**

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

### *Salaries and wages, annual leave and sick leave*

Liability for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

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

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

### *Long service leave*

The liability for long service leave is recognised after an employee has completed 6.5 years of service. An actuarial assessment of long service leave based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the department's experience of employee retention and leave taken.

The current/non current classification of department's long service leave liabilities has been calculated based on historical usage patterns consistent with paragraph 5.15 of the Accounting Policy Framework IV *Financial Asset and Liability Framework*.

### *Employee benefit on-costs*

Employee benefit on-costs (payroll tax, workcover and superannuation) are recognised separately under payables.

## **2.22 Provisions**

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

When the department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement 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 Balance Sheet date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

### *Workers Compensation*

The department is responsible for Workers Compensation with an actuarial estimate of the outstanding liability as at June 2008 provided by a consulting actuary through the Public Sector Workforce Division of the Department of the Premier and Cabinet.

### *Procurement of Testing Services - Removal of Underground Fuel Tanks and Site Remediation*

A provision is in place for the procurement of testing services (relating to the costs associated with the removal of underground fuel tanks previously owned by Mobil Australia including the remediation of sites). The provision specifically includes the procurement of assessment, drilling and analytical services.

## **2.23 Leases**

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

### *Finance Leases*

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

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

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

### *Operating leases*

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

### *Lease Incentives*

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

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

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

## **2.24 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 Balance Sheet, 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 Changes in Accounting Policies**

The Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the department for the reporting period ending 30 June 2008. 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 report of the department.

## **4 Programs of the department**

In achieving its objectives, the department provides a range of services classified into the following programs:

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

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

### *Program 2: Financial Services Provision*

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

### *Program 3: Shared Services*

Design, development and implementation of shared services across government.

### *Program 4: State Procurement and Support Operations*

The department has a role of providing a range of services (in addition to those provided by Shared Services SA) to other government agencies including contract and procurement management, fleet management and a range of corporate transaction services.

### *Program 5: Gambling Policy*

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

<b>5 Employee Benefit Expenses</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	59 978	45 211
Long service leave	3 396	2 080
Annual leave	5 676	4 538
Employment on-costs - superannuation	8 444	6 137
Employment on-costs - other	4 304	3 275
Board fees	206	198
Other employee related expenses	3 032	1 859
<b>Total Employee Benefit Expenses</b>	<b>85 036</b>	<b>63 298</b>

<b>Remuneration of Employees</b>	<b>2008</b>	<b>2007</b>
	<b>Number of Employees</b>	<b>Number of Employees</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	34	26
\$110 000 - \$119 999	10	9
\$120 000 - \$129 999	8	9
\$130 000 - \$139 999	11	10
\$140 000 - \$149 999	9	11
\$150 000 - \$159 999	13	7
\$160 000 - \$169 999	7	2
\$170 000 - \$179 999	3	3
\$180 000 - \$189 999	1	2
\$190 000 - \$199 999	4	—
\$200 000 - \$209 999	2	1
\$210 000 - \$219 999	1	2
\$220 000 - \$229 999	—	3
\$230 000 - \$239 999	4	—
\$240 000 - \$249 999	1	—
\$250 000 - \$259 999	—	1
\$270 000 - \$279 999	—	1
\$280 000 - \$289 999	1	—
\$340 000 - \$349 999	—	1
\$370 000 - \$379 999	1	—
<b>Total Number of Employees</b>	<b>110</b>	<b>88</b>

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$15,559,000 (\$12,306,500).

<b>6 Supplies and Services</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Accommodation and telecommunication	8 955	6 008
Information technology expenses	3 379	5 019
Cost of goods	3 474	1 724
Motor vehicle expenses	3 072	1 614
Minor works, maintenance and equipment	1 756	1 207
Legal costs	1 053	846
Valuation fees	4 180	3 846
General administration and consumables	87	37
Other	3 170	2 323
<b>Total Supplies and Services - SA Government Entities</b>	<b>29 126</b>	<b>22 624</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Accommodation and telecommunication	357	279
Information technology expenses	13 582	6 946
Cost of goods	9 846	6 662
Motor vehicle expenses	27 381	12 193
Minor works, maintenance and equipment	727	594
Legal costs	52	38
Consultants	1 442	1 675
Contractors	7 673	3 193
General administration and consumables	4 381	3 408
Other	4 595	4 524
<b>Total Supplies and Services - Non SA Government Entities</b>	<b>70 036</b>	<b>39 512</b>
<b>Total Supplies and Services</b>	<b>99 162</b>	<b>62 136</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 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:

	2008 Number	2007 Number	2008 \$'000	2007 \$'000
Below \$10,000	19	16	64	78
Between \$10,000 and \$50,000	15	11	442	266
Above \$50,000	9	5	936	1 331
<b>Total Paid / Payable to the Consultants engaged</b>	<b>43</b>	<b>32</b>	<b>1 442</b>	<b>1 675</b>

#### 7 Depreciation and Amortisation Expense

2 008  
\$'000

2 007  
\$'000

##### Depreciation

Buildings	10	7
Plant and equipment	11	319
Motor vehicles	41 056	20 162
Furniture	16	16
Information technology equipment	625	241
Office equipment	125	107
<b>Total Depreciation</b>	<b>41 843</b>	<b>20 852</b>

##### Amortisation

Intangible assets	2 436	2 222
Building fitouts	998	519
Leased plant and equipment	314	898
<b>Total Amortisation</b>	<b>3 748</b>	<b>3 639</b>

#### Total Depreciation and Amortisation Expense

45 591

24 491

##### Correction of errors

Due to the acquisition of items of Property, Plant and Equipment under finance leases for \$1,449,000 not previously being recognised by Department for Administrative and Information Services prior to the restructure in January 2007, the amortisation expense on leased plant and equipment was understated by \$870,000 in 2006-07.

The depreciation expense on motor vehicles was understated by \$848,000 in 2006-07 due to the incorrect calculation of depreciation expense using the lease rate residual rather than the impaired rate.

These errors had the total effect of understating depreciation and amortisation expense by \$1,718,000, understating net cost of providing services by \$1,718,000 and overstating retained earnings at 30 June 2007.

These errors have been corrected by restating each of the affected financial statement line items for the prior year.

#### 8 Borrowing costs

2008  
\$'000

2007  
\$'000

Interest paid/payable on short term and long term borrowings	13 623	6 289
Finance lease costs	2	2
<b>Total Borrowing Costs</b>	<b>13 625</b>	<b>6 291</b>

#### 9 Other Expenses

2008  
\$'000

2007  
\$'000

##### Other expenses paid/payable to entities external to the SA Government

Inventories write-offs	597	—
Bad and doubtful debts (write-back) expenses	40	348
Impairment loss	1 444	5 166
<b>Total Other Expenses - Non SA Government Entities</b>	<b>2 081</b>	<b>5 514</b>

#### Total Other Expenses

2 081

5 514

#### 10 Auditor's Remuneration

2008  
\$'000

2007  
\$'000

Audit Fees paid / payable to the Auditor-General's Department	512	462
<b>Total Audit Fees</b>	<b>512</b>	<b>462</b>

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

<b>11 Revenue from Fees and Charges</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fees and Charges received/receivable from entities within the SA Government:</b>		
Agencies for the provision of corporate services	2 398	1 997
South Australian Government Financing Authority	7 942	7 958
Community Emergency Services Fund	5 884	5 926
Banking administration fees	—	14
Land tax certificates	511	475
Service provision	26 204	14 074
Fleet management	92 100	43 034
Sale of goods	10 514	7 015
Other recoveries	1 549	487
<b>Total Fees and Charges - SA Government Entities</b>	<b>147 102</b>	<b>80 979</b>
<b>Fees and Charges received/receivable from entities external to the SA Government:</b>		
South Australian Superannuation Board	12 140	13 127
Land tax certificates	238	216
Regulatory fees	167	186
Service provision	1 836	483
Fleet management	1 029	387
Sale of goods	2 503	2 548
Other recoveries	616	363
<b>Total Fees and Charges - Non SA Government Entities</b>	<b>18 529</b>	<b>17 309</b>
<b>Total Fees and Charges</b>	<b>165 631</b>	<b>98 289</b>
<b>12 Interest Revenues</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from entities within the SA Government	129	68
<b>Total Interest Revenues</b>	<b>129</b>	<b>68</b>
<b>13 Net Gain/Loss from Disposal of non-current assets and other assets</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, Plant and Equipment		
Proceeds from disposal	44 214	29 020
Net book value of assets disposed	(41 468)	(27 768)
<b>Total Net Gain from Disposal of Assets</b>	<b>2 746</b>	<b>1 252</b>
<b>14 Other Revenues</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Revenues received/receivable from entities within the SA Government:</b>		
Other reimbursements	156	4
<b>Total Other Revenues - SA Government Entities</b>	<b>156</b>	<b>4</b>
<b>Other Revenues received/receivable from entities external to the SA Government:</b>		
Commissions	149	133
Banking recoveries	67	59
Other revenue	114	192
<b>Total Other Revenues - Non SA Government Entities</b>	<b>330</b>	<b>384</b>
<b>Total Other Revenues</b>	<b>486</b>	<b>388</b>
<b>15 Revenues from/Payments to SA Government</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	83 196	60 818
<b>Total Revenues from SA Government</b>	<b>83 196</b>	<b>60 818</b>
<b>Payments to SA Government</b>		
Return of surplus cash pursuant to Cash Alignment Policy	6 466	—
<b>Total Payments to SA Government</b>	<b>6 466</b>	<b>—</b>
<b>16 Income Tax Equivalent</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Income tax equivalent payment - Fleet SA	450	162
<b>Total Income Tax Equivalent</b>	<b>450</b>	<b>162</b>

<b>17 Cash and Cash Equivalents</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	<b>58 654</b>	31 472
Cash on hand	<b>121</b>	118
<b>Total Cash and Cash Equivalents</b>	<b>58 775</b>	31 590

#### Deposits with the Treasurer

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

#### Interest rate risk

From 1 April 2008, the Shared Services SA component of Deposits with the Treasurer earned a floating interest rate based on daily bank deposit rates. The Shared Services SA balance at 30 June 2008 was \$1,724,000. Other Deposits with the Treasurer were non interest bearing. Cash on hand is non-interest bearing. The carrying amount of cash approximates net fair value.

<b>18 Receivables</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	<b>15 766</b>	13 826
Allowance for doubtful debts	<b>( 49)</b>	( 72)
Accrued revenues	<b>1 469</b>	1 004
Prepayments	<b>1 016</b>	1 491
GST input tax recoverab	<b>57</b>	495
<b>Total Current Receivables</b>	<b>18 259</b>	16 744
<b>Non -Current</b>		
Prepayments	<b>—</b>	136
<b>Total Non-Current Receivables</b>	<b>—</b>	136
<b>Total Receivables</b>	<b>18 259</b>	16 880
<b>SA Government / Non SA Government entities Receivables</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Receivables from SA Government Entities</b>		
Receivables	<b>15 212</b>	12 199
Accrued revenues	<b>918</b>	549
Prepayments	<b>45</b>	454
<b>Total Receivables from SA Government Entities</b>	<b>16 175</b>	13 202
<b>Receivables from Non SA Government Entities</b>		
Receivables	<b>505</b>	1 556
Accrued revenues	<b>551</b>	455
Prepayments	<b>971</b>	1 173
GST receivable	<b>57</b>	494
<b>Total Receivables from Non SA Government Entities</b>	<b>2 084</b>	3 678
<b>Total Receivables</b>	<b>18 259</b>	16 880

#### 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 Income Statement 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>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	<b>72</b>	—
Decrease in provision	<b>( 23)</b>	72
<b>Carrying amount at the end of the period</b>	<b>49</b>	72

#### 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. Trade 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

**Maturity Analysis of Receivables** - refer to Table 34.3 in note 34.

**Categorisation of financial instruments and risk exposure information** - refer to note 34.

<b>19 Inventories</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Current:		
Other than those held for distribution at no or nominal amount	—	2 400
<b>Total Inventories</b>	<b>—</b>	<b>2 400</b>

<b>20 Non-current Assets classified as held for sale</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Motor Vehicles	3 898	3 099
Buildings	190	—
Land	45	—
<b>Total Non-Current Assets Classified as Held for Sale</b>	<b>4 133</b>	<b>3 099</b>

Non-current assets classified as held for sale comprise Fleet SA motor vehicles which are expected to be sold within 4 weeks and Land and Buildings at the Whyalla site for Supply SA.

<b>21 Property, Plant and Equipment</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Current:		
<b>Motor Vehicles</b>		
At cost	118 439	64 196
Accumulated Depreciation	(28 804)	(19 240)
Impairment loss	(2 856)	(3 605)
<b>Total Current Property, Plant and Equipment</b>	<b>86 779</b>	<b>41 351</b>
Non Current:		
<b>Land</b>		
At valuation	—	45
<b>Total Land</b>	<b>—</b>	<b>45</b>
<b>Buildings</b>		
At valuation	75	290
Accumulated depreciation	( 11)	( 26)
<b>Total Buildings</b>	<b>64</b>	<b>264</b>
<b>Building Fitouts</b>		
At valuation	9 629	6 771
Accumulated amortisation	(4 575)	(3 883)
<b>Total Building Fitouts</b>	<b>5 054</b>	<b>2 888</b>
<b>Assets under Finance Lease</b>		
At valuation	3 475	3 974
Accumulated amortisation	(3 169)	(3 354)
<b>Total Assets under Finance Lease</b>	<b>306</b>	<b>620</b>
<b>Plant and Equipment</b>		
At cost	568	298
Accumulated depreciation	( 112)	( 101)
<b>Total Plant and Equipment</b>	<b>456</b>	<b>197</b>
<b>Motor Vehicles</b>		
At cost	121 824	189 151
Accumulated depreciation	(8 367)	(23 751)
Impairment loss	(2 478)	(4 234)
<b>Total Motor Vehicles</b>	<b>110 979</b>	<b>161 166</b>
<b>Furniture</b>		
At cost (deemed fair value)	168	168
Accumulated depreciation	( 110)	( 94)
<b>Total Furniture</b>	<b>58</b>	<b>74</b>
<b>Information Technology Equipment</b>		
At cost (deemed fair value)	3 063	3 729
Accumulated depreciation	(2 101)	(2 288)
<b>Total Information Technology Equipment</b>	<b>962</b>	<b>1 441</b>



**Office Equipment**

At cost (deemed fair value)	949	580
Accumulated depreciation	( 515)	( 414)
<b>Total Office Equipment</b>	<b>434</b>	<b>166</b>

**Total Non Current Property, Plant and Equipment**

<b>118 313</b>	<b>166 861</b>
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**Total Property, Plant and Equipment**

<b>205 092</b>	<b>208 212</b>
----------------	----------------

**Property, Plant and Equipment**

Total property, plant and equipment at fair value	4 180	4 477
Total property, plant and equipment at cost	254 010	264 725
Total accumulated amortisation	( 7 744)	( 7 237)
Total accumulated depreciation	(45 354)	(53 753)
<b>Total Property, Plant and Equipment</b>	<b>205 092</b>	<b>208 212</b>

**Correction of errors**

Due to the acquisition of items of Property, Plant and Equipment under finance leases for \$1,449,000 not previously being recognised by Department for Administrative and Information Services prior to the restructure in January 2007, the total value of assets under finance lease was understated by \$579,000 at 30 June 2007.

