

Attorney-General's Department

Financial report
for the year ended
30 June 2020



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To the Chief Executive Attorney-General's Department

Opinion

I have audited the financial report of Attorney-General's Department for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Attorney-General's Department as at 30 June 2020, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2020
- a Statement of Administered Financial Position as at 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- a Schedule of Expenses and Income attributable to administered programs for the year ended 30 June 2020
- a Schedule of Assets and Liabilities attributable to administered programs as at 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director Finance, People and Performance.

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

Responsibilities of the Chief Executive for the financial report

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Attorney-General's Department for the financial year ended 30 June 2020.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Attorney-General's Department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read "Richardson", followed by a long horizontal line extending to the right.

Andrew Richardson

Auditor-General

23 September 2020

**Attorney-General's Department
(AGD)**

Financial Statements

For the year ended 30 June 2020

Attorney-General's Department
Statement of Certification
for the year ended 30 June 2020

We certify that the attached general purpose financial statements for the Attorney-General's Department:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Attorney-General's Department
- present a true and fair view of the financial position of the Attorney-General's Department as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Attorney-General's Department for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Caroline Mealor
Chief Executive
21 September 2020



Andrew Swanson
Executive Director Finance, People and Performance
21 September 2020

Attorney-General's Department
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Appropriation	2.1	99 423	96 286
Fees and charges	2.2	86 791	82 958
Donated assets	2.3	25 573	-
Recoveries	2.4	9 732	11 451
Commonwealth - sourced grants and funding	2.5	6 782	4 121
Resources received free of charge	2.7	2 120	2 288
Intra-Government transfers	2.6	1 888	8 022
Grants and subsidies	2.8	1 176	339
Other income	2.9	1 465	2 309
Total income		234 950	207 774
Expenses			
Employee benefits	3.3	135 413	147 182
Supplies and services	4.1	61 373	58 087
Grants and subsidies	4.2	7 971	7 887
Depreciation and amortisation	4.3	7 999	6 902
Net loss from disposal of non-current assets	4.6	730	481
Borrowing costs	4.4	15	-
Other expenses	4.5	748	890
Total expenses		214 249	221 429
Net result		20 701	(13 655)
Total comprehensive result		20 701	(13 655)

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

Attorney-General's Department
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	24 614	27 004
Receivables	6.2	16 011	12 159
Total current assets		40 625	39 163
Non-current assets			
Property, plant and equipment	5.1	30 642	9 710
Intangible assets	5.4	9 444	11 332
Total non-current assets		40 086	21 042
Total assets		80 711	60 205
Current liabilities			
Payables	7.1	10 812	9 178
Employee benefits	3.4	16 427	17 258
Financial liabilities	7.2	435	-
Provisions	7.3	626	626
Other current liabilities	7.4	597	617
Total current liabilities		28 897	27 679
Non-current liabilities			
Payables	7.1	2 804	2 886
Employee benefits	3.4	30 270	31 473
Financial liabilities	7.2	429	-
Provisions	7.3	816	663
Other liabilities	7.4	473	877
Total non-current liabilities		34 792	35 899
Total liabilities		63 689	63 578
Net assets		17 022	(3 373)
Equity			
Asset revaluation surplus		4 264	4 534
Retained earnings		12 758	(7 907)
Total equity		17 022	(3 373)

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

Attorney-General's Department
Statement of Changes in Equity
for the year ended 30 June 2020

	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000
Balance at 30 June 2018	4 534	3 670	8 204
Net result for 2018-19	-	(13 498)	(13 498)
Error Correction	-	(157)	(157)
Total comprehensive result for 2018-19	-	(13 655)	(13 655)
Transfer between equity components			
Net assets received from an administrative restructure	-	2 078	2,078
Balance at 30 June 2019	4 534	(7 907)	(3 373)
Net result for 2019-20	-	20 701	20 701
Total comprehensive result for 2019-20	-	20 701	20 701
Transfer between equity components			
Transfer between equity components	(270)	270	-
Error Correction	-	(306)	(306)
Balance at 30 June 2020	4 264	12 758	17 022

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

Attorney-General's Department
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		103 612	96 286
Fees and charges		86 811	96 849
Recoveries		10 142	12 674
Receipts from Commonwealth - sourced grants		7 068	4 121
GST recovered from the ATO and customers		3 355	2 748
Intra-government transfers		1 968	8 022
Other receipts		1 526	3 149
Grants and subsidies		1 226	510
Receipts for paid parental leave scheme		578	523
Cash generated from operations		216 286	224 882
Cash outflows			
Employee benefits payments		(137 158)	(144 700)
Payments for supplies and services		(65 244)	(68 983)
Payments for grants and subsidies		(9 494)	(9 565)
Payments for parental leave scheme		(547)	(520)
Interest paid		(15)	-
Other payments		(892)	(982)
Cash used in operations		(213 350)	(224 750)
Net cash provided by / (used in) operating activities	8.2	2 936	132
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(3 333)	(3 050)
Purchase of intangible assets		(1 684)	(1 756)
Cash used in investing activities		(5 017)	(4 806)
Net cash provided by / (used in) investing activities		(5 017)	(4 806)
Cash flows from financing activities			
Cash inflows			
Proceeds from lease incentives		-	2 896
Cash received from restructuring activities		-	4 891
Cash generated from financing activities		-	7 787
Cash outflows			
Cash transferred as a result of administrative restructure		-	(36)
Repayment of leases		(309)	-
Cash used in financing activities		(309)	(36)
Net cash provided by / (used in) financing activities		(309)	7 751
Net increase / (decrease) in cash and cash equivalents		(2 390)	3 077
Cash and cash equivalents at the beginning of the reporting period		27 004	23 927
Cash and cash equivalents at the end of the reporting period	6.1	24 614	27 004

The accompanying notes form part of these financial statements.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1 About the Attorney-General's Department

The Attorney-General's Department (the department) is a not-for-profit government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The department produces both controlled and administered financial statements. The controlled financial statements include income, expenses, assets and liabilities, controlled or incurred by the department in its own right. The administered financial statements include income, expenses, assets and liabilities which the department administers on behalf of the SA Government but does not control. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for controlled items.

For the purposes of accrual accounting and external financial reporting, the Ombudsman, South Australian Civil and Administrative Tribunal and Office for the Public Advocate are included in the controlled reporting entity of the department.

Administered items of the department include:

- Child Abuse Program
- Crown Solicitor's Trust Account
- Fines Enforcement and Recovery Unit - Revenue
- Legal Services Commission - Grants
- Native Title
- Royal Commission - Response Units
- SA Computer Aided Dispatch Project
- SA Government Radio Network
- Special Acts - Payment of Ministerial Salary and Allowances
- Special Acts - Payment of Statutory Officer Salaries
- State Rescue Helicopter Service
- Taxation Receipts
- Victims of Crime Fund

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

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

For the 2019-20 financial statements the department adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 - Leases* and *AASB 1058 Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the department has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2. Objectives and programs

Objectives

The objective of the Attorney-General's Department is to help create a South Australia that is safe, fair and the best place to do business. The department develops laws and policy that support safety, diversity, fairness and justice in the community by delivering efficient and appropriate services to our customers, in a way that is responsive, inclusive and collaborative. The department provides the following programs:

Solicitor-General

The Solicitor-General is a statutory officer appointed by the Governor under the *Solicitor-General Act 1972*. The Solicitor-General is the second law officer of the state and, on the instructions of the Attorney-General, advises the state or appears as counsel on behalf of the state, including on behalf of the Crown Solicitor and Director of Public Prosecutions, as required.

Office of the Director of Public Prosecutions

The Director of Public Prosecutions is an independent statutory officer who initiates and conducts criminal prosecutions in the Magistrates, District and Supreme Courts of South Australia. The Director of Public Prosecutions also initiates and conducts appeals in the Full Court of South Australia and the High Court of Australia. The objective of the Director of Public Prosecutions is to provide the people of South Australia with an independent and effective criminal prosecution service that is timely, efficient and just.

Crown Solicitor's Office

Through the Attorney-General, the Crown Solicitor's Office provides legal services to Ministers and government agencies. The Crown Solicitor's Office provides timely, high quality legal services and advice to the government, particularly where the risk to government is high, where there is significant need for a public sector perspective, or the work is otherwise in the public interest. This is achieved through the provision of legal advice, representation, and commercial legal services.

South Australian Civil and Administrative Tribunal

The South Australian Civil and Administrative Tribunal provides a single, easy to find, easy to use body for fair and independent decision making and the timely and efficient resolution of disputes across a diverse range of civil and administrative areas.

Office of Parliamentary Counsel

The Office of Parliamentary Counsel provides legislative drafting services to the government and private members of parliament, and manages a program for the revision and publication of legislation. This contributes to an effective system of parliamentary democracy and a coherent, legally effective and publicly accessible body of statute law. The services provided by the Office of Parliamentary Counsel include specialist legal advice, drafting and coordination.

Legislative and Policy Services

Legislative and Policy Services provides specialist legal and policy advice, and develops and reviews legislative reform proposals. It undertakes policy development and delivers statistical and analytical services relating to criminal, civil and social justice matters that inform justice reform projects. It also manages a range of justice-related programs.

Consumer and Business Services

Consumer and Business Services (CBS) protects consumers, supports and regulates business and records significant life events in South Australia. CBS performs a number of functions including licensing and registration, dispute resolution, ensuring legislative compliance, policy development and providing education and awareness campaigns to ensure the community is able to conduct business fairly, efficiently, competitively and safely.

1.2. Objectives and programs (continued)

Forensic Science

Forensic Science provides forensic science services primarily relating to coronial and police investigations and ultimately supports the broader justice system by providing independent scientific and pathology services in the disciplines of Biology, Chemistry, Pathology and Toxicology. Forensic Science collaborates closely with the tertiary sector, in particular the three local universities, to ensure it maintains a high quality and contemporary scientific service through research, training and teaching.

Ombudsman

The Ombudsman is an independent statutory officer, who investigates and attempts to resolve complaints against state and local government agencies under the *Ombudsman Act 1972*, and identifies and deals with misconduct and maladministration in public administration under the *Independent Commissioner Against Corruption Act 2012*. In addition, the Ombudsman reviews determinations made by agencies under the *Freedom of Information Act 1991* and has responsibilities in relation to complaints and access to information reviews under the *Return to Work Act 2014*. The Ombudsman seeks to ensure the public receives fair treatment from government bodies and that public administration is reasonable and just through the provision of investigation and resolution services including the review of freedom of information determinations.

Office of the Public Advocate

The *Guardianship and Administration Act 1993* establishes the Public Advocate to provide services to promote and protect the rights of people with a mental incapacity and/or a medical illness. The *Advance Care Directives Act 2013* and *Consent to Medical Treatment and Palliative Care Act 1995* authorise the Public Advocate to assist with dispute resolution in relation to advance care directives and consent to medical treatment. The Office of the Public Advocate (OPA) provides advocacy, guardianship, information, investigation, education and dispute resolution services to fulfil the statutory responsibilities of the Public Advocate.

Equal Opportunity Commission

The Commissioner for Equal Opportunity is an independent statutory appointment with responsibility to administer the *Equal Opportunity Act 1984*. The Equal Opportunity Commission promotes equality of opportunity for all South Australians through the administration of anti-discrimination legislation.

Fines Enforcement and Recovery Unit

The Fines Enforcement and Recovery Unit manages overdue fines and expiations issued by authorities across South Australia, including court imposed pecuniary sums. The Unit also manages the recovery of Victims of Crime and Criminal Injury Compensation debts, and is able to recover civil (state) debts referred from state government entities. The Fines Unit does not issue fines, nor does it set fines rates or determine how or when fines should be applied. Fines are determined by legislation across three levels of government in South Australia and are issued by relevant authorities, or ordered by a court.

State Records

State Records provides statutory services for the management of, and access to, the state's archival collection of state and local government records and provision of advice on records and information management, legislation, policy and practices. State Records also administers the state's Freedom of Information and privacy regimes and copyright agreements.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2. Objectives and programs (continued)

Justice Technology Services

Justice Technology Services contributes to criminal justice administration in South Australia by providing a broad range of information management services to justice related agencies. The primary customers of Justice Technology Services are SAPOL, Department for Correctional Services, Department for Child Protection, Courts Administration Authority, and the Department of Human Services. Justice Technology Services manages the Justice Information Exchange, a secure centralised facility that enables justice agencies to share information and to host their ICT systems with high availability and performance.

Other

Certain items of the department are not allocated to activities.

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

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Expenses and income by program	Solicitor-General		Office of the Director of Public Prosecutions		Crown Solicitor's Office		South Australian Civil and Administrative Tribunal	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	-	-	-	-	-	-	-	-
Fees and charges	-	-	976	964	25 652	25 310	3 678	3 643
Donated assets	646	-	9 465	-	11 190	-	-	-
Recoveries	-	-	1 051	1 367	5 475	6 019	265	304
Commonwealth - sourced grants and funding	-	-	-	-	-	-	-	-
Resources received free of charge	5	4	198	171	231	136	147	203
Intra-Government transfers	-	3	149	1 317	907	2 001	26	497
Grants and subsidies	-	-	185	28	176	138	77	36
Other income	-	-	-	-	-	-	-	-
Total income	651	7	12 024	3 847	43 631	33 604	4 193	4 683
Expenses								
Employee benefits	(43)	(51)	(21 922)	(24 163)	(32 392)	(36 730)	(8 166)	(9 119)
Supplies and services	(184)	(113)	(7 189)	(4 331)	(9 084)	(3 444)	(3 689)	(5 146)
Grants and subsidies	-	-	-	-	(336)	(339)	-	-
Depreciation and amortisation	-	-	(412)	(333)	(17)	(27)	(877)	(583)
Net loss from disposal of non-current assets	-	-	(730)	-	-	-	-	-
Borrowing costs	-	-	(1)	-	(2)	-	(1)	-
Other expenses	-	-	(748)	(836)	-	-	-	-
Total expenses	(227)	(164)	(31 002)	(29 663)	(41 831)	(40 540)	(12 733)	(14 848)
Net result	424	(157)	(18 978)	(25 816)	1 800	(6 936)	(8 540)	(10 165)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Expenses and income by program	Office of Parliamentary Counsel		Legislative and Policy Services		Consumer and Business Services		Forensic Science	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income								
Appropriation	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	41 475	38 060	1 437	1 433
Donated assets	-	-	1 506	-	-	-	-	-
Recoveries	335	275	726	758	88	165	885	1 016
Commonwealth - sourced grants and funding	-	-	6 782	4 121	-	-	-	-
Resources received free of charge	20	15	32	31	307	261	356	429
Intra-Government transfers	95	166	110	268	193	1 288	153	1 070
Grants and subsidies	-	-	-	48	-	-	-	89
Other income	-	-	-	-	980	2 166	-	-
Total income	450	456	9 156	5 226	43 043	41 940	2 831	4 037
Expenses								
Employee benefits	(3 000)	(3 042)	(4 935)	(4 917)	(21 784)	(23 631)	(18 447)	(19 628)
Supplies and services	(841)	(377)	(1 196)	(788)	(10 417)	(6 617)	(8 649)	(10 899)
Grants and subsidies	-	-	(7 136)	(7 209)	(401)	(255)	(93)	(79)
Depreciation and amortisation	-	(7)	-	(4)	(1 926)	(1 635)	(2 559)	(2 385)
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-
Borrowing costs	-	-	-	-	(3)	-	(2)	-
Other expenses	-	-	-	-	-	(54)	-	-
Total expenses	(3 841)	(3 426)	(13 267)	(12 918)	(34 531)	(32 192)	(29 750)	(32 991)
Net result	(3 391)	(2 970)	(4 111)	(7 692)	8 512	9 748	(26 919)	(28 954)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Expenses and income by program	Ombudsman		Office of the Public Advocate		Equal Opportunity Commission		Fines Enforcement and Recovery Unit	
	Activity 9		Activity 10		Activity 11		Activity 12	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	185	191	-	-
Donated assets	-	-	-	-	860	-	-	-
Recoveries	772	892	-	-	124	169	11	-
Commonwealth - sourced grants and funding	-	-	-	-	-	-	-	-
Resources received free of charge	27	17	28	24	11	20	238	249
Intra-Government transfers	189	156	12	215	4	88	27	522
Grants and subsidies	-	-	-	-	-	-	738	-
Other income	-	-	-	-	-	-	31	37
Total income	988	1 065	40	239	1 184	468	1 045	808
Expenses								
Employee benefits	(2 873)	(2 857)	(4 103)	(3 944)	(1 245)	(1 613)	(8 897)	(9 583)
Supplies and services	(1066)	(433)	(1019)	(603)	(361)	(518)	(5 841)	(6 309)
Grants and subsidies	-	-	-	-	(5)	(5)	-	-
Depreciation and amortisation	(41)	(72)	(46)	(38)	(10)	(24)	(1 584)	(1 432)
Net loss from disposal of non-current assets	-	(409)	-	(72)	-	-	-	-
Borrowing costs	-	-	-	-	-	-	(2)	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	(3 980)	(3 771)	(5 168)	(4 657)	(1 621)	(2 160)	(16 324)	(17 324)
Net result	(2 992)	(2 706)	(5 128)	(4 418)	(437)	(1 692)	(15 279)	(16 516)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Expenses and income by program	State Records		Justice Technology Services		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	-	-	-	-	99 423	96 286	99 423	96 286
Fees and charges	150	253	13 238	13 104	-	-	86 791	82 958
Donated assets	671	-	1 235	-	-	-	25 573	-
Recoveries	-	69	-	417	-	-	9 732	11 451
Commonwealth - sourced grants and funding	-	-	-	-	-	-	6 782	4 121
Resources received free of charge	122	164	398	564	-	-	2 120	2 288
Intra-Government transfers	10	188	13	243	-	-	1 888	8 022
Grants and subsidies	-	-	-	-	-	-	1 176	339
Other income	111	106	343	-	-	-	1 465	2 309
Total income	1 064	780	15 227	14 328	99 423	96 286	234 950	207 774
Expenses								
Employee benefits	(3 207)	(3 451)	(4 399)	(4 453)	-	-	(135 413)	(147 182)
Supplies and services	(3 055)	(4 158)	(8 782)	(14 351)	-	-	(61 373)	(58 087)
Grants and subsidies	-	-	-	-	-	-	(7 971)	(7 887)
Depreciation and amortisation	(350)	(270)	(178)	(92)	-	-	(7 999)	(6 902)
Net loss from disposal of non-current assets	-	-	-	-	-	-	(730)	(481)
Borrowing Costs	(1)	-	(3)	-	-	-	(15)	-
Other expenses	-	-	-	-	-	-	(748)	(890)
Total expenses	(6 613)	(7 879)	(13 362)	(18 896)	-	-	(214 249)	(221 429)
Net result	(5 549)	(7 099)	1 865	(4 568)	99 423	96 286	20 701	(13 655)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Assets and liabilities by program	Office of the Director of Public Prosecutions						South Australian Civil and Administrative Tribunal	
	Solicitor-General		Crown Solicitor's Office					
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	3	11	202	295	6 603	7 209	259	231
Total current assets	3	11	202	295	6 603	7 209	259	231
Non-current assets								
Property, plant and equipment	-	-	15	33	(4)	29	5 106	2 066
Intangible assets	-	-	814	1 122	-	-	-	230
Total non-current assets	-	-	829	1 155	(4)	29	5 106	2 296
Total assets	3	11	1 031	1 450	6 599	7 238	5 365	2 527
Current liabilities								
Payables	(2)	(3)	(930)	(908)	(1 153)	(1 031)	(517)	(629)
Employee benefits	(6)	(9)	(2 698)	(2 914)	(4 012)	(4 046)	(913)	(1 007)
Financial liabilities	-	-	-	-	-	-	(72)	-
Provisions	-	-	(102)	(105)	(152)	(146)	(35)	(36)
Other current liabilities	-	-	-	(1)	-	(1)	-	(86)
Total current liabilities	(8)	(12)	(3 730)	(3 928)	(5 317)	(5 224)	(1 537)	(1 758)
Non-current liabilities								
Payables	(2)	(4)	(460)	(502)	(679)	(695)	(116)	(108)
Employee benefits	(17)	(18)	(4 955)	(5 455)	(7 325)	(7 590)	(1 253)	(1 173)
Financial liabilities	-	-	-	-	-	-	(71)	-
Provisions	-	-	-	(113)	-	(159)	-	(25)
Other liabilities	-	(1)	(41)	(3)	-	(3)	-	(187)
Total non-current liabilities	(19)	(23)	(5 456)	(6 073)	(8 004)	(8 447)	(1 440)	(1 493)
Total liabilities	(27)	(35)	(9 186)	(10 001)	(13 321)	(13 671)	(2 977)	(3 251)
Net assets	(24)	(24)	(8 155)	(8 551)	(6 722)	(6 433)	2 388	(724)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Assets and liabilities by program	Office of Parliamentary Counsel		Legislative and Policy Services		Consumer and Business Services		Forensic Science	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets								
Cash and cash equivalents	-	-	-	-	4 826	4 826	173	173
Receivables	110	141	110	-	6 439	2 043	795	1 117
Total current assets	110	141	110	-	11 265	6 869	968	1 290
Non-current assets								
Property, plant and equipment	-	-	-	-	6 442	3 477	14 791	2 225
Intangible assets	-	-	-	-	1 919	940	3 648	4 788
Total non-current assets	-	-	-	-	8 361	4 417	18 439	7 013
Total assets	110	141	110	-	19 626	11 286	19 407	8 303
Current liabilities								
Payables	(67)	(192)	(913)	(802)	(1046)	(1 270)	(2 823)	(1 328)
Employee benefits	(348)	(354)	(631)	(620)	(2 620)	(3 003)	(2 328)	(2 401)
Financial liabilities	-	-	-	-	(93)	-	(210)	-
Provisions	(13)	(13)	(24)	(22)	(101)	(109)	(88)	(87)
Other current liabilities	-	-	-	-	(100)	(171)	(66)	(106)
Total current liabilities	(428)	(559)	(1 568)	(1 444)	(3 960)	(4 553)	(5 515)	(3 922)
Non-current liabilities								
Payables	(78)	(78)	(111)	(104)	(443)	(466)	(448)	(456)
Employee benefits	(846)	(849)	(1 210)	(1 131)	(4 791)	(5 109)	(4 836)	(4 998)
Financial liabilities	-	-	-	-	(91)	-	(207)	-
Provisions	-	(18)	-	(24)	-	(107)	-	(105)
Other liabilities	-	-	-	1	(96)	(314)	(183)	(200)
Total non-current liabilities	(924)	(945)	(1 321)	(1 258)	(5 421)	(5 996)	(5 674)	(5 759)
Total liabilities	(1 352)	(1 504)	(2 889)	(2 702)	(9 381)	(10 549)	(11 189)	(9 681)
Net assets	(1 242)	(1 363)	(2 779)	(2 702)	10 245	737	8 218	(1 378)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Assets and liabilities by program	Ombudsman		Office of the Public Advocate		Equal Opportunity Commission		Fines Enforcement and Recovery Unit	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	239	280	-	-	9	2	92	216
Total current assets	239	280	-	-	9	2	92	216
Non-current assets								
Property, plant and equipment	-	127	719	287	-	66	433	201
Intangible assets	-	-	-	-	-	-	3 063	4 252
Total non-current assets	-	127	719	287	-	66	3 496	4 453
Total assets	239	407	719	287	9	68	3 588	4 669
Current liabilities								
Payables	(102)	(94)	(145)	(87)	(59)	(27)	(982)	(1 060)
Employee benefits	(388)	(378)	(467)	(416)	(109)	(138)	(952)	(960)
Financial liabilities	-	-	(10)	-	-	-	(6)	-
Provisions	(15)	(14)	(18)	(15)	(4)	(5)	(36)	(35)
Other current liabilities	-	(5)	-	(12)	-	(3)	(431)	(42)
Total current liabilities	(505)	(491)	(640)	(530)	(172)	(173)	(2 407)	(2 097)
Non-current liabilities								
Payables	(43)	(43)	(69)	(58)	(13)	(23)	(146)	(142)
Employee benefits	(464)	(470)	(743)	(631)	(132)	(241)	(1 569)	(1 549)
Financial liabilities	-	-	(10)	-	-	-	(6)	-
Provisions	-	(10)	-	(13)	-	(5)	-	(32)
Other liabilities	-	(11)	-	(26)	-	(6)	(153)	(18)
Total non-current liabilities	(507)	(534)	(822)	(728)	(145)	(275)	(1 874)	(1 741)
Total liabilities	(1 012)	(1 025)	(1 462)	(1 258)	(317)	(448)	(4 281)	(3 838)
Net assets	(773)	(618)	(743)	(971)	(308)	(380)	(693)	831