These errors had the total effect of understating assets under finance lease at valuation by \$1,449,000, understating accumulated amortisation by \$870,000 and understating retained earnings by \$579,000 at 30 June 2007.

These errors have been corrected by restating each of the affected financial statement line items for the prior year.

**Impairment**

There were indications of impairment of motor vehicles at 30 June 2008. The value by which the asset's carrying amount exceeded the recoverable amount has been recorded as an impairment loss in the Income Statement.

There were no indications of impairment for the remaining property, plant and equipment at 30 June 2008.

**Resources received Free of Charge**

There were no resources received free of charge.

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of property, plant and equipment during 2007-08:

	Land	Buildings	Building Fitouts	Assets Under Finance Lease
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the financial year	45	264	2 888	620
Additions	—	—	3 176	—
Assets classified as held for sale	( 45)	( 190)	—	—
Disposals	—	—	( 12)	—
Impairment loss	—	—	—	—
Depreciation expense	—	( 10)	( 998)	( 314)
<b>Carrying amount at the end of the financial year</b>	<b>—</b>	<b>64</b>	<b>5 054</b>	<b>306</b>

	Plant and Equipment	Motor Vehicles	Furniture	Information Technology Equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the financial year	197	202 517	74	1 441
Additions	270	80 260	—	146
Assets classified as held for sale	—	(3 898)	—	—
Disposals	—	(38 621)	—	—
Impairment loss	—	(1 444)	—	—
Depreciation expense	( 11)	(41 056)	( 16)	( 625)
<b>Carrying amount at the end of the financial year</b>	<b>456</b>	<b>197 758</b>	<b>58</b>	<b>962</b>

	Office Equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the financial year	166	208 212
Additions	393	84 245
Assets classified as held for sale	—	(4 133)
Disposals	—	(38 633)
Impairment loss	—	(1 444)
Depreciation expense	( 125)	(43 155)
<b>Carrying amount at the end of the financial year</b>	<b>434</b>	<b>205 092</b>

<b>22 Intangible Assets</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Internally developed computer software	10 817	10 695
Accumulated amortisation	(9 070)	(7 389)
Computer software	6 667	5 999
Accumulated amortisation	(3 871)	(3 117)
<b>Total Intangible Assets</b>	<b>4 543</b>	<b>6 187</b>

#### Reconciliation of Intangible Assets

The following table shows the movement of intangible assets during 2007-08:

	<b>\$'000</b>
Carrying amount at the beginning of the financial year	6 187
Additions	792
Amortisation expense	(2 436)
<b>Carrying amount at the end of the financial year</b>	<b>4 543</b>

The internally developed computer software primarily relates to the department's RevenueSA databases and Technical Architecture Specification database with a remaining useful life of 2 years for each asset and a carrying amount of \$530,000 and \$508,000 respectively.

The department has no contractual commitment for the acquisition of Intangible Assets.

<b>23 Payables</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	3 161	10 099
Accrued expenses	6 468	5 825
Employment on-costs	1 789	1 812
Income tax equivalents	506	56
Funds held in trust	50	—
<b>Total Current Payables</b>	<b>11 974</b>	<b>17 792</b>
<b>Non-Current</b>		
Employment on-costs	1 571	1 508
Funds held in trust	—	50
<b>Total Non-Current Payables</b>	<b>1 571</b>	<b>1 558</b>
<b>Total Payables</b>	<b>13 545</b>	<b>19 350</b>
<b>SA Government / Non SA Government Entities Payables</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Payables to SA Government Entities</b>		
Creditors	400	43
Accrued expenses	2 817	1 742
Employment on-costs	1 693	1 806
Income tax equivalents	506	56
<b>Total Payables to SA Government Entities</b>	<b>5 416</b>	<b>3 647</b>
<b>Payables to Non SA Government Entities</b>		
Creditors	2 811	10 105
Accrued expenses	3 651	4 083
Employment on-costs	1 667	1 515
<b>Total Payables to Non SA Government Entities</b>	<b>8 129</b>	<b>15 703</b>
<b>Total Payables</b>	<b>13 545</b>	<b>19 350</b>

#### Interest rate and credit risk

Creditors are raised for all amounts billed but unpaid. Trade 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 34.3 in note 34.

**Categorisation of financial instruments and risk exposure information** - refer to note 34.

<b>24 Borrowings</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Current		
Finance Leases <sup>(1)</sup>	375	376
Borrowings from SAFA <sup>(2)</sup>	62 087	—
<b>Total Current Borrowings</b>	<b>62 462</b>	<b>376</b>
Non-Current		
Finance Leases <sup>(1)</sup>	32	396
Borrowings from SAFA <sup>(2)</sup>	165 791	203 877
<b>Total Non-Current Borrowings</b>	<b>165 823</b>	<b>204 273</b>
<b>Total Borrowings</b>	<b>228 285</b>	<b>204 649</b>

<sup>(1)</sup> Secured by the asset leased.

<sup>(2)</sup> These are unsecured loans which bear interest. The terms of the loan are agreed by the department at the time the loan was provided.

Borrowings are recognised at cost in accordance with Accounting Policy Framework IV *Financial Assets and Liability Framework* paragraph APS 2.1 and have a maturity date. The interest rate is determined by the Treasurer. The rate was 7.25% in 2008 ( 6.65% in 2007).

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

#### Correction of errors

Due to finance lease contracts not previously being recognised by Department for Administrative and Information Services prior to the restructure in January 2007, current borrowing were understated by \$349,000, non-current borrowings were understated by \$377,000 and retained earnings were overstated by \$726,000 as at 30 June 2007.

The error has been corrected by restating each of the affected financial statement line items for the prior year.

**Maturity Analysis of Borrowings** - refer to table 34.3 in note 35.

**Categorisation of financial instruments and risk exposure information** - refer to note 34.

**Defaults and breaches** - there were no defaults or breaches on any of the above liabilities throughout the year.

<b>25 Employee Benefits</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Current		
Accrued salaries and wages	1 449	1 149
Annual leave	5 175	5 082
Long service leave	1 277	1 077
<b>Total Current Employee Benefits</b>	<b>7 901</b>	<b>7 308</b>
Non-Current		
Long service leave	17 375	16 242
<b>Total Non-Current Employee Benefits</b>	<b>17 375</b>	<b>16 242</b>
<b>Total Employee Benefits</b>	<b>25 276</b>	<b>23 550</b>

The total current and non-current employee benefit plus related on costs for 2008 is \$9,690,000 and \$18,946,000 respectively.

Based on an actuarial assessment, the benchmark for the measurement of the long service leave liability has not changed from the 2007

<b>26 Provisions</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Current		
Provision for workers compensation	152	123
Procurement of testing services to SA Government entity	464	597
<b>Total Current Provisions</b>	<b>616</b>	<b>720</b>
Non-Current		
Provision for workers compensation	410	333
<b>Total Non-Current Provisions</b>	<b>410</b>	<b>333</b>
<b>Total Provisions</b>	<b>1 026</b>	<b>1 053</b>

<b>Reconciliation of Provisions</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the financial year</b>	<b>1 053</b>	<b>201</b>
Payments/other sacrifices of future economic benefits	( 362)	( 281)
Additional provisions recognised	335	1 133
<b>Carrying amount at the end of the financial year</b>	<b>1 026</b>	<b>1 053</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 Wellbeing branch of the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>27 Other liabilities</b>		
<b>Current</b>		
Unearned revenue	226	776
Lease incentives	181	—
<b>Total Current Other liabilities</b>	<b>407</b>	<b>776</b>
<b>Non-Current</b>		
Unearned revenue	17	—
Lease incentives	2 832	—
<b>Total Non-Current Other liabilities</b>	<b>2 849</b>	<b>—</b>
<b>Total Other Liabilities</b>	<b>3 256</b>	<b>776</b>

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

<b>28 Equity</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Asset revaluation reserve	108	108
Retained earnings	17 538	17 761
<b>Total Equity</b>	<b>17 646</b>	<b>17 869</b>

The property, plant and equipment asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

## 29 Net Revenue from Administrative Restructure

The Public Sector Management (Abolition of Administrative Unit and Public Service Restructure ) Proclamation 2006, dated 28 September 2006, declared that the Contract and Procurement Services, Fleet SA, Support Services and Corporate Services (other than Parliamentary Network Support Group, Injury Management Unit and Placement Services) business units transferred from the Department of Administrative and Information Services (DAIS) to the department, effective from 1 January 2007 for financial reporting purposes. The new branch designation is State Procurement and Support Operations.

On transfer of the State Procurement and Support Operations business units, the department recognised the following assets and liabilities.

	<b>2007</b>
	<b>\$'000</b>
Cash	12 720
Receivables	18 396
Assets held for sale	3 837
Property, plant and equipment	202 745
Intangibles	1 235
Other	4 252
<b>Total assets</b>	<b>243 185</b>
Payables	14 297
Employee benefits	10 102
Provisions	312
Borrowings	207 111
<b>Total liabilities</b>	<b>231 822</b>
<b>Net Assets</b>	<b>11 363</b>

Total income and expenses attributable to State Procurement and Support Operations for 2006-07 were:

	Department of Administrative and Information Services	Department of Treasury and Finance	<b>Total</b>
	1/7/06 to 31/12/06 \$'000	1/1/07 to 30/06/07 \$'000	01/07/06 to 30/06/2007 \$'000
Appropriation	85 243	11 889	97 132
Revenue from fees and charges	68 061	66 683	134 744
Other income	—	5 918	5 918
<b>Total income</b>	<b>153 304</b>	<b>84 490</b>	<b>237 794</b>
Employee benefit expenses	15 717	15 838	31 555
Supplies and services	36 309	38 885	75 194
Depreciation and amortisation	19 505	20 153	39 658
Borrowing costs	—	6 292	6 292
Other expenses	8 955	5 676	14 631
<b>Total expenses</b>	<b>80 486</b>	<b>86 844</b>	<b>167 330</b>
<b>Net result</b>	<b>72 818</b>	<b>(2 354)</b>	<b>70 464</b>

### 30 Unrecognised and Contractual Commitments

#### (a) Remuneration Commitments

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

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:

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>11 296</b>	9 240
Later than one year but not later than five years	<b>29 071</b>	19 274
Later than five years	<b>106</b>	—
<b>Total Remuneration Commitments</b>	<b>40 473</b>	28 514

#### (b) Operating Lease Commitments

##### The department as Lessee

At the reporting date, the department has operating leases for office accommodation.

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

The department also had operating leases for motor vehicles from Fleet SA. The leases are non-cancellable with terms ranging up to 5 years. There are no purchase options available to the department. Due to the transfer of functions from DAIS, the department is now the

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

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>10 421</b>	5 148
Later than one year but not later than five years	<b>22 935</b>	9 476
Later than five years	<b>—</b>	758
<b>Total Non-Cancellable Operating Lease Commitments</b>	<b>33 356</b>	15 382

##### The department as Lessor

Leases receivable contracted for at the reporting date but not recognised as assets:

##### Motor Vehicle Hire:

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>58 419</b>	50 373
Later than one year but not later than five years	<b>42 154</b>	50 129
<b>Total Non-Cancellable Operating Lease Receivables</b>	<b>100 573</b>	100 502

**(c) Other Commitments**

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

	2008	2007
	\$'000	\$'000
Not later than one year	1 724	1 128
Later than one year and not later than five years	3 544	591
Total Other Commitments	5 268	1 719

**(d) Finance Lease Commitments**

**The department as Lessee**

	2008	2007
	\$'000	\$'000
Plant and Equipment		
Not later than one year	403	445
Later than one year and not later than five years	32	396
	435	841
Future finance charges and contingent rentals	( 28)	( 69)
Total Lease Liabilities	407	772

Present value of finance leases payable as follows

Not later than one year	375	376
Later than one year but not later than five years	32	396
Total Non-Cancellable Finance Lease Commitments	407	772

Included in the financial statements as:

Current borrowings (Note 24)	375	376
Non-current borrowings (Note 24)	32	396
	407	772

The department has finance lease contracts for various items of plant and equipment with a carrying amount of \$407,000. These contracts will expire during 2008-09.

The leases have a purchase option at the end of the lease contract. The weighted average interest rate implicit in the leases is 7.015%.