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

Assets and liabilities by program	Justice Technology							
	State Records		Services		Other		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets								
Cash and cash equivalents	-	-	-	-	19 615	22 005	24 614	27 004
Receivables	43	101	1 107	513	-	-	16 011	12 159
Total current assets	43	101	1 107	513	19 615	22 005	40 625	39 163
Non-current assets								
Property, plant and equipment	1 509	827	1 631	372	-	-	30 642	9 710
Intangible assets	-	-	-	-	-	-	9 444	11 332
Total non-current assets	1 509	827	1 631	372	-	-	40 086	21 042
Total assets	1 552	928	2 738	885	19 615	22 005	80 711	60 205
Current liabilities								
Payables	(274)	(279)	(1 799)	(1 468)	-	-	(10 812)	(9 178)
Employee benefits	(340)	(354)	(615)	(658)	-	-	(16 427)	(17 258)
Financial liabilities	(21)	-	(23)	-	-	-	(435)	-
Provisions	(15)	(15)	(23)	(24)	-	-	(626)	(626)
Other current liabilities	-	(175)	-	(15)	-	-	(597)	(617)
Total current liabilities	(650)	(823)	(2 460)	(2 165)	-	-	(28 897)	(27 679)
Non-current liabilities								
Payables	(67)	(65)	(129)	(142)	-	-	(2 804)	(2 886)
Employee benefits	(724)	(700)	(1 405)	(1 559)	-	-	(30 270)	(31 473)
Financial liabilities	(21)	-	(23)	-	-	-	(429)	-
Provisions	(816)	(19)	-	(33)	-	-	(816)	(663)
Other liabilities	-	(75)	-	(34)	-	-	(473)	(877)
Total non-current liabilities	(1 628)	(859)	(1 557)	(1 768)	-	-	(34 792)	(35 899)
Total liabilities	(2 278)	(1 682)	(4 017)	(3 933)	-	-	(63 689)	(63 578)
Net assets	(726)	(754)	(1 279)	(3 048)	19 615	22 005	17 022	(3 373)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.3. Impact of COVID-19 pandemic on the Department

The COVID-19 pandemic has impacted on the operations of the department and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- An increase in Commonwealth revenues of \$4.5 million to help the legal assistance sector respond to increased demand due to COVID-19;
- A reduction in Liquor Licensing Fee revenue (approximately \$2.5 million) due to temporary fee relief being provided to the industry;
- Contributing towards an increase in the Annual Leave liability (\$0.9 million in total) due to a reduction in Annual Leave taken by employees;
- The Crown Solicitors Office provided legal services valued at \$0.9 million with respect to COVID-19 matters.
- Delays in planned expenditure, such as for Information and Communications Technology equipment, which was expected to be incurred in 2019-20.

1.4. Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Appropriation	a	162 125	99 423	(62 702)
Fees and charges		87 444	86 791	(653)
Donated assets	b	-	25 573	25 573
Recoveries		10 804	9 732	(1 072)
Commonwealth - sourced grants and funding		4 465	6 782	2 317
Resources received free of charge		2 195	2 120	(75)
Intra-Government transfers		-	1 888	1 888
Grants and subsidies		909	1 176	267
Other income		1 872	1 465	(407)
Total income		269 814	234 950	(34 864)
Expenses				
Employee benefits		139 880	135 413	(4 467)
Supplies and services		55 486	61 373	5 887
Grants and subsidies		8 894	7 971	(923)
Depreciation and amortisation		9 191	7 999	(1 192)
Net loss from disposal of non-current assets		-	730	730
Borrowing costs		-	15	15
Other expenses		1 268	748	(520)
Total expenses		214 719	214 249	(470)
Net result		55 095	20 701	(34 394)

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

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.4. Budget performance (continued)

- a Variance primarily relates to various budget adjustments mainly comprising budget corrections to the fit out of the GPO Exchange building (\$26.6m) and Accrual Appropriation (\$34.5m).
- b Variance relates to the recognition of the fit out associated with the GPO Exchange building.

	Note	Original	Actual	Variance
		budget	2020	
Investing expenditure summary		2020	2020	
		\$'000	\$'000	\$'000
Total new projects		2 050	1 656	(394)
Total existing projects	c	27 868	23 467	(4 401)
Total annual program		655	1 651	996
Total investing expenditure		30 573	26 774	(3 799)

- c Variance primarily relates to costs associated with the fit out of the GPO Exchange building being expensed due to the value of these items not meeting the capitalisation threshold of \$10 000.

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- \$25.2m fees and charges received from various SA Government entities for legal services provided by the Crown Solicitor's Office.
- \$18.5m payments to Department of Planning, Transport and Infrastructure for accommodation.
- \$13.2m fees and charges received from various SA Government entities for network services provided by Justice Technology Services. Refer note 2.2.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Appropriation

	2020	2019
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	99 423	96 286
Total appropriations	99 423	96 286

Appropriations are recognised on receipt.

The total appropriation consist of \$94 million (2019: \$90 million) for operational funding and \$5 million (2019: \$6 million) for capital projects. For details on the expenditure associated with the operational funding received and capital funding received refer to notes 3.3, 4.1 to 4.6.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

2.2. Revenues from fees and charges

	2020	2019
	\$'000	\$'000
Licence and regulatory fees	38 056	34 470
Legal services	25 150	24 918
Network services	13 236	13 096
Recovery of expenditure	8 521	8 569
Forensic services	1 437	1 432
Other	391	473
Total revenues from fees and charges	86 791	82 958

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 the clients or by reference to the stage of completion.

2.3. Donated Asset

	2020	2019
	\$'000	\$'000
Donated asset	25 573	-
Total donated asset	25 573	-

Represents the recognition of the fit out associated with the GPO Exchange building including \$21.7 million for leasehold improvements and \$3.8 million in low value assets that were expensed. DPTI project managed the fitout and transferred the asset to AGD on completion.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.4. Recoveries

	2020	2019
	\$'000	\$'000
Recovery of expenditure for:		
Crown Solicitor's Office	4 343	4 297
Office of the Director of Public Prosecutions	834	864
Forensic Science	702	725
Ombudsman	608	637
Justice Policy and Analytics	544	493
Parliamentary Counsel	266	196
SA Civil and Administrative Tribunal	210	217
SA Employment Tribunal	-	1 993
Other	2 225	2 029
Total recoveries	9 732	11 451

The SA Employment Tribunal transferred to the Department of Treasury and Finance on 1 October 2018.

2.5. Commonwealth – sourced grants and funding

	2020	2019
	\$'000	\$'000
National Partnership Agreement on Legal Assistance Services	4 232	4 121
Project Agreement for COVID-19 Legal Assistance Funding	2 258	-
Project Agreements for Legal Assistance Bushfire Support	292	-
Total Commonwealth revenues	6 782	4 121

Commonwealth-sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia.

For accounting purposes, the obligations under the funding arrangements with the National Partnership Agreement on Legal Assistance Services do not sit with the department.

2.6. Intra-government transfers

	2020	2019
	\$'000	\$'000
Recovery from the Department of Treasury and Finance for TVSPs	1 888	8 022
Total intra-government transfers	1 888	8 022

Intra-government transfers are recognised as income on receipt.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.7. Resources received free of charge

	2020	2019
	\$'000	\$'000
Services received free of charge - Shared Services SA	2 120	2 288
Total services received free of charge	2 120	2 288

SSSA is directly appropriation funded for the services provided by SSSA to general government agencies. Under AASB 1004, *Contributions*, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements (see note 4.1).

2.8. Grants and subsidies

	2020	2019
	\$'000	\$'000
Grants and subsidies		
Fines Enforcement and Recovery Unit	581	-
Office of the Director of Public Prosecutions	146	35
Child Protection Fund	138	170
National Centre for Clinical Research on Emerging Drugs (NCCRED)	-	110
Other	311	24
Total grants and subsidies	1 176	339

2.9. Other income

	2020	2019
	\$'000	\$'000
Other	1 465	2 309
Total other income	1 465	2 309

Other income consists of refunds and other recoveries.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Department include the Attorney-General, the Chief Executive Officer and the 10 members of the Executive Management Group who have responsibility for the strategic direction and management of the department. Total compensation for key management personnel was \$3.5 million in 2019-20 and \$3.6 million in 2018-19.

The compensation detailed below excludes salaries and other benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*. Compensation detailed below excludes the salaries and other benefits the Public Trustee receives as key management personnel, as these are reflected in the Public Trustee financial statements.

	2020	2019
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	3 078	3 047
Post-employment benefits	389	296
Other long-term employment benefits	-	272
Total compensation	3 467	3 615

Salaries and other short term employee benefits include salaries and wages, terminal annual leave and SERL, fringe benefits tax paid and salary sacrifice. Post-employment benefits include employer superannuation. Other long-term employment benefits include terminal long service leave only.

Transactions with key management personnel and other related parties

Refer to note 3.1 above for key management personnel compensation. There are no other material transactions or balances to disclose with key management personnel or related parties.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.2. Board and committee members

Members during the 2019-20 financial year were:

Audit and Risk Management Committee

P Chau (appointed February 2020) *
D Contala (appointed as Chair February 2020)
A Kilvert (appointed February 2020) *
E Labadas (appointed February 2020) *
R Parry (appointed 1 August 2019) *
C Pearman (appointed February 2020) *
P Wilksch (appointed February 2020) *
A Williams (appointed February 2020) *
T Brumfield (expired February 2020) *
A Gale (expired February 2020) *
M Hanson (expired February 2020) *
P J Martin (expired February 2020)
D Soulio (expired February 2020) *
M Turner (expired February 2020) *

State Records Council

H M Donovan (appointed January 2020)
R K Foster
K Hazel (appointed January 2020)
A Lindsay (appointed January 2020) *
S E Marsden
H J Merritt (expired January 2020)
K Nicholas *
H P Onopko (expired January 2020)
D J Rathman (resigned November 2019)
S Smith (resigned October 2019)*
N L Sumner (resigned October 2019)*
I T Sutherland
M Webster-Bradman (resigned
November 2019) *
K White *

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.2. Board and committee members (continued)

SA Civil and Administrative Tribunal

M S Alvino (expired March 2020)	R Hordern (appointed April 2020)
R M Armour	J Hughes *
M Bagato (now M Berg)	J Hundertmark
K H Baillie	A R Hunter
J Bakas (expired March 2020) *	J Irving
J Barnes (appointed April 2020)	R J Johns
K J Bean	B E Johns (expired January 2020) *
A Bills	M T Kennedy
G B Box (expired September 2019)	D M A Kay
L D Byrt (appointed April 2020)	A G King *
B M Caldeira (appointed April 2020)	J Lammersma
S Carlton	A Lazarevich
J M Carrel (appointed April 2020)	C D Lester (expired March 2020) *
L Clark *	M Madden (appointed April 2020)
D M Close	R Maerschel
D T Coyte	H R Mares
J Cowdroy	P C McEntee
R Croser (appointed April 2020)	K P McEvoy
C J D'Arcy	J L McGrath
S L De Lacey	J C McMahan
M Demosthenous	T A Micallef (appointed April 2020)
C E Dolling	P K Mickan
P J Duffy	K J Millar
J S Dunstone	A V Moroney
M C Eckert	J R Moularadellis (appointed April 2020)
A C Faulkner	M R Moy
A D Files *	M Murphy
J D Forgan	J Pappin*
O R Frank	D R R Parker
M Fuller	M P Parsons
S Georgiadis (expired March 2020) *	J M Petrie
L Gilfillan (expired March 2020) *	G R Pitcher
J Gipslis	K L Plastow
E Golding	A M Radin
S E Gooch (appointed April 2020)	N M Rainford (expired March 2020)
T D Griffin *	S M Raphael
N M Gross-Parsons	G L Rawson
D E Gursansky	A P Reilly (appointed April 2020)
B G Harvey	J C Richardson
L Hastwell	K A Ryan
R C S Heah	R R Schroeder

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.2. Board and committee members (continued)

SA Civil and Administrative Tribunal (continued)

E F Skinner	H Wang
T W Sparrow (appointed April 2020)	H Ward (appointed April 2020) *
M A Stevens (expired January 2020) *	D P Watson
E Stratton-Smith	J A Wheeler
A E Trengrove (appointed April 2020)	C L Wilson
G N Twohig (expired September 2019)	

* In accordance with the Department of Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2020	2019
\$0 - \$19 999	92	167
\$20 000 - \$39 999	9	12
\$40 000 - \$59 999	6	5
\$60 000 - \$79 999	4	3
\$80 000 - \$99 999	6	1
\$100 000 - \$119 999	2	2
\$120 000 - \$139 999	2	2
\$160 000 - \$179 999	-	1
Total number of members	121	193

The total remuneration received or receivable by members was \$1.9 million (2019: \$1.7 million). Amounts paid to a superannuation plan for board/ committee members was \$0.14 million (2019: \$0.15 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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

Attorney-General's Department
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3.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	101 520	103 423
Employment on-costs - superannuation	11 988	12 142
Annual leave	9 512	9 295
Employment on-costs - payroll tax	6 272	6 670
Targeted voluntary separation packages (refer below)	1 989	6 844
Board fees	1 912	1 707
Long service leave (LSL)	1 147	6 415
Skills and experience retention leave (SERL)	663	637
Workers' compensation	305	46
Other employee related expenses	105	3
Total employee benefits expenses	135 413	147 182

Employment on costs - superannuation

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

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3.3. Employee benefits expenses (continued)

Executive remuneration

The number of officers whose remuneration received or receivable falls within the following bands:	2020	2019
	Number	Number
\$151 000 to \$154 000*	N/A	11
\$154 001 to \$174 000**	53	49
\$174 001 to \$194 000**	20	20
\$194 001 to \$214 000	6	7
\$214 001 to \$234 000	18	15
\$234 001 to \$254 000**	5	8
\$254 001 to \$274 000**	7	6
\$274 001 to \$294 000**	3	5
\$294 001 to \$314 000**	4	6
\$314 001 to \$334 000**	3	3
\$334 001 to \$354 000**	5	3
\$354 001 to \$374 000	1	1
\$374 001 to \$394 000**	-	2
\$394 001 to \$414 000**	2	-
\$434 001 to \$454 000	1	2
\$454 001 to \$474 000	1	-
\$494 001 to \$514 000	-	1
\$514 001 to \$534 000	1	-
\$594 001 to \$614 000	-	4
\$614 001 to \$634 000	4	-
\$654 001 to \$674 000**	-	1
\$694 001 to \$714 000**	-	1
\$754 001 to \$774 000**	-	1
Total number of officers	134	146

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

** Includes payment of long service leave, annual leave, termination benefits for officers who have left the department.

Total remuneration received by these officers for the year was \$30.5 million (2019: \$34.2 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Attorney-General's Department
Notes to and forming part of the financial statements
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3.3. Employee benefits expenses (continued)

Executive remuneration by category

	2020	2019
	Number	Number
Legal	93	99
Executive	21	20
Other	20	27
Total number of officers	134	146

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 20 (75).

	2020	2019
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	1 989	6 844
Leave paid to separated employees	1 435	1 348
Recovery from the Department of Treasury and Finance	(1 888)	(8 022)
Net cost to the department	1 536	170

3.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	9 310	8 380
Accrued salaries and wages	3 211	4 108
Long service leave	3 106	4 012
Skills and experience retention leave	800	758
Total current employee benefits	16 427	17 258
Non-current		
Long service leave	30 270	31 473
Total non-current employee benefits	30 270	31 473
Total employee benefits	46 697	48 731

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

3.4 Employee benefits liability (continued)

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 11.1.

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4. Expenses

Employee benefits expenses are disclosed in note 3.3

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Accommodation	23 771	19 791
Information technology and communications	16 624	16 559
Outsourced services	2 549	2 144
Shared Services SA charges	2 208	2 403
Office expenses	1 777	1 881
Laboratory supplies	1 770	1 343
Contract staff	1 501	1 643
Telephone related expenses	1 283	1 407
Consultants	1 211	655
Repairs, maintenance and minor purchases	1 156	1 186
Staff payments	1 067	1 343
Promotions and publications	739	703
Legal fees	681	1 332
Storage and archive costs	353	380
Tax payments	321	460
Motor vehicle expenses	160	470
Operating lease minimum payments	-	233
Other	4 202	4 154
Total supplies and services	61 373	58 087

Refer to note 2.7 for an explanation on Shared Services SA charges.

Accommodation

Most of the department's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as accommodation expenses for the current year. Further details about this re-classification is set out in note 9.1.

Operating lease payments

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

Operating lease payments do not include payments associated with accommodation MoAA. This information is provided for 2018-19 only, as AASB 16 Leases does not distinguish between operating and finance leases for lessees.

	2020	2019
	\$'000	\$'000
Operating lease minimum payments	-	233
Total operating lease payments	-	233

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4.1 Supplies and services (continued)

Consultants

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

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	16	59	7	39
Between \$10 000 and \$50 000	11	286	8	193
\$50 000 or above	4	866	4	423
Total paid / payable to the consultants engaged	31	1 211	19	655

4.2. Grants and subsidies

	2020	2019
	\$'000	\$'000
Community Legal Centres	5 403	5 202
Policy and Research	1 452	1 563
Native Title	330	330
Crime Prevention and CCTV	145	246
Consumer and Business Services	161	210
Other	480	336
Total grants and subsidies	7 971	7 887

Attorney-General's Department
Notes to and forming part of the financial statements
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4.3. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Plant and equipment	631	599
Right-of-use buildings	192	-
Right-of-use vehicles	210	-
Information technology	177	134
Total depreciation	1 210	733
Amortisation		
Intangible assets	3 572	3 747
Leasehold improvements	3 217	2 422
Total amortisation	6 789	6 169
Total depreciation and amortisation	7 999	6 902

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

Library collections are not depreciated.

Useful lives

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and Other Structures	5-80
Leasehold Improvements	Life of lease
Plant and equipment	1-16
Intangible Assets	1-10
Information Technology	3-12
Radio Network Assets	5-40
Right-of-use assets	Lease term

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate. There were no changes to accounting estimates for the year ended 30 June 2020.

4.4. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	15	-
Total borrowing costs	15	-

The department does not capitalise borrowing costs.