**31 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.

**32 Remuneration of Board and Committee Members**

Members that were entitled to receive remuneration for membership during 2007-08 financial year were:

**South Australian Government Financing Advisory Board**

Mr J Wright (Presiding Member)\*

Mr B Brownjohn

Mr L Foster

Ms A Howe\*

Mr C Long

Ms Y Sneddon

Mrs J Tongs

Ms J Brown

**South Australian Superannuation Board**

Mr H Bachmann

Mr K Cantley\*

Ms V Deegan

Ms J McMahon

Ms R Sumner

Ms L York\*\*

**South Australian Government Financing  
Authority Audit Committee**

Ms Y Sneddon

Mr L Foster

Mr P Mendo\*

	2008	2007
The number of members whose remuneration received or receivable falls within the following bands:		
\$0	7	5
\$1 - \$9,999	1	1
\$20,000 - \$29,999	4	7
\$30,000 - \$39,999	3	1
Total Number of Members	15	14

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 \$218,000

Amounts paid to a superannuation plan for board/committee members was \$17,000 (\$16,000).

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

\* In accordance with the Department of Premier and Cabinet Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

\*\*Ms L York is a deputy for Jan McMahon and was eligible for sitting fees for attending meetings during the year.

### 33 Cash Flow Reconciliation

	2008 \$'000	2007 \$'000
(a) <b>Reconciliation of Cash and Cash Equivalents - Cash at year end as per:</b>		
Cash Flow Statement	58 775	31 590
Balance Sheet	58 775	31 590
(b) <b>Reconciliation of Net Cash provided by Operating Activities to Net Cost of providing Services</b>		
Net cash provided by operating activities	39 978	50 301
Add revenues from SA Government	(83 196)	(60 818)
Add payments to SA Government	6 466	—
Add income tax equivalent	—	162
Add cash on restructure	—	(12 720)
<b>Add Non cash items</b>		
Depreciation and amortisation expense	(45 591)	(24 491)
Inventories write-offs	( 597)	—
Net assets on restructure impacting operating cash flows	—	2 331
Building Fitouts recognised through lease incentive	2 442	—
Non-current assets accrual in payables	986	( 15)
Non-current assets classified as held for sale	1 034	—
Gain on disposal of assets	2 814	1 252
Impairment loss	(1 444)	(5 166)
<b>Changes in Assets / Liabilities</b>		
Increase (decrease) in receivables	1 379	15 027
(Increase) decrease in payables	5 805	(16 709)
(Increase) decrease in employee benefits	(1 726)	(11 659)
(Increase) decrease in provisions	27	( 852)
(Increase) decrease in other liabilities	(2 480)	( 776)
Increase (decrease) in inventories	(2 400)	2 400
<b>Net Cost of Providing Services</b>	<b>(76 503)</b>	<b>(61 733)</b>

### 34 Financial instruments/Financial risk management

**Table 34.1 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.

Category of financial asset and financial liability	Balance Sheet line item	Note	Carrying amount 2008 \$'000	Fair value 2008 \$'000	Carrying amount 2007 \$'000	Fair value 2007 \$'000
<b>Financial assets</b>						
Cash and cash equivalents	Cash and cash equivalents	17, 33	58 775	58 775	31 590	31 590
Loans and receivables	Receivables <sup>(1)</sup>	18	18 202	18 202	16 385	16 385
	Total Financial Assets		76 977	76 977	47 975	47 975
<b>Financial liabilities</b>						
Financial liabilities at cost	Payables <sup>(1)</sup>	23	12 527	12 527	18 832	18 832
	Borrowings	24	227 878	227 878	203 877	203 877
	Finance Lease	27	407	407	772	772
	Othe	27	3 256	3 256	776	776
	Total Financial		244 068	244 068	224 257	224 257

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

#### Credit risk

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

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

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 18 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 34.2 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days \$'000	Overdue for 30 – 60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
<b>2008</b>				
<b>Not</b>				
Receivables <sup>(1)</sup>	17 248	592	313	18 153
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	49	49
<b>2007</b>				
<b>Not</b>				
Receivables <sup>(1)</sup>	15 253	426	634	16 313
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	—	72	72

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

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

**Table 34.3: Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2008</b>				
<b>Financial assets</b>				
Cash & cash equivalents	58 775	58 775	—	—
Receivables	18 202	18 202	—	—
<b>Total financial assets</b>	<b>76 977</b>	<b>76 977</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	12 527	10 956	452	1 119
Borrowings	227 878	62 087	165 791	—
Finance	407	375	32	—
Other financial liabilities	3 256	424	2 832	—
<b>Total financial liabilities</b>	<b>244 068</b>	<b>73 842</b>	<b>169 107</b>	<b>1 119</b>



	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2007</b>				
<b>Financial assets</b>				
Cash & cash equivalents	31 590	31 590	—	—
Receivables	16 385	16 249	136	—
<b>Total financial assets</b>	<b>47 975</b>	<b>47 839</b>	<b>136</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	18 832	17 736	462	1 096
Borrowings	203 877	—	203 877	—
Finance	772	376	396	—
Other financial liabilities	776	776	—	—
<b>Total financial liabilities</b>	<b>224 257</b>	<b>18 888</b>	<b>204 735</b>	<b>1 096</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 of Treasury and Finance 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 34.3 represent the department's maximum exposure to financial liabilities.

#### Market risk

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

#### Sensitivity disclosure analysis

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

### 35 Events after Balance Date

#### Supply SA

On 1 July 2008, SA Health assumed the responsibility of Supply SA Camden Park site. This resulted in the transfer of 21 FTEs, employee liabilities, lease for the premises and associated assets of the Camden Park warehouse.

#### Shared Services SA

The Shared Services reform program is currently focused on the implementation and migration of payroll, accounts payable and accounts receivable services and the required ICT services to support their delivery. The first tranche of services is structured around four transition groups comprising a mixture of agencies and services in each group.

The first group transitioned from within DTF into Shared Services SA on 31 March 2008 with the remaining groups that comprise the first tranche of services to transition into Shared Services SA during the 2008-09 financial year.

As part of the transition of employees to Shared Services SA, the balance sheet liabilities for accrued employee entitlements as at the date of transition, together with a corresponding amount of cash to support that entitlement is transferred from the transferor agency to Shared Services SA.

There were no further events occurring after balance date that had material financial implications on these financial statements.

## STATEMENT OF ADMINISTERED ITEMS INCOME AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
<b>INCOME</b>			
Taxation	37	3288 437	2993 421
Commonwealth revenues	38	3959 666	3644 548
Dividends	39	278 408	309 581
Interest revenues	40	174 525	132 137
Revenues from SA Government	41	1203 859	1190 411
Grants and contributions	42	190 190	132 964
Revenues from fees and charges	43	45 409	31 236
Other revenues	44	450 858	253 715
<b>Total Income</b>		<b>9591 352</b>	<b>8688 013</b>
<b>EXPENSES</b>			
Payments to SA Government	41	8134 245	7295 602
Employee benefit expenses	45	247 963	264 151
Supplies and services	46	75 672	63 104
Interest expense	47	234 448	219 682
Grants, subsidies and transfers	48	748 990	687 883
Depreciation expense	49	185	147
Other expenses	50	125 529	138 021
<b>Total Expenses</b>		<b>9567 032</b>	<b>8668 590</b>
<b>OPERATING SURPLUS</b>		<b>24 320</b>	<b>19 423</b>
Net revenue from administrative restructure	61	3 432	—
<b>NET RESULT AFTER RESTRUCTURE</b>		<b>27 752</b>	<b>19 423</b>

**THE NET RESULT AFTER RESTRUCTURE IS ATTRIBUTABLE TO SA GOVERNMENT AS OWNER**

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

# STATEMENT OF ADMINISTERED ASSETS AND LIABILITIES AS AT 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	51	1 119 103	1 070 465
Receivables	52	18 787	18 370
Other financial assets	53	411	856
<b>Total Current Assets</b>		<b>1 138 301</b>	<b>1 089 691</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	53	499	294
Property, plant and equipment	54	849	994
<b>Total Non-Current Assets</b>		<b>1 348</b>	<b>1 288</b>
<b>TOTAL ASSETS</b>		<b>1 139 649</b>	<b>1 090 979</b>
<b>CURRENT LIABILITIES</b>			
Payables	55	1 024 308	999 993
Employee benefits	56	1 078	966
Provisions	57	12	10
Interest bearing liabilities	58	—	39
Other current liabilities	59	4 040	4 483
<b>Total Current Liabilities</b>		<b>1 029 438</b>	<b>1 005 491</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	55	493 938	497 009
Employee benefits	56	281	219
Provisions	57	33	28
Other non-current liabilities	59	855	880
<b>Total Non-Current Liabilities</b>		<b>495 107</b>	<b>498 136</b>
<b>TOTAL LIABILITIES</b>		<b>1 524 545</b>	<b>1 503 627</b>
<b>NET ASSETS</b>		<b>(384 896)</b>	<b>(412 648)</b>
<b>EQUITY</b>			
Accumulated deficit		(384 896)	(412 648)
<b>TOTAL EQUITY</b>		<b>(384 896)</b>	<b>(412 648)</b>

## THE TOTAL EQUITY IS ATTRIBUTABLE TO THE SA GOVERNMENT AS OWNER

Unrecognised and Contractual Commitments **60**

Contingent Assets and Liabilities **62**

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

## STATEMENT OF ADMINISTERED CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Accumulated Deficit \$'000
<b>Balance at 30 June 2006</b>	<b>(432 071)</b>
Net result after restructure for 2006-07	19 423
<b>Total recognised income and expenses for 2006-07</b>	<b>19 423</b>
<b>Restated balance at 30 June 2007</b>	<b>(412 648)</b>
Net result after restructure for 2007-08	27 752
<b>Total recognised income and expenses for 2007-08</b>	<b>27 752</b>
<b>Balance at 30 June 2008</b>	<b>(384 896)</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 ADMINISTERED CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Taxation received		3 288 437	2 993 421
Receipts from Commonwealth		3 959 666	3 644 548
Dividends		278 408	309 581
Interest received		174 184	132 059
Receipts from SA Government		1 203 859	1 190 411
Grants and contributions		195 308	133 334
Fees and charges		45 741	31 682
GST receipts on receivables		13 910	8 524
GST input tax credits		3 235	2 362
Other receipts		447 281	252 194
<b>Cash generated from operating activities</b>		<b>9 610 029</b>	<b>8 698 116</b>
<b>Cash Outflows</b>			
Payments to SA Government		(8072 378)	(7196 338)
Employee benefit payments		(247 754)	(263 763)
Payments for supplies and services		(75 318)	(63 171)
Interest payments		(276 746)	(177 256)
Grants, subsidies and transfers		(759 460)	(682 321)
GST payments on purchases		(4 629)	(2 617)
GST remitted to Australian Taxation Office		(4 069)	(4 773)
Other payments		(130 321)	(140 993)
<b>Cash used in operating activities</b>		<b>(9570 675)</b>	<b>(8531 232)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	64(b)	<b>39 354</b>	<b>166 884</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Outflows</b>			
Purchase of property, plant and equipment		( 64)	( 458)
<b>Cash used in investing activities</b>		<b>( 64)</b>	<b>( 458)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>( 64)</b>	<b>( 458)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from other financial assets		6 584	5 144
Proceeds from restructure activities		2 799	1 177
<b>Cash generated from financing activities</b>		<b>9 383</b>	<b>6 321</b>
<b>Cash Outflows</b>			
Other financial assets granted		( 6)	( 87)
Repayment of interest bearing liabilities		( 29)	—
<b>Cash used in financing activities</b>		<b>( 35)</b>	<b>( 87)</b>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>9 348</b>	<b>6 234</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>48 638</b>	<b>172 660</b>
Cash and cash equivalents at the beginning of the financial year		1 070 465	897 805
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	64(a)	<b>1 119 103</b>	<b>1 070 465</b>

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

# SCHEDULE OF ADMINISTERED INCOME AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2008

	Admin Items on behalf of the Consolidated Account	Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	Community Development Fund	Community Emergency Services Fund	ETSA Sales/ Lease Proceeds Account	Hospitals Fund	Industry Financial Assistance Account	Local Government Disaster Fund	State Government Auctions
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>									
Taxation	3 211 371	—	—	77 066	—	—	—	—	—
Commonwealth revenues	3 939 043	20 623	—	—	—	—	—	—	—
Dividends	278 408	—	—	—	—	—	—	—	—
Interest revenues	170 078	—	—	162	—	—	421	2 877	—
Revenues from SA Government	68 628	—	—	—	—	—	—	—	—
Grants and Contributions	—	—	20 000	88 434	—	—	60 835	—	—
Fees and charges	19 254	—	—	368	—	—	—	—	5 425
Other revenues	289 652	—	—	—	2 800	150 381	233	—	—
<b>Total Income</b>	<b>7 976 434</b>	<b>20 623</b>	<b>20 000</b>	<b>166 030</b>	<b>2 800</b>	<b>150 381</b>	<b>61 489</b>	<b>2 877</b>	<b>5 425</b>
<b>EXPENSES</b>									
Payments to SA Government	7 907 806	20 623	—	—	—	150 381	35 000	—	—
Employee benefit expenses	272	—	—	—	—	—	—	—	—
Supplies and services	—	—	—	—	—	—	—	40	5 425
Interest	—	—	—	—	—	—	—	—	—
Grants, subsidies and transfers	68 356	—	20 000	166 062	—	—	12 887	2 597	—
Depreciation	—	—	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	(5 146)	—	—
<b>Total Expenses</b>	<b>7 976 434</b>	<b>20 623</b>	<b>20 000</b>	<b>166 062</b>	<b>—</b>	<b>150 381</b>	<b>42 741</b>	<b>2 637</b>	<b>5 425</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>( 32)</b>	<b>2 800</b>	<b>—</b>	<b>18 748</b>	<b>240</b>	<b>—</b>