Attorney-General's Department
Notes to and forming part of the financial statements
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4.5. Other expenses

	2020	2019
	\$'000	\$'000
Witness expenses	405	479
Other *	343	411
Total other expenses	748	890

* Includes audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$295 000 (2019: \$268 000). No other services were provided by the Auditor-General's Department.

4.6. Net loss from the disposal of property, plant and equipment

	2020	2019
	\$'000	\$'000
Leasehold improvements		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	688	481
Net loss from disposal of leasehold improvements	688	481
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	33	-
Net loss from disposal of plant and equipment	33	-
Information Technology		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	9	-
Net loss from disposal of information technology	9	-
Total assets		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	730	481
Total net loss from disposal of property, plant and equipment	730	481

Losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

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5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

	2020	2019
	\$'000	\$'000
Right of use buildings		
Right of use buildings at cost	865	-
Accumulated depreciation	(192)	-
Total right of use buildings	673	-
Leasehold improvements		
Leasehold improvements at fair value	43 018	23 890
Accumulated amortisation	(18 155)	(16 738)
Total leasehold improvements	24 863	7 152
Plant and equipment		
Plant and equipment at fair value	15 475	13 490
Accumulated depreciation	(11 970)	(11 766)
Total plant and equipment	3 505	1 724
Right of use vehicles		
Right of use vehicles at cost	352	-
Accumulated depreciation	(141)	-
Total right of use vehicles	211	-
Information technology		
Information technology at fair value	3 804	3 475
Accumulated depreciation	(3 191)	(3 105)
Total information technology	613	370
Library collections		
Library collections at cost (deemed fair value)	407	407
Total library collections	407	407
Capital work in progress		
Capital work in progress at cost	370	57
Total capital work in progress	370	57
Total property, plant and equipment	30 642	9 710

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5.2. Property, plant and equipment owned by the Department

Property, plant and equipment owned by the Department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment owned by the Department is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.2.

Donated asset

Refer to note 2.3.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2019-20

The following table shows movement in property, plant and equipment during 2019-20:

	Land and buildings	Leasehold improvements	Plant and equipment	Information technology	Library collections	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	7 152	1 724	370	407	57	9 710
Additions	-	-	2 441	429	-	463	3 333
Depreciation and amortisation	-	(3 217)	(631)	(177)	-	-	(4 025)
Donated asset	-	21 754	-	-	-	-	21 754
Transfers to/(from) work in progress	-	150	-	-	-	(150)	-
Disposals	-	(688)	(33)	(9)	-	-	(730)
Other	-	(288)	4	-	-	-	(284)
Carrying amount at the end of the period	-	24 863	3 505	613	407	370	29 758

Reconciliation 2018-19

The following table shows movement in property, plant and equipment during 2018-19:

	Land and buildings	Leasehold improvements	Plant and equipment	Information technology	Library collections	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 728	12 470	1 989	314	407	93	21 001
Additions	-	-	558	190	-	2 302	3 050
Depreciation and amortisation	-	(2 422)	(599)	(134)	-	-	(3 155)
Transfer out from restructure	(5 728)	(4 752)	(224)	-	-	-	(10 704)
Transfers to/(from) work in progress	-	2 338	-	-	-	(2 338)	-
Disposals	-	(482)	-	-	-	-	(482)
Carrying amount at the end of the period	-	7 152	1 724	370	407	57	9 710

Attorney-General's Department
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5.3. Property, plant and equipment leased by the Department

Property, plant and equipment leased by the department is recorded at cost.

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

The department has a limited number of leases:

- 60 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- A lease with the Courts Administrative Authority for accommodation at Port Adelaide for the right of use for office space for the Fines Enforcement and Recovery Unit.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the department has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Computer software		
Internally developed computer software	23 661	21 428
Accumulated amortisation	(14 379)	(10 804)
Total internally generated computer software	<u>9 282</u>	<u>10 624</u>
Computer software intangible work in progress		
Intangible work in progress at cost	162	708
Total work in progress	<u>162</u>	<u>708</u>
Total intangible assets	<u><u>9 444</u></u>	<u><u>11 332</u></u>

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

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

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5.4. Intangible assets (continued)

Intangibles reconciliation 2019-20

The following table shows movement in intangibles during 2019-20:

	Computer software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	10 624	708	11 332
Additions	176	1 508	1 684
Transfers to/(from) work in progress	2 054	(2 054)	-
Depreciation and amortisation	(3 572)	-	(3 572)
Carrying amount at the end of the period	9 282	162	9 444

Intangibles reconciliation 2018-19

The following table shows movement in intangibles during 2018-19:

	Computer software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12 831	867	13 698
Additions	-	1 982	1 982
Transfers to/(from) work in progress	1 508	(1 508)	-
Depreciation and amortisation	(3 747)	-	(3 747)
Donated out asset	(17)	(633)	(650)
Transfers in from restructure	49	-	49
Carrying amount at the end of the period	10 624	708	11 332

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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	24 574	26 964
Cash on hand (including petty cash)	40	40
Total cash and cash equivalents	24 614	27 004

Cash is measured at nominal amounts.

Deposits with the Treasurer

The Department has two deposit accounts with the Treasurer: a general operating account and an Accrual Appropriation Excess Funds Account. Although the Department controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. Funds included in this account total \$5 million (2019: \$5.7 million). The department does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Receivables	12 455	8 899
Less impairment loss on receivables	(8)	(17)
	<u>12 447</u>	<u>8 882</u>
GST input tax receivable	2 087	1 895
Prepayments	1 477	1 382
Total current receivables	16 011	12 159
Total receivables	16 011	12 159

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Trade receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, 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.

Refer to note 11.3 for further information on risk management.

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

The net amount of GST payable to the ATO is included as part of receivables.

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6.2 Receivables (continued)

Allowance for impairment loss on receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	17	19
Increase/(decrease) in allowance recognised in profit or loss	(9)	(2)
Carrying amount at the end of the period	<u>8</u>	<u>17</u>

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

Attorney-General's Department
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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Accrued expenses	7 539	6 083
Employment on-costs	2 313	2 122
Creditors	947	931
Other current payables	13	42
Total current payables	10 812	9 178
Non-current		
Employment on-costs	2 804	2 886
Total non-current payables	2 804	2 886
Total payables	13 616	12 064

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

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42%. The average factor for the calculation of employer superannuation on-costs has remained the same as the 2019 rate (9.8%). These rates are used in the employment on-cost calculation. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is immaterial.

Paid parental leave scheme

Other current payables include paid parental leave scheme payable amounts which the department has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, the department is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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7.2. Financial liabilities

	2020	2019
Note	\$'000	\$'000
Current		
Lease liabilities	5.3 435	-
Total current financial liabilities	435	-
Non-current		
Lease liabilities	5.3 429	-
Total non-current financial liabilities	429	-
Total financial liabilities	864	-

The department measures financial liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above.

7.3. Provisions

	2020	2019
	\$'000	\$'000
Current		
Provision for workers' compensation	626	626
Total current provisions	626	626
Non-current		
Provision for workers' compensation	816	663
Total non-current provisions	816	663
Total provisions	1 442	1 289
Movement in provisions		
Carrying amount at the beginning of the period	1 289	1 732
Additional provisions recognised	305	46
Reductions arising from payments/ other sacrifice of future economic benefits	(152)	(489)
Carrying amount at the end of the period	1 442	1 289

A provision has been reported to reflect unsettled workers' compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

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7.4. Other liabilities

	2020	2019
	\$'000	\$'000
Current		
Accommodation incentive	404	404
Other	193	213
Total current other liabilities	<u>597</u>	<u>617</u>
Non-current		
Accommodation incentive	473	877
Total non-current other liabilities	<u>473</u>	<u>877</u>
Total other liabilities	<u><u>1 070</u></u>	<u><u>1 494</u></u>

Other liabilities relate to unclaimed monies and accounts receivable refunds.

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8. Other disclosures

8.1. Equity

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

8.2. Cash flow

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

Cash flow reconciliation

	2020	2019
	\$'000	\$'000
Leases		
Buildings	109	-
Vehicles	215	-
Total cash outflow for leases	<u>324</u>	<u>-</u>
	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	<u>24 614</u>	<u>27 004</u>
Balance as per the Statement of Cash Flows	<u>24 614</u>	<u>27 004</u>
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	2 936	132
Add / (less) non-cash Items		
Depreciation and amortisation	(7 999)	(6 902)
Services received free of charge - expense	(2 120)	(2 288)
Services received free of charge - income	2 120	2 288
Net gain/(loss) from disposal of non-current assets	(730)	(481)
Donated assets	25 573	-
Non-current assets accrual in payables	-	226
Low value assets expensed	(3 819)	-
Movement in assets and liabilities		
Increase/(decrease) in receivables	3 852	(5 654)
Increase/(decrease) in lease incentive receivable	-	(70)
(Increase)/decrease in payables	(1 417)	1 719
(Increase)/decrease in employee benefits	2 034	(3 498)
(Increase)/decrease in provisions	(153)	236
(Increase)/decrease in financial liabilities	-	679
(Increase)/decrease in other liabilities	424	(42)
Net result	<u><u>20 701</u></u>	<u><u>(13 655)</u></u>

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 *Leases* replaces AASB 117 *Leases* and related interpretations.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 *Leases* resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 *Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on the department's retained earnings as at 1 July 2019 is as follows:

	\$000
Closing retained earnings 30 June 2019 - AASB 117	(7 907)
<u>Assets</u>	
Property, plant and equipment	1 177
Receivables	(112)
<u>Liabilities</u>	
Financial liabilities	(1 065)
Opening retained earnings 1 July 2019 - AASB 16	<u>(7 907)</u>

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$160 million and other commitments of \$0.403 million under AASB 117.

The department has accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of a lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$0.233 million under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years. This misclassification impacted items within the supplies and services expenses line. Note 4.1 applies the correct classification for both the current and comparative years.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.1 AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The department has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.49%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the department's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the department, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3

9.2. AASB 15 Revenue from Contract with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Accounting policies on transition

On transition, there was no impact on retained earnings.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.2 AASB 15 Revenue from Contract with Customers

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the department's accounting policies as follows:

- for non-intellectual property licences, low value licences (i.e. assets which have a value of \$15 000 or less) and short-term licences (i.e. being those with a licence term of 12 months or less) are exempt from AASB 15 revenue recognition requirements. The department has elected to recognise revenue at the point in time the licence is issued.
- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the department would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the department's performance completed to date.

9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2020	2019
	\$'000	\$'000
Within one year	-	17 348
Later than one year but not longer than five years	-	59 918
Later than five years	-	83 213
Total operating lease commitments	-	160 479

The office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee. The comparative amount does include commitments for memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation. This has been reclassified and included under other commitments. For more detail about the reclassification see 9.1

	2020	2019
	\$'000	\$'000
Other commitments		
Within one year	30 443	15 621
Later than one year but not longer than five years	98 335	561
Later than five years	72 730	-
Total other commitments	201 508	16 182

Representing:

Grants ⁽¹⁾	56 010	13 397
Motor vehicles ⁽²⁾	-	403
Accommodation ⁽³⁾	142 952	-
Other ⁽⁴⁾	2 546	2 382
Total	201 508	16 182

⁽¹⁾ A new National Legal Assistance partnership – Multilateral Agreements was signed between the Commonwealth and the State and Territories, in June 2020 and the grant commitments as at 30 June 2020 reflect this new agreement.