# SCHEDULE OF ADMINISTERED INCOME AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2008

## CONTINUED

	State Supply Board - Gaming Machines	Support Services to Parliamentarians	Treasury and Finance Administered Items Account	Treasurer's Interest in the National Wine Centre Account	Treasury Working Account	Other <sup>(1)</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>							
Taxation	—	—	—	—	—	—	3 288 437
Commonwealth revenues	—	—	—	—	—	—	3 959 666
Dividends	—	—	—	—	—	—	278 408
Interest revenues	98	—	—	—	—	889	174 525
Revenues from SA Government	—	—	1 135 231	—	—	—	1 203 859
Grants and Contributions	—	18 630	—	—	—	2 291	190 190
Fees and charges	19 037	1 325	—	—	—	—	45 409
Other revenues	—	1	—	25	7 766	—	450 858
<b>Total Income</b>	<b>19 135</b>	<b>19 956</b>	<b>1 135 231</b>	<b>25</b>	<b>7 766</b>	<b>3 180</b>	<b>9 591 352</b>
<b>EXPENSES</b>							
Payments to SA Government	—	—	20 433	—	—	2	8 134 245
Employee benefit expenses	—	12 593	235 098	—	—	—	247 963
Supplies and services	19 135	5 684	45 360	28	—	—	75 672
Interest	—	—	234 448	—	—	—	234 448
Grants, subsidies and transfers	—	—	476 983	—	—	2 105	748 990
Depreciation	—	172	—	13	—	—	185
Other expenses	—	—	122 909	—	7 766	—	125 529
<b>Total Expenses</b>	<b>19 135</b>	<b>18 449</b>	<b>1 135 231</b>	<b>41</b>	<b>7 766</b>	<b>2 107</b>	<b>9 567 032</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>—</b>	<b>1 507</b>	<b>—</b>	<b>( 16)</b>	<b>—</b>	<b>1 073</b>	<b>24 320</b>

## Administered Financial Statements

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

These financial statements include a number of revenue and expense transactions on behalf of the South Australian Government for the Consolidated Account. Such transactions include collection of revenues from taxations, revenues from the Commonwealth Government, dividends and interest. The expense transactions include transfers to agencies for employee entitlements and supplies and services, grants and subsidies to public sector agencies, the private sector, and the community and the transfer of revenues to the Consolidated Account. The associated balance sheet 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 also include the fixed property component of the Emergency Services Levy collected by Revenue SA 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:

- Community Development Fund
- Commonwealth Mirror Taxes on Commonwealth Places Revenue Account
- Country Equalisation Scheme Account
- ETSA Sales/Lease Proceeds Account
- Home Purchases Assistance Account
- Hospitals Fund
- Industry Financial Assistance Account
- Local Government Concessions Senior Card Holders
- Local Government Disaster Fund
- Treasurer's Interest in the National Wine Centre Account
- Treasury Working Account
- Treasury and Finance Administered Items Account
- Support Services to Parliamentarians
- State Procurement Board - Gaming Machines Account (from 1 January 2007). Previously State Supply Board - Gaming Machine Account.
- State Government Auctions Account (from 1 January 2007)

### 36 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.

The following policies are only applicable to the Administered financial statements.

#### 36.1 Administrative Restructure

The responsibility for the administration of contracts arising from the Regional Development Infrastructure Fund, the Upper Spencer Gulf & Outback Enterprise Zone fund and the Rural Towns Development Fund were transferred from the Department of Trade and Economic Development to the Department of Treasury and Finance effective 1 November 2007 (refer to note 61). These transferred functions will form part of the Industry Financial Assistance Account.

*The Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2006* (dated 28 September 2006) declared that:

- the State Procurement Board - Gaming Machines Account was transferred from the Department for Administrative and Information (DAIS) Services to the Department of Treasury and Finance, effective from 1 January 2007 (refer to note 61); and
- State Government Auctions was transferred from DAIS to the Department of Treasury and Finance, effective from 1 January 2007 (refer to note 61).



<b>37 Taxation</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Taxation received/receivable from entities within the SA Government</b>		
Stamp duties	3 766	3 781
Payroll tax	195 965	193 299
Land tax	153 799	156 317
Emergency Services levy	2 384	1 859
Local Government rate equivalents	2 232	1 633
Income tax equivalents	159 378	180 906
Contributions from Lotteries Commission	81 820	78 882
<b>Total Taxation - SA Government Entities</b>	<b>599 344</b>	<b>616 677</b>
<b>Taxation received/receivable from entities external to the SA Government</b>		
Stamp duties	1 466 350	1 248 597
Commonwealth Places Mirror - stamp duties	606	662
Payroll tax	889 938	840 939
Commonwealth Places Mirror - payroll tax	19 004	18 095
Land tax	212 091	175 907
Commonwealth Places Mirror - land tax	1 013	904
Debits tax	—	( 2)
Emergency Services levy	74 682	70 288
Local Government rate equivalents	3 373	189
Save the River Murray levy	22 003	21 113
Hindmarsh Island Bridge levy	33	52
<b>Total Taxation - Non SA Government Entities</b>	<b>2 689 093</b>	<b>2 376 744</b>
<b>Total Taxation</b>	<b>3 288 437</b>	<b>2 993 421</b>
<b>38 Commonwealth Revenues</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commonwealth General Purpose Grants</b>		
GST revenue grants	3 913 622	3 604 924
Competition grants	3 024	—
Commonwealth Places Mirror taxes	20 623	19 661
<b>Total Commonwealth General Purpose Grants</b>	<b>3 937 269</b>	<b>3 624 585</b>
<b>Commonwealth Specific Purpose Grants</b>		
Concessions to pensioners and others	20 378	19 963
National Relief and Recovery Arrangements	2 019	—
<b>Total Commonwealth Specific Purpose Grants</b>	<b>22 397</b>	<b>19 963</b>
<b>Total Commonwealth Revenues</b>	<b>3 959 666</b>	<b>3 644 548</b>

<b>39 Dividends</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Administrative and Information Services	—	149
Forestry SA	22 671	34 903
Homestart	2 240	—
Land Management Corporation	61 355	36 439
Public Trustee Office	1 290	2 100
SA Water Corporation	186 054	208 059
South Australian Asset Management Corporation	4 000	—
South Australian Government Employee Residential Property	—	1 156
TransAdelaide	—	5 296
Transport SA	798	21 479
<b>Total Dividends</b>	<b>278 408</b>	<b>309 581</b>
<b>40 Interest Revenues</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from entities within the SA Government	168 353	126 295
Other	6 172	5 842
<b>Total Interest Revenues</b>	<b>174 525</b>	<b>132 137</b>
<b>41 Revenues from/Payments to SA Government</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 135 231	1 116 926
Appropriations under other Acts	68 628	73 485
<b>Total Revenues from SA Government</b>	<b>1 203 859</b>	<b>1 190 411</b>
<b>Payments to SA Government</b>		
Transfer of revenue received on behalf of Consolidated Account	7 928 239	7 132 342
Other payments to the Consolidated Account	206 006	163 260
<b>Total Payments to SA Government</b>	<b>8 134 245</b>	<b>7 295 602</b>
<b>42 Grants and Contributions</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
SA Government entities	153 902	128 371
Non SA Government entities	36 288	4 593
<b>Total Grants and Contributions</b>	<b>190 190</b>	<b>132 964</b>
<b>43 Revenues from fees and charges</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fees and charges received/receivable from entities within the SA Government</b>		
Guarantee fees	19 254	17 979
Support Services to Parliamentarians	1 193	1 144
<b>Total Fees and Charges - SA Government Entities</b>	<b>20 447</b>	<b>19 123</b>
<b>Fees and charges received/receivable from entities external to the SA Government</b>		
State Government Auctions	5 098	2 143
State Procurement Board - Gaming Machines	19 037	9 492
Support Services to Parliamentarians	132	119
Other	695	359
<b>Total Fees and Charges - Non SA Government Entities</b>	<b>24 962</b>	<b>12 113</b>
<b>Total Fees and Charges</b>	<b>45 409</b>	<b>31 236</b>

<b>44 Other Revenues</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other revenues received/receivable from entities within the SA Government</b>		
Contribution towards public hospital costs	150 381	143 593
Repayment of advances	70 546	11 888
Return of cash to Consolidated Account - cash alignment policy	74 475	19 982
Return of capital	35 604	19 695
Return of deposit account balances	22 430	1 622
Essential Services Commission of SA	6 881	5 769
Support Services to Parliamentarians	—	2
Other	10 682	5 938
<b>Total Other Revenues - SA Government Entities</b>	<b>370 999</b>	<b>208 489</b>
<b>Other revenues received/receivable from entities external to the SA Government</b>		
Repayment of advances	10	3 896
Return of deposit account balances	30 000	31 955
Mitsubishi Limited Grant Repayment	35 000	—
Hindmarsh Site Recoveries	3 725	1 981
Support Services to Parliamentarians	1	45
Discounted cash flow valuations for financial assistance loans	233	311
Other	10 890	7 038
<b>Total Other Revenues - Non SA Government Entities</b>	<b>79 859</b>	<b>45 226</b>
<b>Total Other Revenues</b>	<b>450 858</b>	<b>253 715</b>
<b>45 Employee benefit expenses</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation contributions to various schemes	235 098	252 065
Salaries and wages	9 927	9 221
Long service leave	217	268
Annual leave	747	690
Employment on-costs - superannuation	986	927
Employment on-costs - other	626	614
Minister's salary, electorate and expense allowance	272	257
Other employee related expenses	90	109
<b>Total Employee Benefit expenses</b>	<b>247 963</b>	<b>264 151</b>
<b>Remuneration of Employees</b>	<b>2 008</b>	<b>2 007</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Employees</b>	<b>Employees</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$101 000 - \$109 999	1	—
\$110 000 - \$119 999	2	2
\$120 000 - \$129 999	—	1
\$130 000 - \$139 999	2	—
	<b>5</b>	<b>3</b>

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$605,000 (\$353,000).

<b>46 Supplies and Services</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and services provided by entities within the SA Government</b>		
Support Services to Parliamentarians	3 391	2 553
Gaming machines	202	130
State Government auctions	5 375	2 152
Unclaimed monies	13	119
General administration	68	87
<b>Total Supplies and Services - SA Government Entities</b>	<b>9 049</b>	<b>5 041</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
State's share of GST administration	45 103	46 765
Support Services to Parliamentarians	2 293	1 697
Gaming machines	18 933	9 420
State Government auctions	50	17
Unclaimed monies	243	152
General administration	1	12
<b>Total Supplies and Services - Non SA Government Entities</b>	<b>66 623</b>	<b>58 063</b>
<b>Total Supplies and Services</b>	<b>75 672</b>	<b>63 104</b>
<b>47 Interest expense</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest paid on deposit accounts and other monies	49 874	45 558
Interest on borrowings	184 574	174 124
<b>Total Interest expense</b>	<b>234 448</b>	<b>219 682</b>
<b>48 Grants, Subsidies and Transfers</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grants, subsidies and transfers paid to entities within the SA Government</b>		
Recurrent grants	643 540	568 687
<b>Total Grants, Subsidies and Transfers - SA Government Entities</b>	<b>643 540</b>	<b>568 687</b>
<b>Grants, subsidies and transfers paid to entities external to the SA Government</b>		
Recurrent grants	105 450	119 196
<b>Total Grants, Subsidies and Transfers - Non SA Government Entities</b>	<b>105 450</b>	<b>119 196</b>
<b>Total Grants, Subsidies and Transfers</b>	<b>748 990</b>	<b>687 883</b>
<b>49 Depreciation Expense</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	13	14
Building fit-outs	172	133
<b>Total Depreciation Expense</b>	<b>185</b>	<b>147</b>
<b>50 Other Expenses</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other expenses paid/payable to entities within SA Government</b>		
Repayment of borrowings	3 095	3 629
SAICORP Fund 2 - Treasurer's indemnity payment	—	67 358
Equity Capital Contribution	35 000	—
Other	1 220	2 153
<b>Total Other Expenses - SA Government Entities</b>	<b>39 315</b>	<b>73 140</b>

**Other expenses paid/payable to entities external to the SA Government**

Refunds and remissions	54 547	33 674
Payments to the South Australian Superannuation Fund	30 000	30 000
Bad debts	2 899	3 848
Doubtful debts	(2 328)	(2 404)
Discounted cash flow valuations for financial assistance loans	(5 717)	(5 795)
Other	6 813	5 558

**Total Other Expenses - Non SA Government Entities**

86 214	64 881
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**Total Other Expenses**

125 529	138 021
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**51 Cash and Cash Equivalents**

	2 008	2 007
	\$'000	\$'000
Deposits with the Treasurer	1 078 703	1 026 865
Other	40 400	43 600
<b>Total Cash and Cash Equivalents</b>	<b>1 119 103</b>	<b>1 070 465</b>

**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.

**52 Receivables**

	2008	2007
	\$'000	\$'000
<b>Current</b>		
Receivables	10,810	11,961
Allowance for doubtful debts	(1,022)	(1,902)
Accrued revenues	8,781	8,258
GST receivables	218	53
<b>Total Receivables</b>	<b>18,787</b>	<b>18,370</b>

**SA Government / Non SA Government Entities Receivables****Receivables from SA Government entities**

Receivables	9,718	9,205
Accrued revenues	8,358	7,836
<b>Total Receivables from SA Government Entities</b>	<b>18,076</b>	<b>17,041</b>

**Receivables from Non SA Government Entities**

Receivables	70	854
Accrued revenues	423	422
GST receivables	218	53
<b>Total Receivables from Non SA Government Entities</b>	<b>711</b>	<b>1,329</b>

**Total Receivables**

18,787	18,370
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### 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 Income Statement 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)

	2008	2007
	\$'000	\$'000
Carrying amount at the beginning of the period	1,902	6,556
Decrease in provision	(880)	(4,654)
Carrying amount at the end of the period	1,022	1,902

### Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally due within 30 days. Trade 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 65.3 in note 65.

**Categorisation of financial instruments and risk exposure information** - refer to note 65.

<b>53 Other Financial Assets</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Investment with Adelaide Bank	—	39
Loans for financial assistance	548	817
Provision for doubtful debts	(137)	—
<b>Total Current Other Financial Assets</b>	<b>411</b>	<b>856</b>
<b>Non-Current</b>		
Loans for financial assistance	3 096	4 458
Provision for doubtful debts	(2 597)	(4 164)
<b>Total Non-Current Other Financial Assets</b>	<b>499</b>	<b>294</b>
<b>Total Other Financial Assets</b>	<b>910</b>	<b>1 150</b>
<b>SA Government / Non SA Government Entities Other Financial Assets</b>		
<b>Other Financial Assets with SA Government Entities</b>		
Loans for financial assistance	161	155
<b>Total Other Financial Assets with SA Government Entities</b>	<b>161</b>	<b>155</b>
<b>Other Financial Assets with Non SA Government Entities</b>		
Investment with Adelaide Bank	—	39
Loans for financial assistance	3 483	5 120
Provision for doubtful debts	(2 734)	(4 164)
<b>Total Other Financial Assets with Non SA Government Entities</b>	<b>749</b>	<b>995</b>
<b>Total Other Financial Assets</b>	<b>910</b>	<b>1 150</b>

The investment with Adelaide Bank earned a fixed interest rate of 5.50%. The loans for financial assistance comprises interest free and interest bearing loans. The interest bearing loans earned a weighted average interest rate of 4.50%.

**Maturity analysis of other financial assets** - refer to table 65.3 in Note 65 for the maturity analysis of other financial assets.

**Categorisation of financial instruments and risk exposure information** - refer to Note 65.

<b>54 Property, Plant and Equipment</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
At fair value	<b>539</b>	539
Accumulated depreciation	<b>( 54)</b>	( 41)
<b>Total Buildings</b>	<b>485</b>	498
<b>Building Fit-outs</b>		
At cost	<b>651</b>	631
Accumulated depreciation	<b>( 320)</b>	( 148)
<b>Total Building Fit-outs</b>	<b>331</b>	483
<b>Land</b>		
At fair value	<b>13</b>	13
<b>Total Land</b>	<b>13</b>	13
<b>Office Equipment</b>		
At cost	<b>20</b>	—
Accumulated depreciation	<b>—</b>	—
<b>Total Office Equipment</b>	<b>20</b>	—
<b>Total Property, Plant and Equipment</b>	<b>849</b>	994
Total property, plant and equipment at fair value	<b>552</b>	552
Total property, plant and equipment at cost	<b>671</b>	631
Total accumulated depreciation	<b>( 374)</b>	( 189)
<b>Total Property, Plant and Equipment</b>	<b>849</b>	994

#### **Valuation of Non-Current Assets**

An internal assessment of the valuation of the land and buildings for the National Wine Centre was performed as at 30 June 2007. The assets will continue to be measured using the income approach, in accordance with Accounting Policy Framework III *Assets Accounting Framework*. The existing internal discount rate is still appropriate for the measurement of this asset. As a consequence, there has been no change to the value of the assets.

#### **Reconciliation of Property, Plant and Equipment**

The following table shows the movement of property, plant and equipment during 2007-08.

	<b>Buildings</b>	<b>Building Fit-outs</b>	<b>Land</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the financial year	498	483	13	—	<b>994</b>
Additions	—	20	—	20	<b>40</b>
Depreciation expense	( 13)	( 172)	—	—	<b>( 185)</b>
<b>Carrying amount at the end of the financial year</b>	<b>485</b>	<b>331</b>	<b>13</b>	<b>20</b>	<b>849</b>

<b>55 Payables</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors - electricity entities lease proceeds	3 076	2 800
Creditors - revenue on behalf of the Consolidated Account	959 750	911 433
Creditors - other	51 499	84 899
Accrued expenses	9 802	713
Employment on-costs	181	148
<b>Total Current Payables</b>	<b>1 024 308</b>	<b>999 993</b>
<b>Non-Current</b>		
Creditors - Electricity Entities lease proceeds	493 912	496 988
Employment on-costs	26	21
<b>Total Non-Current Payables</b>	<b>493 938</b>	<b>497 009</b>
<b>Total Payables</b>	<b>1 518 246</b>	<b>1 497 002</b>
<b>SA Government / Non SA Government Entities Payables</b>	<b>2008</b>	<b>2007</b>
<b>Payables to SA Government entities</b>	<b>\$'000</b>	<b>\$'000</b>
Creditors - electricity entities lease proceeds	496 988	499 788
Creditors - revenue on behalf of the Consolidated Account	960 055	911 433
Creditors - other	51 159	80 419
Accrued expenses	8 628	272
Employment on-costs	74	68
<b>Total Payables to SA Government Entities</b>	<b>1 516 904</b>	<b>1 491 980</b>
<b>Payables to Non SA Government Entities</b>		
Creditors - other	35	4 480
Accrued expenses	1 174	441
Employment on-costs	133	101
<b>Total Payables to Non SA Government Entities</b>	<b>1 342</b>	<b>5 022</b>
<b>Total Payables</b>	<b>1 518 246</b>	<b>1 497 002</b>

#### Interest rate and credit risk

Creditors are raised for all amounts billed but unpaid. Creditors - electricity entities lease proceeds are normally settled annually in June. Creditors - revenue on behalf of the Consolidated Account are normally settled by the 15th day of each month. Other creditors are normally settled within 30 days of the invoice date provided the goods and services have been received. 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 65.3 in Note 65.

**Categorisation of financial instruments and risk exposure information** - refer to Note 65.

<b>56 Employee Benefits</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	234	178
Annual leave	550	495
Long service leave	294	293
<b>Total Current Employee Benefits</b>	<b>1 078</b>	<b>966</b>



**Non-Current**

Long service leave	281	219
<b>Total Non-Current Employee Benefits</b>	<b>281</b>	<b>219</b>
<b>Total Employee Benefits</b>	<b>1 359</b>	<b>1 185</b>

The total current and non-current employee benefit plus related on costs for 2008 is \$1,259,000 and \$307,000 respectively.

Based on an actuarial assessment, the benchmark for the measurement of the long service leave liability has not changed from the 2007 benchmark (6.5 years).

<b>57 Provisions</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	12	10
<b>Total Current Provisions</b>	<b>12</b>	<b>10</b>
<b>Non-Current</b>		
Provision for workers compensation	33	28
<b>Total Non-Current Provisions</b>	<b>33</b>	<b>28</b>
<b>Total Provisions</b>	<b>45</b>	<b>38</b>
<b>Reconciliation of Provisions</b>	<b>2 008</b>	<b>2 007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the financial year</b>	<b>38</b>	<b>—</b>
Additional provisions recognised	7	63
Payments/other sacrifices of future economic benefits	—	( 25)
<b>Carrying amount at the end of the financial year</b>	<b>45</b>	<b>38</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 Wellbeing branch of the Department of the Premier and Cabinet. These claims are expected to be settle within the next financial year.

<b>58 Interest Bearing Liabilities - SA Government Entities</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Consolidated Account	—	39
<b>Total Current Interest Bearing Liabilities</b>	<b>—</b>	<b>39</b>
<b>Total Interest Bearing Liabilities</b>	<b>—</b>	<b>39</b>

**Interest Rate Risk**

The interest bearing liabilities represents monies owed to the Consolidated Account and corresponds with the investment with Adelaide bank shown in Note 53. The liabilities earned a fixed interest rate of 5.50%.

<b>59 Other Liabilities</b>	<b>2008</b>	2007
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned revenue	<b>4 040</b>	4 483
<b>Total Current Other Liabilities</b>	<b>4 040</b>	4 483
<b>Non-Current</b>		
Unearned revenue	<b>855</b>	880
<b>Total Non Current Other Liabilities</b>	<b>855</b>	880
<b>Total Other Liabilities</b>	<b>4 895</b>	5 363

## 60 Unrecognised and Contractual Commitments

### (a) Remuneration Commitments

Amounts disclosed include commitments arising from employment contracts for the Support Services to Parliamentarians. No remuneration contracts greater than 5 years are offered.

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

	<b>2008</b>	2007
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>1 189</b>	1 348
Later than one year but not later than five years	<b>1 777</b>	1 774
<b>Total Remuneration Commitments</b>	<b>2 966</b>	3 122

### (b) Operating Lease Commitments

At the reporting date, the Support Services for Parliamentarians had operating leases for the lease of office accommodation.

Office accommodation is leased from the Real Estate Management business unit of DTEI. The leases are non-cancellable with terms ranging up to 5 years.

Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial report, are payable as follows:

	<b>2008</b>	2007
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>1 420</b>	1 274
Later than one year and not later than five years	<b>1 849</b>	2 528
<b>Total Operating Lease Commitments</b>	<b>3 269</b>	3 802

## 61 Net Revenue from Administrative Restructure

As a result of the transfer of functions from Department of Trade and Economic Development effective 1 November 2007, the Department recognised the following assets and liabilities:

	Total
	<b>\$'000</b>
Cash	2 799
Financial Assistance Loans and Receivables	646
Less Provision for Doubtful Debts	( 13)
<b>Net Assets</b>	<b>3 432</b>

Total income and expenditure attributable to this transfer of functions for 2007-08 were:

	Department of Trade and Economic Development	Department of Treasury and Finance	Total
	1/7/07 to 31/10/07 \$'000	1/11/07 to 30/06/08 \$'000	\$'000
Grants and Contribution	—	23	23
Interest	—	4	4
<b>Total income</b>	<b>—</b>	<b>27</b>	<b>27</b>
Grants and Subsidies	641	—	641
Doubtful debts	—	129	129
Discounted Cash flow valuation for loans	—	210	210
<b>Total expenses</b>	<b>641</b>	<b>339</b>	<b>980</b>
<b>Net Result</b>	<b>( 641)</b>	<b>( 312)</b>	<b>( 953)</b>

As a result of the transfer of functions from DAIS effective 1 January 2007, the State Procurement Board - Gaming Machines Account and State Government Auctions transferred to the department.

The Department recognised the following assets and liabilities:

	State Procurement Board - Gaming Machines	State Government Auctions	Total
	\$'000	\$'000	\$'000
Cash	991	186	1 177
<b>Total assets</b>	<b>991</b>	<b>186</b>	<b>1 177</b>
Payables	33	186	219
Other	958	—	958
<b>Total liabilities</b>	<b>991</b>	<b>186</b>	<b>1 177</b>
<b>Net Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>

Total income and expenditure attributable to the State Procurement Board - Gaming Machines for 2006-07 were:

	DAIS	Department of Treasury and Finance	Total
	1/7/06 to 31/12/06 \$'000	1/1/07 to 30/06/07 \$'000	\$'000
Fees and Charges	10 809	9 492	20 301
Interest	51	58	109
<b>Total income</b>	<b>10 860</b>	<b>9 550</b>	<b>20 410</b>
Supplies and services	10 860	9 550	20 410
<b>Total expenses</b>	<b>10 860</b>	<b>9 550</b>	<b>20 410</b>
<b>Net Result</b>	<b>—</b>	<b>—</b>	<b>—</b>

Total income and expenses attributable to State Government Auctions for 2006-07 were:

	DAIS	Department of Treasury and Finance	Total
	1/7/06 to 31/12/06 \$'000	1/1/07 to 30/06/07 \$'000	\$'000
Fees and Charges	3 461	2 169	5 630
<b>Total income</b>	<b>3 461</b>	<b>2 169</b>	<b>5 630</b>
Supplies and Services	3 461	2 169	5 630
<b>Total expenses</b>	<b>3 461</b>	<b>2 169</b>	<b>5 630</b>
<b>Net Result</b>	<b>—</b>	<b>—</b>	<b>—</b>

## 62 Contingent Assets and Liabilities

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

- Under an agreement between National Power South Australia Investments Ltd and the Treasurer for Pelican Point, National Power is to undertake landscaping works and development of public amenities on certain leased land. The cost of these works is to be refunded to the lessee at the expiration of the initial five year term. The maximum exposure value of the contingent obligation at 30 June 2008 has been estimated at \$300,000. As the Electricity Reform and Sales Operating Account has been closed, this amount is to be paid from the Consolidated Account.
- Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.
- Under an agreement, dated 9 May 1996, with the National Electricity Code Administrator (NECA), the Treasurer may be required to contribute to the winding up of NECA. The maximum exposure of the contingent liability at 30 June 2008 is capped at \$350,000.
- Under an agreement, dated 9 May 1996, with the National Electricity Market Management Company (NEMMCO), the Treasurer may be required to contribute to the winding up of NEMMCO. The maximum exposure of the contingent liability at 30 June 2008 is capped at \$1,500,000.
- Under an agreement between Osborne Cogeneration Pty Ltd and the Treasurer for the Osborne Generation Plant, the Treasurer has guaranteed the performance of certain obligations as to the Osborne arrangements. In addition, Babcock and Brown International Pty Ltd has provided an indemnity to the Treasurer. The maximum exposure of the guarantee is estimated at \$150 million - \$200 million.
- Under an agreement with the South Australian Netball Association, the Treasurer has guaranteed the repayment of a loan, which the South Australian Netball Association has with an external banking institution with a total exposure value of \$1,800,000.

Financial obligations under various assistance agreements with the Treasurer relating to the industry investment attraction fund, the structural adjustment fund for South Australia, the strategic industry support fund, the innovation and investment fund for South Australia, the GM Holden G 8 safety project fund, the regional development infrastructure fund, the USG and OEZ fund, and the rural towns development fund are subject to performance criteria by those entities receiving assistance. The maximum exposure is estimated at \$61,517,000.