⁽²⁾ Agreements for the provision of motor vehicles to executive officers or sections (that is, pool vehicles) are leased from South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. There are no purchase options available to the department.

⁽³⁾ The Departments commitments include MoAA with DPTI for accommodation.

⁽⁴⁾ Other commitments relate to purchase orders placed for goods and services before 30 June 2020 and maintenance agreements.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

10.2. Contingent assets and liabilities

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

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

10.3. Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The department has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

10.4. COVID-19 pandemic outlook for the Department

The COVID-19 pandemic will continue to impact the operations of the department in 2020-21. The key expected impacts are:

- A reduction in Liquor Licensing Fee revenue (approximately \$1.0 million) due to temporary fee relief being provided to the industry.
- A further increase in the Annual Leave liability should the reduction in Annual Leave taken continue.
- Continued provision of legal advice by the Crown Solicitors Office on COVID-19 matters
- Increases in expenditure, such as for Information and Communications Technology equipment, carried over from 2019-20.

10.5. Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2020 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2020.

Note disclosure is made about events between 30 June 2020 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2020 and which may have a material impact on the results of subsequent years.

The Planning and Local Government function of the former Department of Planning, Transport and Infrastructure will transfer to the department during 2020-21.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11. Measurement and risk

11.1. Long service leave liability – measurement

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 1.5% (2019) to 0.75% (2020).

The actuarial assessment performed by the Department of Treasury and Finance has decreased the salary inflation rate from 4% (2019) to 2.5% (2020) for long service leave liability.

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$2.6 million and employee benefits expense of \$2.6 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The current portion of long service leave reflects the department's past experience of long service leave which is expected to continue in future.

11.2. Fair value

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value or minimal value they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal cost as part of a restructuring of administrative arrangements then the assets are recognised at book value, that is the amount recorded by the transferor Public Authority immediately prior to restructure.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2 Fair value (continued)

Revaluation

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

The revaluation process is reviewed by the Chief Finance Officer.

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

Every six years, the department revalues its leasehold improvements, plant and equipment, IT Equipment, Buildings and other structures and Radio Network. 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 accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Fair value hierarchy

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

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

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

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

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

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

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years' are deemed to approximate fair value.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2020 and 2019, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2. Fair value (continued)

Fair value classification - non-financial assets at 30 June 2020

	Level 2	Level 3	2020
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Leasehold improvements	-	24 863	24 863
Information technology	-	613	613
Library collections	-	407	407
Plant and equipment	-	3 505	3 505
Total recurring fair value measurements	-	29 388	29 388
Total fair value measurements	-	29 388	29 388

Fair value classification - non-financial assets at 30 June 2019

	Level 2	Level 3	2019
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Leasehold improvements	-	7 152	7 152
Information technology	-	370	370
Library collections	-	407	407
Plant and equipment	-	1 724	1 724
Total recurring fair value measurements	-	9 653	9 653
Total fair value measurements	-	9 653	9 653

Leasehold improvements

An independent valuation of leasehold improvements owned by the department was performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

Other assets

All items of plant and equipment, information technology and library collections owned by the department had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years. These assets have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurements as at 30 June 2020

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

	Land and buildings	Leasehold improvements	Information technology	Library collections	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	7 152	370	407	1 724	9 653
Additions	-	-	429	-	2 441	2 870
Transfers to/(from) work in progress	-	150	-	-	-	150
Assets donated free of charge	-	21 754	-	-	-	21 754
Disposals	-	(688)	(9)	-	(33)	(730)
Other	-	(288)	-	-	4	(284)
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	-	(3 217)	(177)	-	(631)	(4 025)
Total gains/(losses) recognised in net result	-	(3 217)	(177)	-	(631)	(4 025)
Carrying amount at the end of the period	-	24 863	613	407	3 505	29 388

Reconciliation of level 3 recurring fair value measurements as at 30 June 2019

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

	Land and buildings	Leasehold improvements	Information technology	Library collections	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 138	12 470	314	407	1 989	20 318
Additions	-	-	190	-	558	748
Transfers to/(from) work in progress	-	2 338	-	-	-	2 338
Transfer in from restructure	(5 138)	(4 752)	-	-	(224)	(10 114)
Disposals	-	(482)	-	-	-	(482)
Depreciation and amortisation	-	(2 422)	(134)	-	(599)	(3 155)
Total gains/(losses) recognised in net result	-	(2 422)	(134)	-	(599)	(3 155)
Carrying amount at the end of the period	-	7 152	370	407	1 724	9 653

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section. Departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

The department is funded principally from appropriation by the SA Government. The department works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.3 for further information.

Credit risk

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

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

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the department considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 120 days past due.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3 Financial instruments (continued)

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

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Market risk

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

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/ financial liability note.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3. Financial instruments (continued)

Category of financial asset and financial liability	Note	2020	2020 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	24 614	24 614	-
Financial assets at amortised cost				
Receivables	6.2	12 447	12 447	-
Total financial assets		37 061	37 061	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	7.1	7 636	7 636	-
Lease Liabilities	7.2	864	435	429
Other financial liabilities	7.4	193	52	141
Total financial liabilities		8 693	8 123	570

Category of financial asset and financial liability	Note	2019	2019 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	27 004	27 004	-
Financial assets at amortised cost				
Receivables	6.2	8 882	8 882	-
Total financial assets		35 886	35 886	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	7.1	6 025	6 025	-
Other financial liabilities	7.4	213	54	159
Total financial liabilities		6 238	6 079	159

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). 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 levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

**Attorney-General's Department
(AGD)**

Administered Financial Statements

For the year ended 30 June 2020

Attorney-General's Department
Statement of Administered Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Administered income			
Taxation	A2.2	184 550	269 072
Fines and related fees		95 155	91 237
Appropriation	A2.1	64 183	102 061
Government Radio Network		34 262	34 057
Victims of Crime levies		25 516	23 095
Commonwealth-sourced grants and funding	A2.3	17 161	16 801
Recoveries and other income	A2.6	12 939	13 041
Intra-government transfers	A2.4	7 377	3 427
Interest revenues	A2.5	6 999	2 064
Fees and charges		2 702	2 782
Total administered income		450 844	557 637
Administered expenses			
Payments to Consolidated Account	A4.1	267 346	353 087
Grants and subsidies	A4.3	46 631	62 480
Victims of Crime payments		24 156	24 868
Government Radio Network		21 601	21 115
Depreciation and amortisation	A4.4	20 800	7 296
Employee benefits	A3.1	10 991	10 323
State Rescue Helicopter Service		4 512	17 182
Borrowing costs	A4.5	143	-
Net loss from disposal of non-current assets	A4.2	143	7 776
Other	A4.6	30 477	31 028
Total administered expenses		426 800	535 155
Net result		24 044	22 482
Total comprehensive result		24 044	22 482

The accompanying notes form part of these financial statements.

Attorney-General's Department
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Administered current assets			
Cash and cash equivalents	A6.1	313 510	307 975
Receivables	A6.2	58 572	29 558
Total current assets		372 082	337 533
Administered non-current assets			
Property, plant and equipment	A5.1	90 826	88 931
Intangible assets	A5.4	219	271
Total non-current assets		91 045	89 202
Total assets		463 127	426 735
Administered current liabilities			
Payables	A7.1	10 925	8 723
Financial liabilities	A7.2	3 290	-
Employee benefits	A3.2	747	678
Other current liabilities	A7.3	40 065	34 255
Total current liabilities		55 027	43 656
Administered non-current liabilities			
Employee benefits	A3.2	1 452	1 487
Financial liabilities	A7.2	1 010	-
Payables	A7.1	149	147
Total non-current liabilities		2 611	1 634
Total liabilities		57 638	45 290
Net assets		405 489	381 445
Administered equity			
Retained earnings		402 321	378 221
Asset revaluation surplus		3 168	3 224
Total equity		405 489	381 445

The total equity is attributable to the SA Government as owner.

Attorney-General's Department
Statement of Administered Cash Flows
for the year ended 30 June 2020

		2020	2019
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Taxation		156 493	269 072
Fines and related fees		88 970	91 427
Appropriation		68 189	103 499
Government Radio Network		34 262	34 057
Victims of Crime levies		25 516	23 095
Commonwealth-sourced grants and funding		17 161	16 801
Intra-government transfers		3 371	1 989
Interest receipts		967	2 221
Fees and charges		2 702	2 782
Other receipts		24 183	13 105
Cash generated from operations		421 814	558 048
Cash outflows			
Payments to Consolidated Account		(261 443)	(352 766)
Grants and subsidies		(46 631)	(64 065)
Victims of Crime payments		(24 156)	(24 868)
Employee benefit payments		(10 949)	(10 504)
Interest paid		(143)	-
Other payments		(54 471)	(69 453)
Cash used in operations		(397 793)	(521 656)
Net cash provided by / (used in) operations	A8.1	24 021	36 392
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(5 617)	(6 625)
Cash used in investing activities		(5 617)	(6 625)
Net cash provided by / (used in) investing activities		(5 617)	(6 625)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(12 869)	-
Cash transferred for administrative restructure		-	(331)
Cash used in financing activities		(12 869)	(331)
Net cash provided by / (used in) financing activities		(12 869)	(331)
Net increase / (decrease) in cash and cash equivalents		5 535	29 436
Cash and cash equivalents at the beginning of the period		307 975	278 539
Cash and cash equivalents at the end of the period	A6.1	313 510	307 975

The accompanying notes form part of these financial statements.