### 63 Lease

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

### 64 Cash Flow Reconciliation

	2008	2007
	\$'000	\$'000
(a) <b>Reconciliation of Cash - Cash at year end as per:</b>		
Cash Flow Statement	1 119 103	1 070 465
Balance Sheet	1 119 103	1 070 465
(b) <b>Reconciliation of Net Cash provided by Operating Activities to Operating Surplus</b>		
	2008	2007
	\$'000	\$'000
Net cash provided by operating activities	39 354	166 884
<b>Add Non cash items</b>		
Depreciation	( 185)	( 147)
Bad debts	(2 899)	(3 848)
Doubtful debts	2 328	2 404
Discounted cash flow adjustment	5 950	6 106
Loans converted to grants	( 547)	( 937)
Grants converted to Loans	—	75
Non-current assets accrual in payables	( 23)	23
Assets recognised for the first time	—	135
Interest written off	181	—
Interest on Restructure of Loans	115	—
<b>Change in Assets and Liabilities</b>		
Increase (decrease) in receivables	1 004	4 545
Increase (decrease) in other assets	( 39)	( 76)
(Increase) decrease in payables	(21 245)	(152 929)
(Increase) decrease in employee benefits	( 174)	(1 185)
(Increase) decrease in provisions	( 7)	( 38)
(Increase) decrease in interest bearing liabilities	39	76
(Increase) decrease in other liabilities	468	(1 665)
<b>Operating Surplus</b>	<b>24 320</b>	<b>19 423</b>

## 65 Financial instruments/Financial risk management

**Table 65.1 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.

Category of financial asset and financial liability	Balance Sheet line item	Note	Carrying amount 2008 \$'000	Fair value 2008 \$'000	Carrying amount 2007 \$'000	Fair value 2007 \$'000
<b>Financial assets</b>						
Cash	Cash and cash equivalents	51	1 119 103	1 119 103	1 070 465	1 070 465
Loans and receivables	Receivables <sup>(1)</sup>	52	18 569	18 569	18 317	18 317
Held to maturity investments	Other financial assets	53	910	1 082	1 150	1 150
	<b>Total Financial Assets</b>		<b>1 138 582</b>	<b>1 138 754</b>	1 089 932	1 089 932
<b>Financial liabilities</b>						
Financial liabilities at cost	Payables <sup>(1)</sup>	55	1 518 246	1 518 246	1 497 002	1 497 002
	Interest Beading Labialise	58	—	—	39	39
	<b>Total Financial Liabilities</b>		<b>1 518 246</b>	<b>1 518 246</b>	1 497 041	1 497 041

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

### Credit risk

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

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

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to Note 52 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 65.2 Ageing analysis of financial assets**

	Past due by			
	Overdue for < 30 days \$'000	Overdue for 30 – 60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
<b>2008</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	18 522	11	40	<b>18 573</b>
<b>Impaired</b>				
Receivables <sup>(1)</sup>	4	9	1 005	<b>1 018</b>
<b>2007</b>				
<b>Not impaired</b>				
Receivables <sup>(1)</sup>	17 502	25	265	<b>17 792</b>
<b>Impaired</b>				
Receivables <sup>(1)</sup>	—	8	2 419	<b>2 427</b>

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

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

**Table 65.3: Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2008</b>				
<b>Financial assets</b>				
Cash & cash equivalent	1 119 103	1 119 103	—	—
Receivables	18 569	18 569	—	—
Other financial assets	910	411	45	454
<b>Total financial assets</b>	<b>1 138 582</b>	<b>1 138 083</b>	<b>45</b>	<b>454</b>
<b>Financial liabilities</b>				
Payables	1 518 246	1 024 260	15 725	478 261
Interest Bearing Liabilities	—	—	—	—
<b>Total financial liabilities</b>	<b>1 518 246</b>	<b>1 024 260</b>	<b>15 725</b>	<b>478 261</b>

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2007</b>				
<b>Financial assets</b>				
Cash & cash equivalent	1 070 465	1 070 465	—	—
Receivables	18 317	18 317	—	—
Other financial assets	1 150	22	491	93
<b>Total financial assets</b>	<b>1 089 932</b>	<b>1 088 804</b>	<b>491</b>	<b>93</b>
<b>Financial liabilities</b>				
Payables	1 497 002	999 946	14 314	482 742
Interest Bearing Liabilities	39	39	—	—
<b>Total financial liabilities</b>	<b>1 497 041</b>	<b>999 985</b>	<b>14 314</b>	<b>482 742</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 of Treasury and Finance 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 of Treasury and Finance'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 65.1 represent the department's maximum exposure to financial liabilities.

#### Market risk

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

#### Sensitivity disclosure analysis

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

#### 66 Events after Balance Date

There were no events occurring after balance date that have material financial implications on these financial statements.





9th Floor  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

**TO THE UNDER TREASURER**

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Treasury and Finance for the financial year ended 30 June 2008. The financial report comprises:

- An Income Statement
- A Balance Sheet
- A Statement of Changes in Equity
- A Cash Flow Statement
- A Program Schedule of Expenses and Income
- A summary of significant accounting policies and other explanatory notes
- A Statement of Administered Income and Expenses
- A Statement of Administered Assets and Liabilities
- A Statement of Administered Changes in Equity
- A Statement of Administered Cash Flows
- A Schedule of Administered Income and Expenses
- A summary of significant accounting policies and other explanatory notes for Administered Items
- Certificate by the Under Treasurer and the Acting Director, Financial Services.

**The Responsibility of the Under Treasurer for the Financial Report**

The Under Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance 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 controls relevant to the entity's preparation and fair presentation of the financial report 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.

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Treasury and Finance as at 30 June 2008, and 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 (including the Australian Accounting Interpretations).



**S O'Neill**  
**AUDITOR-GENERAL**  
26 September 2008

## AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Services section of Corporate Services provided risk management, corporate governance, and internal audit services within the department in 2007-08. The role of the section was to provide assurance to the Under Treasurer that the internal controls and processes in the department were adequate to support the achievement of the department's operational and financial objectives.

The section provided executive officer support to the Audit Committee, one of the governance committees supporting the Under Treasurer. The terms of reference for the Audit Committee, include:

- overseeing the development and promulgation of appropriate policies and procedures for the proper managing of internal audit, risk management, business continuity, and other related activities;
- reviewing the department's compliance with regulatory and legislative requirements;
- overseeing the regular assessment of risks facing the department achieving its organisational objectives;
- overseeing the development and monitoring of the audit and risk management related services Work Plan; and
- providing advice to the Under Treasurer on any emerging issues and suggest strategies to address any issues in any of the above areas.

The section operates by supplementing internal resources with specialist contract service providers to undertake audits on an ad hoc basis.

### ***Fraud***

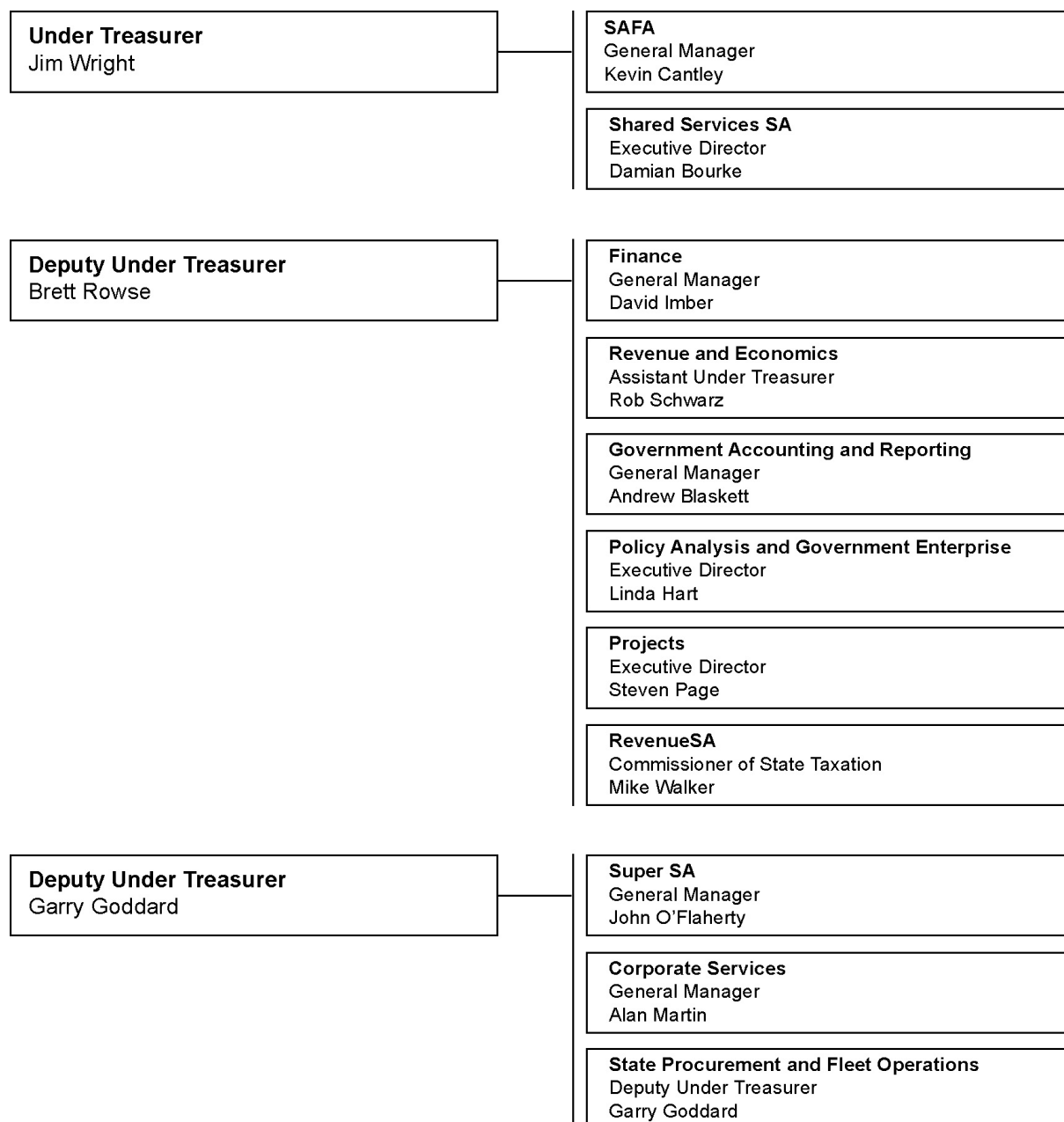
The department has adopted and promoted the government's code of conduct, which provides guidance to staff on appropriate behaviour. In addition, the department has specific policies and procedures in relation to the identification and reporting of fraud and similar issues.

Ethics training to all departmental staff, including fraud, commenced in late 2007-08.

No instances of fraud were reported during the year.

# APPENDICES

## APPENDIX 1 — DEPARTMENT STRUCTURE AS AT 30 JUNE 2008



<b>Branch</b>	<b>Function</b>
Revenue and Economics	<ul style="list-style-type: none"> <li>• Provision of economic policy advice on a range of issues: <ul style="list-style-type: none"> <li>– revenue</li> <li>– Commonwealth–State relations</li> <li>– National Competition Policy</li> <li>– economic conditions</li> <li>– gambling</li> </ul> </li> <li>• Provision of policy advice on essential services regulation</li> </ul>
RevenueSA	<ul style="list-style-type: none"> <li>• Management of state revenue systems</li> <li>• Management of state taxation legislation</li> <li>• Provision of policy advice on taxation issues</li> <li>• Management of various grants, rebates and subsidy schemes</li> </ul>
SAFA	<ul style="list-style-type: none"> <li>• Management of funding requirements and existing stock of government liabilities</li> <li>• Provision of financial risk management and advisory services</li> <li>• Management of the insurance and reinsurance of government risks</li> <li>• Provision of advice on insurance and risk management issues</li> </ul>
Super SA	<ul style="list-style-type: none"> <li>• Management of public sector superannuation schemes</li> <li>• Provision of advice on superannuation policy to government</li> </ul>
Shared Services SA	<ul style="list-style-type: none"> <li>• Strategy development and implementation of whole of government shared services reform</li> <li>• Delivery of shared corporate and business support services across government</li> <li>• Reform and effect cost efficiencies for in-scope activities to delivery improvements in service provision and quality</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>• Provision of a range of business support services in the areas of: <ul style="list-style-type: none"> <li>– administration</li> <li>– security</li> <li>– audit and risk management</li> <li>– communications</li> <li>– procurement</li> <li>– financial services</li> <li>– human resources</li> <li>– information technology</li> <li>– electorate offices</li> </ul> </li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Provision of advice on budgetary and financial issues</li> <li>• Management of State Budget process</li> <li>• Monitoring financial performance of government agencies</li> <li>• Facilitation of best practice financial management</li> </ul>
Government Accounting and Reporting	<ul style="list-style-type: none"> <li>• Maintenance of government financial systems</li> <li>• Management of financial policy, legislation and governance framework</li> <li>• Provision of advice on Fiscal Policy</li> </ul>
Policy Analysis and Government Enterprises	<ul style="list-style-type: none"> <li>• Provision of high quality, timely, strategic advice on a wide range of financial, economic and policy issues, including social policy</li> <li>• Monitoring the financial performance of government businesses</li> <li>• Undertaking reviews and specific projects</li> </ul>
Projects	<ul style="list-style-type: none"> <li>• Provision of advice to facilitate private sector participation in infrastructure development</li> </ul>
State Procurement and Fleet Operations	<ul style="list-style-type: none"> <li>• Provision of a range of business support services in the areas of: <ul style="list-style-type: none"> <li>– ICT support services</li> <li>– fleet management and chauffeur services</li> <li>– procurement advice</li> </ul> </li> </ul>