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2020

Administered programs - refer note A1.1	Consumer and Business Services		Victims of Crime		Public Safety	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Taxation	184 550	269 072	-	-	-	-
Fines and related fees	-	-	-	-	-	-
Appropriation	-	-	9 076	8 855	22 316	39 092
Government Radio Network	-	-	-	-	34 262	34 057
Victims of Crime levies	-	-	25 516	23 095	-	-
Commonwealth-sourced grants and funding	835	610	-	-	-	-
Recoveries and other income	69	1 641	5 030	2 935	7 780	8 052
Intra-government transfers	-	-	-	-	2 228	1 789
Interest revenues	14	38	6 985	2 018	-	-
Fees and charges	2 702	2 782	-	-	-	-
Total administered income	188 170	274 143	46 607	36 903	66 586	82 990
Administered expenses						
Payments to Consolidated Account	(186 986)	(271 642)	-	-	(1 286)	(1 078)
Grants and subsidies	-	-	(6 342)	(6 088)	(530)	(528)
Victims of Crime payments	-	-	(24 156)	(24 868)	-	-
Government Radio Network	-	-	-	-	(21 601)	(21 115)
Depreciation and amortisation	-	-	-	-	(20 783)	(7 282)
Employee benefits	-	-	(1 878)	(1 840)	(3 138)	(3 494)
State Rescue Helicopter Service	-	-	-	-	(4 512)	(17 182)
Borrowing costs	-	-	-	-	(143)	-
Net loss from disposal of non-current assets	-	-	-	-	(143)	(7 776)
Other	(158)	(2 211)	(2 599)	(3 010)	(4 275)	(4 569)
Total administered expenses	(187 144)	(273 853)	(34 975)	(35 806)	(56 411)	(63 024)
Net result	1 026	290	11 632	1 097	10 175	19 966

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2020

Administered programs - refer note A1.1	Legal Aid		Fines Enforcement and Recovery	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income				
Taxation	-	-	-	-
Fines and related fees	-	-	95 155	91 237
Appropriation	250	22 888	-	-
Government Radio Network	-	-	-	-
Victims of Crime levies	-	-	-	-
Commonwealth-sourced grants and funding	16 326	16 191	-	-
Recoveries and other income	-	-	-	-
Intra-government transfers	-	1 051	-	-
Interest revenues	-	-	-	-
Fees and charges	-	-	-	-
Total administered income	16 576	40 130	95 155	91 237
Administered expenses				
Payments to Consolidated Account	-	-	(78 529)	(79 615)
Grants and subsidies	(17 411)	(40 792)	-	-
Victims of Crime payments	-	-	-	-
Government Radio Network	-	-	-	-
Depreciation and amortisation	-	-	-	-
Employee benefits	-	-	-	-
State Rescue Helicopter Service	-	-	-	-
Borrowing costs	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-
Other	-	-	(16 457)	(12 792)
Total administered expenses	(17 411)	(40 792)	(94 986)	(92 407)
Net result	(835)	(662)	169	(1 170)

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2020

Administered programs - refer note A1.1

	Other		Total	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Administered income				
Taxation	-	-	184 550	269 072
Fines and related fees	-	-	95 155	91 237
Appropriation	32 541	31 226	64 183	102 061
Government Radio Network	-	-	34 262	34 057
Victims of Crime levies	-	-	25 516	23 095
Commonwealth-sourced grants and funding	-	-	17 161	16 801
Recoveries and other income	60	413	12 939	13 041
Intra-government transfers	5 149	587	7 377	3 427
Interest revenues	-	8	6 999	2 064
Fees and charges	-	-	2 702	2 782
Total administered income	37 750	32 234	450 844	557 637
Administered expenses				
Payments to Consolidated Account	(545)	(752)	(267 346)	(353 087)
Grants and subsidies	(22 348)	(15 072)	(46 631)	(62 480)
Victims of Crime payments	-	-	(24 156)	(24 868)
Government Radio Network	-	-	(21 601)	(21 115)
Depreciation and amortisation	(17)	(14)	(20 800)	(7 296)
Employee benefits	(5 975)	(4 989)	(10 991)	(10 323)
State Rescue Helicopter Service	-	-	(4 512)	(17 182)
Borrowing costs	-	-	(143)	-
Net loss from disposal of non-current assets	-	-	(143)	(7 776)
Other	(6 988)	(8 446)	(30 477)	(31 028)
Total administered expenses	(35 873)	(29 273)	(426 800)	(535 155)
Net result	1 877	2 961	24 044	22 482

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2020

Administered programs - refer note A1.1	Consumer and					
	Business Services		Victims of Crime		Public Safety	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered current assets						
Cash and cash equivalents	9 454	33 018	158 729	153 247	119 549	104 911
Receivables	49 442	21 393	7 145	1 068	1 731	6 777
Total current assets	58 896	54 411	165 874	154 315	121 280	111 688
Administered non-current assets						
Property, plant and equipment	-	-	-	-	90 820	88 923
Intangible assets	-	-	-	-	219	271
Total non-current assets	-	-	-	-	91 039	89 194
Total administered assets	58 896	54 411	165 874	154 315	212 319	200 882
Administered current liabilities						
Payables	(548)	(1 724)	(725)	(831)	(3 443)	(6 115)
Financial liabilities	-	-	-	-	(3 290)	-
Employee benefits	-	-	(148)	(128)	(320)	(323)
Other current liabilities	(28 697)	(23 227)	-	-	(1 263)	(1 492)
Total current liabilities	(29 245)	(24 951)	(873)	(959)	(8 316)	(7 930)
Administered non-current liabilities						
Employee benefits	-	-	(363)	(354)	(625)	(743)
Financial liabilities	-	-	-	-	(1 010)	-
Payables	-	-	(34)	(32)	(63)	(71)
Total non-current liabilities	-	-	(397)	(386)	(1 698)	(814)
Total administered liabilities	(29 245)	(24 951)	(1 270)	(1 345)	(10 014)	(8 744)
Net assets	29 651	29 460	164 604	152 970	202 305	192 138

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2020

Administered programs - refer note A1.1	Crown Solicitor's		Legal Aid		Fines Enforcement and Recovery	
	Trust Accounts					
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	2 347	2 483	(324)	(272)	8 005	7 142
Receivables	-	-	-	-	77	95
Total current assets	2 347	2 483	(324)	(272)	8 082	7 237
Administered non-current assets						
Property, plant and equipment	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Total non-current assets	-	-	-	-	-	-
Total administered assets	2 347	2 483	(324)	(272)	8 082	7 237
Administered current liabilities						
Payables	-	-	-	(52)	140	107
Financial liabilities	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Other current liabilities	(2 347)	(2 483)	-	-	(7 758)	(7 053)
Total current liabilities	(2 347)	(2 483)	-	(52)	(7 618)	(6 946)
Administered non-current liabilities						
Employee benefits	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Total administered liabilities	(2 347)	(2 483)	-	(52)	(7 618)	(6 946)
Net assets	-	-	(324)	(324)	464	291

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2020

Administered programs - refer note A1.1

	Other		Total	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Administered current assets				
Cash and cash equivalents	15 750	7 446	313 510	307 975
Receivables	177	225	58 572	29 558
Total current assets	15 927	7 671	372 082	337 533
Administered non-current assets				
Property, plant and equipment	6	8	90 826	88 931
Intangible assets	-	-	219	271
Total non-current assets	6	8	91 045	89 202
Total administered assets	15 933	7 679	463 127	426 735
Administered current liabilities				
Payables	(6 349)	(108)	(10 925)	(8 723)
Financial liabilities	-	-	(3 290)	-
Employee benefits	(279)	(227)	(747)	(678)
Other current liabilities	-	-	(40 065)	(34 255)
Total current liabilities	(6 628)	(335)	(55 027)	(43 656)
Administered non-current liabilities				
Employee benefits	(464)	(390)	(1 452)	(1 487)
Financial liabilities	-	-	(1 010)	-
Payables	(52)	(44)	(149)	(147)
Total non-current liabilities	(516)	(434)	(2 611)	(1 634)
Total administered liabilities	(7 144)	(769)	(57 638)	(45 290)
Net assets	8 789	6 910	405 489	381 445

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1. Basis of preparation and accounting policies

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

A1.1. Objectives/Activities of the department's Administered Items

The department's administered items are structured to contribute to seven main programs, these are:

Consumer and Business Services

This administered program recognises activities in relation to the receipt of payments associated with Gaming Machines and Gaming Taxation. It also recognises receipts and payments associated with Betting Services, Racing Operations and Lottery Licences.

Victims of Crime

This administered program relates to receipts and payments associated with the *Victims of Crime Act 2001* (the Act). The Act provides for payment of compensation to persons who suffer injury as a result of criminal acts and the recovery from the offenders. Payments to victims and the monies recovered from offenders are processed through an interest bearing special deposit account.

Public Safety

This administered program relates to the activities of the State Rescue Helicopter Service as well as the SA Computer Aided Dispatch (SACAD) system, and the SA Government Radio Network (SAGRN).

Crown Solicitor's Trust Account

This administered program relates to activities associated with the Crown Solicitor's Trust Account. The department receives monies which are held in trust pending the outcome of future events or settlements. The department does not have direct control over these funds and acts in the capacity as trustee. Beneficiaries include other government departments for the sale of government property and claims from individuals.

Legal Aid

This administered program relates to grant payments made to the Legal Services Commission. The department receives annual specific grant funding from the Commonwealth which, together with the State Government component, is paid to the Legal Services Commission. The Commonwealth grant funding provides legal assistance for matters arising under Commonwealth law, while the State Government grant funding is expended on state law matters.

Fines Enforcement and Recovery

This administered program relates to the collection of revenue by the Fines Enforcement and Recovery Unit.

Other

This administered program reflects the financial performance and position of various other administered activities, which, administratively, fall under the department.

A1.2. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has impacted on the operations of Administered Items and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- Contributing towards a reduction in gaming machine taxation income (approximately \$87 million in total) due to business closures/restrictions.
- A Gaming Machine Trading Round was planned in 2019-20 however did not progress due to trading restrictions. In terms of estimating the potential financial impact for 2019-20, income recognised from Gaming Machine Trading Rounds was \$1.6 million in 2018-19.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1.3. Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Administered Comprehensive Income	Note	Original budget	Actual	Variance
		2020	2020	
		\$'000	\$'000	\$'000
Administered Income				
Taxation	a	274 706	184 550	(90 156)
Fines and related fees		92 060	95 155	3 095
Appropriation		61 625	64 183	2 558
Government Radio Network		34 280	34 262	(18)
Victims of Crime levies		37 035	25 516	(11 519)
Commonwealth-sourced grants and funding		16 326	17 161	835
Recoveries and other income		29 430	12 939	(16 491)
Intra-government transfers		4 139	7 377	3 238
Interest revenues		2 392	6 999	4 607
Fees and charges		419	2 702	2 283
Total administered income		552 412	450 844	(101 568)
Administered Expenses				
Payments to Consolidated Account	b	368 218	267 346	(100 872)
Grants and subsidies		41 879	46 631	4 752
Victims of Crime payments		21 657	24 156	2 499
Government Radio Network		21 232	21 601	369
Depreciation and amortisation		11 715	20 800	9 085
Employee benefits		10 030	10 991	961
State Rescue Helicopter Service		17 524	4 512	(13 012)
Borrowing costs		-	143	143
Net loss from disposal of non-current assets		-	143	143
Other		9 353	30 477	21 124
Total administered expenses		501 608	426 800	(74 808)
Net result		50 804	24 044	(26 760)

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

- a Taxation revenue was lower than the original budget mainly due to lower gaming machines taxation revenue collected due to the closure of licensed venues due to COVID-19 restrictions.
- b Payments to consolidated account were lower than the original budget mainly due to lower gaming machines taxation revenue collected due to the closure of licensed venues due to COVID-19 restrictions.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1.3. Budget performance (continued)

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Investing expenditure summary	Note	22 392	5 617	(16 775)
Total existing projects	c	22 392	5 617	(16 775)
Total investing expenditure		22 392	5 617	(16 775)

c Investing expenditure is lower than the original budget mainly due to funding for the SA Government Radio Network, which will be carried over into 2020-21.