## APPENDIX 2 — ACTS COMMITTED TO THE MINISTERS SUPPORTED BY THE DEPARTMENT AS AT 30 JUNE 2008

<i>Treasurer</i>	<i>Committed</i>
<b>Appropriation Acts</b>	
ASER (Restructure) Act 1997 .....	5/2/98
Bank Merger (BankSA and Advance Bank) Act 1996 .....	28/11/96
Bank Mergers (South Australia) Act 1997 .....	19/3/98
Benefit Associations Act 1958 .....	20/10/97
Commonwealth Places (Mirror Taxes Administration) Act 1999 .....	19/10/00
Debits Tax Act 1994 .....	13/2/97
Electricity Corporations Act 1994 .....	18/4/02
Electricity Corporations (Restructuring and Disposal) Act 1999 .....	18/4/02
Emergency Services Funding Act 1998 .....	7/11/02
Essential Services Commission Act 2002 .....	12/9/02
* Financial Agreement Act 1994 .....	5/2/98
Financial Institutions Duty Act 1983 .....	13/2/97
Financial Sector (Transfer of Business) Act 1999 .....	12/8/99
Financial Transaction Reports (State Provisions) Act 1992 .....	20/10/97
First Home Owner Grant Act 2000 .....	29/6/00
Gift Duty Act 1968 .....	13/2/97
Government Financing Authority Act 1982 .....	14/12/93
Governors' Pensions Act 1976 .....	20/10/97
Hindmarsh Island Bridge Act 1999 .....	17/8/00
Housing Loans Redemption Fund Act 1962 .....	20/10/97
Interest on Crown Advances and Leases Act 1944 .....	20/10/97
Judges' Pensions Act 1971 .....	20/10/97
Land Tax Act 1936 .....	13/2/97
Motor Accident Commission Act 1992 .....	14/12/93
National Tax Reform (State Provisions) Act 2000 .....	29/6/00
National Wine Centre (Restructuring and Leasing Arrangements) Act 2002 .....	6/5/04
New Tax System Price Exploitation Code (South Australia) Act 1999 .....	9/12/99
Parliamentary Superannuation Act 1974 .....	20/10/97
Pay-roll Tax Act 1971 .....	13/2/97
Petroleum Products Regulation Act 1995 .....	13/2/97
Police Superannuation Act 1990 .....	20/10/97
Public Corporations Act 1993 .....	14/12/93
Public Finance and Audit Act 1987 .....	20/10/97
Rural Advances Guarantee Act 1963 .....	20/10/97
SGIC (Sale) Act 1995 .....	29/6/95
Southern State Superannuation Act 1994 .....	20/10/97
Stamp Duties Act 1923 .....	13/2/97
State Bank (Corporatisation) Act 1994 .....	12/5/94
State Bank of South Australia Act 1983 .....	14/12/93
Succession Duties Act 1929 .....	13/2/97
Superannuation Act 1988 .....	20/10/97
Superannuation Funds Management Corporation of South Australia Act 1995 .....	13/2/97
<sup>(1)</sup> Supplementary Financial Agreement (Soldiers Settlement Loans) Act 1934 .....	5/2/98
<b>Supply Acts</b>	
Tab (Disposal) Act 2000 .....	13/5/03
Taxation Administration Act 1996 .....	13/2/97
Taxation (Reciprocal Powers) Act 1989 .....	13/2/97
Unclaimed Moneys Act 1891 .....	20/10/97
Unclaimed Superannuation Benefits Act 1997 .....	29/1/98
Westpac/Challenge Act 1996 .....	5/2/98

<sup>(1)</sup> Act of limited application

## APPENDIX 3 — LEGISLATIVE MEASURES

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### **Appropriation Act 2007**

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This legislation is for the appropriation of money from the Consolidated Account for the year ending on 30 June 2008, and for other purposes.

Assented to: 9 August 2007

Date of operation: 1 July 2007

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### **Supply Act 2008**

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An Act for the appropriation of money from the Consolidated Account for the financial year ending on 30 June 2009.

Assented to: 26 June 2008

Date of operation: 1 July 2008

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### **Amendments to the Land Tax Act 1936 and the Pay-roll Tax Act 1971**

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#### ***Statutes Amendment (Budget 2007) Act 2007***

This legislation contains revenue measures that form part of the government's budget initiatives for 2007-08.

Assented to: 9 August 2007

Date of operation: Part 1 – 9 August 2007; Part 2 – 1 July 2007; Part 3 – at midnight on 30 June 2008

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### **Amendments to the Public Finance and Audit Act 1987**

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#### ***Public Finance and Audit (Certification of Financial Statements) Amendment Act 2007***

This legislation strengthens the requirement for Chief Executives to provide certification of a public authority's financial statements.

Assented to: 9 August 2007

Date of operation: 31 December 2007

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## **Amendments to the Stamp Duties Act 1923**

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### ***Stamp Duties (Trusts) Amendment Act 2008***

This legislation makes a number of amendments required as a consequence of two High Court cases and to provide stamp duty relief for transfers resulting from certain land subdivisions and for transfers of property between responsible entities and custodians of managed investments schemes.

Assented to: 26 June 2008

Date of operation: 26 June 2008 – Section 3(2) operates retrospectively

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## **Amendments to the Controlled Substances Act 1984 (committed to the Minister for Mental Health and Substance Abuse) and the Petroleum Products Regulation Act 1995**

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### ***Statutes Amendment (Petroleum Products) Act 2007***

This legislation is caused by a review of the Petroleum Products Regulation Act 1995, as required under clause 5 of the Competition Principles Agreement to which the Government of South Australia is a signatory. National Competition Policy requires State Governments to review their legislation and remove any anticompetitive provisions, unless it can be demonstrated that there are net benefits to the community as a whole. Competition Policy also provides for consideration to be given to the impact on specific industry sectors and communities, including expected costs in adjusting to change, from restriction to competition.

Assented to: 20 September 2007

Date of operation: 1 July 2008

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## **Amendments to the Pay-roll Tax Act 1971**

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### ***Pay-roll Tax (Harmonisation Project) Amendment Act 2008***

This legislation makes a number of amendments to the Act following commitments made by the Government at the March 2007 meeting of the States Only Ministerial Council for Commonwealth-State Financial Relations. All jurisdictions agreed to implement changes to pay-roll tax legislation and associated arrangements to improve inter-jurisdictional consistency and cut red tape for businesses.

Assented to: 26 June 2008

Date of operation: 1 July 2008

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## **Amendments of the Southern State Superannuation Act 1994 and the Superannuation Act 1988**

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### ***Statutes Amendment (Transition to Retirement) Act 2008***

This legislation amended the *Southern State Superannuation Act 1994* and the *Superannuation Act 1988* to provide for members of the State Pension, State Lump Sum and Triple S Schemes to access proportions of accrued benefits on transitioning to retirement.

Assented to: 13 March 2008

Date of operation: 1 July 2008

### ***Southern State Superannuation (Transition to Retirement) Variation Regulations (No 173 of 2008)***

These regulations are consequential to the *Statutes Amendment (Transition to Retirement) Act 2008* and are made under the *Southern State Superannuation Act 1994*.

Regulation made on: 26 June 2008

Date of Operation: 1 July 2008

### ***Superannuation (Transition to Retirement) Variation Regulations (No 174 of 2008)***

These regulations are consequential to the *Statutes Amendment (Transition to Retirement) Act 2008* and are made under the *Superannuation Act 1988*.

Regulation made on: 26 June 2008

Date of Operation: 1 July 2008

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## **Amendments of the Southern State Superannuation Act 1994 and the Police Superannuation Act 1990**

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### ***Statutes Amendment (Police Superannuation) Act 2008***

This legislation amended the *Southern State Superannuation Act 1994* and the *Police Superannuation Act 1990* to provide for the transfer of members of the Police Lump Sum Scheme to the Triple S Scheme and the closure of the Police Lump Sum Scheme.

Assented to: 26 June 2008

Date of operation: 1 July 2008

### ***Southern State Superannuation (Police Superannuation) Variation Regulations (No 201 of 2008)***

These regulations are consequential to the *Statutes Amendment (Police Superannuation) Act 2008* and are made under the *Southern State Superannuation Act 1994*. The regulations provide for Police Officers and other prescribed members to receive five units

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of death and invalidity insurance.

The regulations also provide for:

- The SA Ambulance Service Superannuation Scheme being closed to new members with effect from 1 July 2008 and existing members being given the option of transferring their accrued benefit to the Triple S Scheme between 1 July 2008 and 30 June 2009.
- Employees of the SA Ambulance Service Inc that become members of the Triple S Scheme will be 'prescribed members' and receive five units of death and invalidity insurance and be required to contribute as least 4.5 per cent of salary.

Regulation made on: 26 June 2008

Date of Operation: Day on which the *Statutes Amendment (Police Superannuation) Act 2008* comes into operation.

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## **Regulations made under the Southern State Superannuation Act 1994**

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### ***Southern State Superannuation (Incorporated Hospitals) Variation Regulations (No 199 of 2008)***

These regulations are made under the *Southern State Superannuation Act 1994* and vary the *Southern State Superannuation Regulations 1995* to replace references to recognised hospitals or incorporated health centres under the *South Australian Health Commission Act 1976* with references to incorporated hospitals under the *Health Care Act 2008*.

Regulation made on: 26 June 2008

Date of Operation: 1 July 2008

### ***Southern State Superannuation Variation Regulations (no 39 of 2008)***

These regulations made under the *Southern State Superannuation Act 1994* prescribe the employer financed superannuation benefit to be provided to members of the Triple S scheme who are members for the purpose of continuing to accrue the 3 per cent of salary productivity benefit that was granted as a superannuation benefit in 1988. The regulation is required to address a technical deficiency in the existing regulations.

Regulation made on: 24 April 2008

Date of Operation: 24 April 2008

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## Declaration and Regulations made under the State Superannuation Act 1988

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### ***Superannuation Act 1988 – Schedule 3 — Administered Schemes***

A declaration was made by the Acting Treasurer pursuant to Clause 2 of Schedule 3 to the Superannuation Act 1988 (the Act) that the SA Metropolitan Fire Service Superannuation Scheme, which is a scheme and fund established under Schedule 3 of the Act, will have its funds invested and managed by the Superannuation Funds Management Corporation of South Australia.

Declaration dated 13 July 2007

Date of operation 1 August 2007

### ***Superannuation (Salary) Variation Regulations (No 40 of 2008)***

These regulations made under the *Superannuation Act 1988*:

- Prescribe the country incentive allowance paid to Dental Services Officers as not being a component of 'salary' for superannuation (this prescription is merely to provide clarity as the allowance which is a locality allowance is already excluded from the definition of 'salary');
- Prescribe the recently introduced allowances for Intensive Care Consultants, Dental Services Officers, and Psychiatrists, as a component of 'salary' but with recognition only for the actual period of time that the allowance is paid to prevent significant 'windfall gains' to the disadvantage of work colleagues in the Triple S scheme);
- Address a technical problem with the current wording of Regulation 29A that deals with the remuneration paid to an employee on an untenured Total Employment Cost contract;
- Reword some of the existing provisions of Regulation 29B that deal with employees who 'transfer' from an employer in the public sector to an employer in the public service (the 'host' employer) whilst retaining a substantive position with the public sector employer. The rewording will improve the clarity of the existing provisions.
- Introduce a new Regulation 29BA that will deal with the situation where a person employed in the public service 'transfers' to employment in the public sector or a prescribed body (the 'host employer') whilst retaining a substantive position in the public service. The regulation will prescribe the remuneration to be taken to be 'salary' for the purposes of the Act.
- Introduce a new Regulation 29BB that will deal with the situation and the remuneration to be recognised as 'salary' under the Act, where a person employed by a public sector body, that has special terms and conditions relating to membership for its employees, permanently transfers to the public service.

Regulation made on: 24 April 2008

Date of Operation: 24 April 2008

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***Superannuation (Julia Farr Services Employees) Variation Regulations  
(No 177 of 2007)*** *(omitted from last year's annual report)*

The regulations updated the *Superannuation (Julia Farr Services Employees) Regulations 2003*, made under the *Superannuation Act 1988*, that established the rights and entitlements of the Julia Farr Services employees who were transferred to the State Lump Sum Scheme when the Julia Farr Centre Staff Provident Plan was closed and wound up in October 2003.

Regulation made on: 28 June 2007

Date of Operation: 28 June 2007

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***Amendments of the Casino Act 1997 and the Authorised Betting Operations Act 2000***

***Statutes Amendment (Investigation and Regulation of Gambling Licensees) Act 2007***

The Amendment Act gives effect to the 2006-07 Budget initiative to recover costs associated with regulating the Casino and the TAB.

Date of operation: 1 November 2007

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***Amendments of the Emergency Services Funding (Remissions – Land) Regulations 2000***

***Emergency Services Funding (Remissions – Land) Variation Regulations 2007  
(No 176 of 2007)***

The Regulations amend the prescribed levy rate for the 2007-08 financial year from 0.001189 to 0.001270.

Date of operation: 1 July 2007

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## **APPENDIX 4 — MAJOR BOARDS AND COMMITTEES AS AT 30 JUNE 2008**

- Distribution Lessor Corporation
- Electricity Industry Superannuation Board
- Essential Services Commission of SA
- Generation Lessor Corporation
- Motor Accident Commission
- Police Superannuation Board
- RESI Corporation Board
- South Australian Asset Management Corporation (SAAMC)
- South Australian Centre for Trauma and Injury Recovery Board (SACTIR)
- South Australian Government Financing Advisory Board (SAFA)
- South Australian Parliamentary Superannuation Board
- South Australian Superannuation Board
- Superannuation Funds Management Corporation of South Australia Board (Funds SA)
- Transmission Lessor Corporation

## APPENDIX 5 — USE OF CONSULTANTS

Payments to consultants listed below include amounts paid and payable at 30 June 2008.

### Controlled

Consultant	Purpose of Consultancy	Number	Total \$
<b>Value below \$10 000</b>			
Various	Various		
<b>Subtotal</b>		<b>19</b>	<b>64 430</b>
<b>Value \$10 000 - \$50 000</b>			
Capital Value Pty Ltd	Valuation services		
Deloitte Touche Tohmatsu	Anti Money Laundering Review		
Disability Consultancy Services Pty Ltd	Disability access review within Department		
EMC Global Holdings	Audit & Compliance Consultancy		
Figtree Systems Pty Ltd	Review of insurance systems		
GHD Management Engineering Environment	Review of Mt Bold Reservoir		
Infact Consulting Pty Ltd	Review of the South Australian Government Financing Authority's Treasury Management system		
KPMG	Website Security Assessment		
	Fraud Awareness Training		
	Anti Money Laundering Training		
Locher and Associates	Development of induction pack and training materials		
Lodestar Advisory Services	Review due diligence strategy		
McGuireMajor	Consultancy to inform the development of an acquisition plan to establish a new contract for stationery and related products		
McLachlan Hodge Mitchell (MHM) A Personal Approach	Rationalising ex-Department Administrative & Information Services financial systems		
Mercer Australia Pty Ltd	Stage 1 Risk Reserves Project		
	Preparation of exempt pension certificates		
	Member Scheme Transfer Advice		
Pitcher Partners Consulting Pty Ltd	Probity services for new prisons and secure facilities, new schools and new hospital Public Private Partnerships		
Wendy Perry and Associates	Implementation plan for the transition to a dedicated customer support centre for Shared Services SA		
<b>Subtotal</b>		<b>15</b>	<b>441 975</b>

continued

Consultant	Purpose of Consultancy	Number	Total \$
<b>Value above \$50 000</b>			
Australian Economic Consulting Group Limited	Financial consultancy services in relation to a review of Fleet SA		
Ernst & Young	Review of proposed approach to agency budgets		
	Development of a Human Resource Microsystems Solutions/Payroll Services		
Financial IQ Pty Ltd	Business Analysis - Capital Accounting Interface		
	Business Analysis — Transfer of Police superannuation		
	Anti Money Laundering Program and Policy		
	Business Analysis – Capital Modelling-Phase 1, Capital Accounting Interface, Data Mining (Fraud Analysis) & Transition to Retirement		
KPMG Corporate Finance (Aust) Pty Ltd	Cost and Procurement Analysis of SA Desalination Plant		
KPMG LLP Corporate Finance	Review of Public Private Partnerships Projects		
Objective Corporation Ltd	Using the existing Department of Treasury and Finance instance undertake business and technical analysis to enable a foundation level implementation of Objective EDRMS		
Partnerships UK	Review of Public Private Partnerships Projects		
Profectus Australia Pty Ltd	A detailed review of four years of accounts payable transactional data across all nominated government agencies to identify and recover overpayments that such agencies have made to their vendors; and purchasing benefits that such agencies have under-claim		
Trudy Coad Consulting	Banking Procurement Project		
<b>Subtotal</b>		<b>9</b>	<b>935 549</b>
<b>Total</b>		<b>43</b>	<b>1 441 954</b>

## **APPENDIX 6 — FREEDOM OF INFORMATION STATEMENT**

Freedom of Information Act 1991 (FOI Agency G298)

### ***Introduction***

This statement is published in accordance with the requirements of Section 9(2) of the *Freedom of Information Act 1991* (“the FOI Act”).

### ***Section 1— Structure and Functions***

Information concerning the structure and functions of Treasury and Finance is contained elsewhere in this report and is deemed to be consistent with the reporting requirements of Section 9(2)(a) of the FOI Act.

### ***Section 2 — How the Agency’s Functions affect Members of the Public***

The department’s functions affect the public through its support of the development and implementation of the Government’s budget strategy, the provision of whole of government financial management support services, policy advice and infrastructure reform and direct service delivery in areas such as state taxation and the administration of superannuation schemes.

### ***Section 3 — Arrangements for Public Participation in Policy Formulation***

The public are able to participate in policy development in a number of ways including through community consultation, membership of government boards and committees and consultation with representatives of interest groups on particular policy issues.

### ***Section 4 — Description of the Kinds of Documents held by Treasury and Finance***

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

- (a) department files containing correspondence on all aspects of the department’s operations
- (b) taxation documents including applications and returns required for the purpose of administering State Taxation legislation
- (c) accounting records including monthly and quarterly financial statements, and the Treasurer’s annual financial statements and accounts
- (d) personnel files relating to Treasury and Finance employees
- (e) superannuation files relating to the administration of member superannuation benefits



- (f) Treasurer's Instructions\*
- (g) Treasury circulars and RevenueSA Circulars\*
- (h) publications/papers/reports
- (i) actuarial files
- (j) procedure manuals.

\* Available on the Internet at [www.treasury.sa.gov.au](http://www.treasury.sa.gov.au)

## **Section 5 — Making an application**

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

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

Telephone 8226 9500

## **Where to inspect documents**

Documents can be available for inspection at:

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

Telephone 8226 9500

9.00 am to 5.00 pm Monday to Friday

## APPENDIX 7— OVERSEAS TRAVEL

Destination	Number of employees	Reason for travel	Travel costs \$
San Francisco, Vancouver, Victoria, Ottawa, Toronto, Los Angeles	2	To investigate Canadian experience with shared services.	26 915
Bari, London, Manchester, Munich, Frankfurt and Madrid <sup>(a)</sup>	2	To attend the Fiera del Levante General Trade and Exhibition Fair, the Defence Systems and Equipment International Exhibition (DSEI) and undertake strategic discussions with a range of defence companies and firms involved in the UK Government's Public Finance Initiative (PFI) program.	15 214
Chile <sup>(b)</sup>	1	To explore opportunities in, and gain comprehensive understanding of, the mining sector and to undertake key meetings to promote South Australia in other areas including education, migration, wine and agriculture.	1 488
Los Angeles, New York, Washington <sup>(c)</sup>	2	To attend Australia Week, to increase the profile of South Australia, attract investment to South Australia and to expand trade opportunities for South Australian companies.	29 137
<b>Total</b>	<b>7</b>		<b>72 754</b>

(a) The above costs were paid by the Department of Treasury and Finance and partially reimbursed by the Department of Trade and Economic Development and Defence SA. The airfare costs were met directly by the Department of Trade and Economic Development.

(b) The above costs were paid by the Department of Treasury and Finance and fully reimbursed by the Department of Trade and Economic Development. Other costs of the trip were met by the Department of Trade and Economic Development.

(c) The above costs were paid by the Department of Treasury and Finance and fully reimbursed by the Department of Trade and Economic Development.

## APPENDIX 8 — REVENUE COLLECTIONS BY REVENUE SA

	2005-2006 Number of Taxpayers / Transactions	Amount \$	2006-2007 Number of Taxpayers / Transactions	Amount \$	2007-2008 Number of Taxpayers / Transactions	Amount \$
<b>Debits Tax</b>		5 551 926		(2 007)		—
<b>Land Tax</b>	123 820	251 706 113	159 458	332 223 553	187 619	365 890 245
<b>Payroll Tax</b>	8 596	959 680 998	9 053	1 034 238 248	9 469	1 085 903 362
<b>Stamp Duty</b>						
Adhesive Stamps		29 068		6 250		(491)
Annual Licences (Insurance)		223 767 696		235 897 568		236 320 674
Applications to Register or Transfer Motor Vehicles		133 595 475		132 979 189		147 743 674
Cheques		—		—		—
Conveyance of Property on Sale		619 118 274		725 391 785		931 057 773
Conveyance of Shares (Excluding Stock Exchange)		7 210 979		12 524 316		11 234 982
Hospital Fund MV Third Parties		56 225 311		57 700 200		59 117 267
Insurance Effected Outside SA		7 631 466		7 761 212		6 371 979
Leases		28 947		2 678		2 530
Mortgages		50 195 956		56 217 180		48 867 497
Rental Business		14 989 761		15 478 889		13 305 022
Voluntary Conveyances of Property		4 532 042		5 205 596		4 372 982
Other		6 694 682		3 212 835		11 721 831
<b>Total Stamp Duty</b>		<b>1 124 019 659</b>		<b>1 252 377 698</b>		<b>1 470 115 720</b>
<b>Contribution from small lotteries</b>	—	—	—	—	—	—
<b>Mirror Taxes</b>						
Debits Tax		38 578		—		—
Land Tax		754 385		904 360		1 012 603
Payroll Tax		16 788 547		18 094 634		19 004 414
Conveyance of Property on Sale		263 252		263 252		263 252
Leases		2 699		250		236
Rental Business		385 930		398 523		342 565
<b>Total Mirror Taxes</b>		<b>18 233 391</b>		<b>19 661 019</b>		<b>20 623 070</b>
<b>Emergency Services Levy (Fixed Property)</b>						
ESL Payments		69 093 502		72 147 025		77 066 453
Remission & Concession		68 411 519		75 413 411		88 433 360
<b>Total ESL</b>		<b>137 505 021</b>		<b>147 560 436</b>		<b>165 499 813</b>
<b>Total RevenueSA Collections</b>		<b>2 496 697 108</b>		<b>2 786 058 947</b>		<b>3 108 032 210</b>

## APPENDIX 9 — GREENING OF GOVERNMENT OPERATIONS

### Energy Management

The energy use of the Department of Treasury and Finance (DTF) 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, however DTF has a range of other tenancies varying in size and use.

DTF also supports the Treasurer in the administration of the Electorate Offices of State Members of Parliament. These offices are scattered throughout South Australia ranging from leased small shop fronts to multi-tenanted shopping complexes where there are limited opportunities for energy savings.

The energy usage and intensity data for DTF included in the table below includes Shared Services SA, which will significantly impact its energy usage profile. The State Procurement Support Operations (SPSO) Branch has been separated for 2007-08 and will be consolidated into the DTF data in future.

### Energy Performance

	Energy use (GJ)	Greenhouse gas emissions (Tonnes CO <sub>2</sub> )	KWH	Business Measures
Energy Usage <sup>1</sup>				
Base Year 2000-01				
DTF	5 767		1 601 925	556.70 (FTE)
SPSO	4 344		1 206 541	8 090.91 (M <sup>2</sup> )
Electorate Offices	2 110		585 995	100.40 (FTE)
<b>Portfolio Total</b>	<b>12 220</b>	3 418	3 394 461	
Report Year 2006-07				
DTF	5 102		1 417 084	608.60 (FTE)
SPSO	4 319		1 199 788	10 705.00 (M <sup>2</sup> )
Electorate Offices	2 293		636 970	187.80 (FTE)
<b>Portfolio Total</b>	<b>11 714</b>	3 277	3 253 842	
Report Year 2007-08				
DTF	6 427		1 785 258	824.20(FTE)
SPSO	4 847		1 346 404	15784.66 (M <sup>2</sup> ) <sup>4</sup>
Electorate Offices	2 077		576 927	191.50 (FTE)
<b>Portfolio</b>	<b>13 351</b>	3 735	3 708 589	

Energy Intensity <sup>2</sup>		
<b>Energy Efficiency</b>		
Base Year 2000-01		
DTF	799.32	MJ per FTE
SPSO	41.42	MJ per M <sup>2</sup>
Electorate Offices	1 621.28	MJ per FTE
Report Year 2006-07		
DTF	646.79	MJ per FTE
SPSO	31.13	MJ per M <sup>2</sup>
Electorate Offices	942.15	MJ per FTE
Report Year 2007-08		
DTF	601.68	MJ per FTE
SPSO	23.69	MJ per M <sup>2</sup>
Electorate Offices	836.85	MJ per FTE
<b>Portfolio Targets 2007-08<sup>3</sup></b>		
DTF	691.72	MJ per FTE
SPSO	35.84	MJ per M <sup>2</sup>
Electorate Offices	1403.06	MJ per FTE
<b>Portfolio Targets 2013-14<sup>3</sup></b>		
DTF	599.49	MJ per FTE
SPSO	31.07	MJ per M <sup>2</sup>
Electorate Offices	1 215.96	MJ per FTE
(1) Calculated on the following assumptions: CO <sub>2</sub> Intensity 1.007kg per kWh 3.6 megajoule(MJ) per kWh 1000 MJ per Gigajoule (GJ)		
(2) Energy Intensity equals the energy used per unit of business measure. DTF is using the business measure of number of full time equivalents against DTF corporate and electorate office energy consumption. DTF is using the business measure of occupied floor area measured in square metres against SPSO Branch energy consumption.		
(3) Portfolio targets are calculated on a 25% reduction in energy intensity (2000–01) by 2013–14. Energy intensity is a key performance indicator for energy efficiency. 2007–08 is the seventh year of expected reduction toward target. This is inline with the South Australia Strategic Plan Target T3.13 – Improve the energy efficiency of Government Buildings by 25% from 2000-01 levels by 2014.		
(4) The increase in SPSO Business Measure for 2007-08 is due to the inclusion of various DTF tenancies located at Netley (300 Richmond Rd), Gawler Place and the Supply SA Whyalla Warehouse.		

## Water conservation and wastewater management

DTF has engaged Spotless Property and Facilities in accordance with the whole of government Facilities Management Contract to undertake an Environmental Initiatives Project within the State Administrative Centre. Upon receipt of the recommendations from this Project, the Department will address the recommendations with the Department of Transport, Energy and Infrastructure as building owner/manager. Recommendations will potentially include dual flush toilets and flow restrictors on shower heads and hot and cold taps.

## Waste management

DTF (through as building owner/manager) has engaged Kesab to undertake an assessment of its current waste and recycling processes within the State Administration Centre. The Department will address recommendations from Kesab to increase the efficiency of waste and recycling processes.

## APPENDIX 10 — ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

### *Priority and removal activities*

Site asbestos presence status	Priority	No of sites in priority category	Risk reduction program: activities conducted during 2006-07	Quantification of activities: by item by area by cost
Insufficient data	urgent	—		
Unstable accessible, or	urgent	—		
Unstable damaged, or				
Decayed				
Unstable inaccessible, or	high	—		
Unstable partly accessible				
Stable accessible, or	medium	1 building	Inspection Report and Management Plan requires removal of asbestos if damaged or during upgrade. There has been no upgrade work undertaken in those areas within the DTF building where asbestos has been installed. Consequently no asbestos removal has taken place.	
Stable accessible with initial signs of decay		3 locations (Based on accessibility)		
Stable inaccessible, or	low	1 buildings	Inspection Report and Management Plan requires removal of asbestos if damaged or during upgrade. There has been no upgrade work undertaken in those areas within the DTF building where asbestos has been installed. Consequently no asbestos removal has taken place.	
Stable partly accessible		2 locations (Based on accessibility)		
Asbestos free	n.a.			

### *Risk reduction*

Site performance score / Site risk level	Site category scale				
	1 / Severe	2 / Major	3 / Moderate	4 / Minor (threshold cat.)	5 / No risk (target cat.)
% of sites in category at commencement of 2007-08			60%	40%	
Adjusted % after annual reduction activity		60%		40%	