A1.4. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Victims of crime levies received from various SA Government entities of \$9.9 million.
- Recoveries received from various SA Government entities of \$30.3 million for the usage of Government Radio Network assets.
- Recoveries received from various SA Government entities of \$8.7 million for the usage of the State Rescue Helicopter Service.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A2. Income

A2.1. Appropriation

	2020	2019
	\$'000	\$'000
Revenues from appropriation		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	52 201	89 747
Appropriation under other Acts	11 982	12 314
Total revenues from appropriation	<u>64 183</u>	<u>102 061</u>

Appropriation

Appropriations are recognised on receipt.

Total revenues from appropriation consist of \$57.1 million (2019: \$80.3 million) for operational funding and \$7.1 million (2019: \$23.2 million) for capital projects. There was no material variations between the amount appropriated and the expenditure associated with this appropriation. Refer to notes A3.1, A4.1 to A5.1 for details on the expenditure associated with operational funding and capital funding received.

The decrease in appropriation was mainly due to a change in the timing of grant payment to the Legal Services Commission in 2018-19 and a decrease in appropriation for the SA Government Radio Network project.

A2.2. Taxation revenue

	2020	2019
	\$'000	\$'000
Taxation gaming machines	184 431	268 950
Taxation off-course totalisator	119	122
Total taxation revenue	<u>184 550</u>	<u>269 072</u>

A2.3. Commonwealth-sourced grants and funding

	2020	2019
	\$'000	\$'000
National Partnership Agreement on Legal Assistance Services	16 326	16 191
Project Agreement for Family Advocacy and Support Services	835	610
Total Commonwealth-sourced grants and funding	<u>17 161</u>	<u>16 801</u>

Commonwealth-sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A2.4. Intra-government transfers

	2020	2019
	\$'000	\$'000
Treasurer's Contingency Fund	4 006	1 438
State Rescue Helicopter Service	1 938	1 499
State Redress Response Unit	743	-
SA Computer Aided Dispatch	290	290
Child Protection Fund	200	200
Harm Minimisation Fund	200	-
Total Intra-government transfers	7 377	3 427

A2.5. Interest revenues

	2020	2019
	\$'000	\$'000
Interest from SAICORP	6 199	-
Interest from the Department of Treasury and Finance	800	2 064
Total interest revenues	6 999	2 064

A2.6. Recoveries and other income

	2020	2019
	\$'000	\$'000
State Rescue Helicopter Service	6 906	7 404
Confiscation of profits	4 148	1 916
SA Computer Aided Dispatch	874	648
Recoveries from offenders	854	992
Gaming Machine Trading Round revenue	-	1 633
Other	157	448
Total recoveries and other income	12 939	13 041

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A3. Board, committees and employees

A3.1. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	8 903	8 442
Employment on-costs - superannuation	945	1 021
Annual leave	581	324
Employment on-costs - other	433	386
Long service leave	111	97
Skills and experience retention leave	18	13
Other	-	40
Total employee benefits expenses	10 991	10 323

Employment on costs - superannuation

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

Executive remuneration

The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands:

	2020	2019
	Number	Number
\$151 000 to \$154 000*	N/A	1
\$154 001 to \$174 000	2	3
\$174 001 to \$194 000	2	-
\$214 001 to \$234 000	1	1
\$294 001 to \$314 000	-	1
\$354 001 to \$374 000	-	1
\$374 001 to \$394 000	1	1
\$394 001 to \$414 000	1	-
\$574 001 to \$594 000	1	-
\$614 001 to \$634 000	-	1
\$654 001 to \$674 000	-	1
\$674 001 to \$694 000	1	-
Total number of officers	9	10

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

Total remuneration received or receivable by these officers for the year was \$3 million (\$3.2 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A3.1 Employee benefits expenses (continued)

Executive remuneration by category

	2020	2019
	Number	Number
Legal	2	2
Executive	3	5
Other	4	3
Total number of officers	9	10

A3.2. Employee benefits liability – Administered items

	2020	2019
	\$'000	\$'000
Current		
Annual leave	408	346
Long service leave	143	184
Accrued salaries and wages	175	126
Skills and experience retention leave	21	22
Total current employee benefits	747	678
Non-current		
Long service leave	1 452	1 487
Total non-current employee benefits	1 452	1 487
Total employee benefits	2 199	2 165

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

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note A11.1.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A4. Expenses

Employee benefits expenses are disclosed in note A3.1.

A4.1. Payment to Consolidated Account

	2020	2019
	\$'000	\$'000
Payments to Consolidated Account	267 346	353 087
Total payments to Consolidated Account	267 346	353 087

Payments to the SA Government include taxation revenue and fines and related fees paid directly to the Consolidated Account.

A4.2. Net loss from the disposal of non-current assets

	2020	2019
	\$'000	\$'000
Government Radio Network assets		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	143	7 776
Net loss from disposal of Government Radio Network assets	143	7 776
Total assets		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	143	7 776
Total net loss from disposal of non-current assets	143	7 776

A4.3. Grants and subsidies

	2020	2019
	\$'000	\$'000
Independent Commissioner Against Corruption and Office for Public Integrity	19 535	13 676
Legal Services Commission	17 411	40 792
Victims of Crime	6 342	6 088
Office of the Small Business Commissioner	1 885	-
Expensive Criminal Cases	469	950
Other	989	974
Total grants and subsidies	46 631	62 480

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A4.4. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Right-of-use plant and equipment	12 892	-
Government Radio Network assets	7 641	7 169
Right-of-use land	114	-
Buildings and other structures	55	55
Right-of-use vehicles	22	-
Plant and equipment	6	6
Total depreciation	<u>20 730</u>	<u>7 230</u>
Amortisation		
Intangible assets	70	55
Leasehold improvements	-	11
Total amortisation	<u>70</u>	<u>66</u>
Total depreciation and amortisation	<u><u>20 800</u></u>	<u><u>7 296</u></u>

A4.5. Borrowing Costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	143	-
Total Borrowing Costs	<u><u>143</u></u>	<u><u>-</u></u>

The department does not capitalise borrowing costs.

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A4.6. Other expenses

	2020	2019
	\$'000	\$'000
Suitor payments	16 455	12 792
Claims	6 000	5 978
Information technology and communications charges	3 172	2 840
Victims of Crime Fund	2 430	2 855
Legal fees	578	1 633
Operating lease minimum payments	-	144
Office expenses	246	498
Accommodation	736	719
Consultants	175	227
Contract staff	56	242
Gaming Machine Trading Round disbursements	8	1 358
Other expenses	621	1 742
Total other expenses	30 477	31 028

Accommodation

Most of the department's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as accommodation expenses for both the current year and the comparative. Further details about this re-classification is set out in note 9.1.

Consultants

The number of consultancies and the dollar amount paid/payable (included in other expenses) to consultants that fell within the following bands:

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	1	7	5	10
Between \$10 000 and \$50 000	1	13	6	144
\$50 000 or above	2	155	1	73
Total paid / payable to the consultants engaged	4	175	12	227

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A5. Non-financial assets

A5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

	2020	2019
	\$'000	\$'000
Buildings and other structures		
Buildings and other structures at cost (deemed fair value)	1 933	1 933
Accumulated depreciation	(674)	(619)
Total buildings & other structures	<u>1 259</u>	<u>1 314</u>
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	-	162
Accumulated amortisation	-	(162)
Total leasehold improvements	<u>-</u>	<u>-</u>
Plant and equipment		
Plant and equipment at cost (deemed fair value)	28	28
Accumulated depreciation	(16)	(10)
Total plant and equipment	<u>12</u>	<u>18</u>
Information technology		
Information technology at cost (deemed fair value)	1 610	1 693
Accumulated depreciation	(1 610)	(1 693)
Total information technology	<u>-</u>	<u>-</u>
Capital work in progress		
Capital work in progress at cost (deemed fair value)	2 049	7 678
Total capital work in progress	<u>2 049</u>	<u>7 678</u>
Government Radio Network assets		
Government Radio Network assets at cost (deemed fair value)	125 602	116 348
Accumulated depreciation	(42 237)	(36 427)
Total Government Radio Network assets	<u>83 365</u>	<u>79 921</u>
Right-of-use land		
Right-of-use land at cost	1 008	-
Accumulated depreciation	(114)	-
Total right-of-use land	<u>894</u>	<u>-</u>
Right-of-use vehicles		
Right-of-use vehicles at cost	22	-
Accumulated depreciation	(15)	-
Total right-of-use vehicles	<u>7</u>	<u>-</u>
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	16 132	-
Accumulated depreciation	(12 892)	-
Total right-of-use plant and equipment	<u>3 240</u>	<u>-</u>
Total property, plant and equipment	<u>90 826</u>	<u>88 931</u>

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Notes to and forming part of the financial statements
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A5.2. Property, plant and equipment owned by the department

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in note A11.2.

Impairment

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

Reconciliation 2019-20

	Leasehold improvements	Information technology	Plant and equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	18	7 678
Additions	-	-	-	5 617
Depreciation and amortisation	-	-	(6)	-
Transfers to/(from) work in progress	-	-	-	(11 246)
Disposals	-	-	-	-
Carrying amount at the end of the period	-	-	12	2 049

	Buildings and other structures	Government Radio Network assets	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 314	79 921	88 931
Additions	-	-	5 617
Depreciation and amortisation	(55)	(7 641)	(7 702)
Transfers to/(from) to work in progress	-	11 228	(18)
Disposals	-	(143)	(143)
Carrying amount at the end of the period	1 259	83 365	86 685

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A5.2. Property, plant and equipment owned by the department (continued)

Reconciliation 2018-19

	Leasehold improvements	Information technology	Plant and equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	11	-	24	69 620
Additions	-	-	-	7 206
Depreciation and amortisation	(11)	-	(6)	-
Transfers to/(from) to work in progress	-	-	-	(69 148)
Disposals	-	-	-	-
Carrying amount at the end of the period	-	-	18	7 678

	Buildings and other structures	Government Radio Network assets	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 369	25 718	96 742
Additions	-	-	7 206
Depreciation and amortisation	(55)	(7 169)	(7 241)
Transfers to/(from) to work in progress	-	69 148	-
Disposal	-	(7 776)	(7 776)
Carrying amount at the end of the period	1 314	79 921	88 931

A5.3. Property, plant and equipment leased by the department

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note A4.6.

The department has a limited number of leases:

- 3 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- A lease with Babcock Mission Critical Services Australasia Pty Ltd for the State Rescue Helicopter Service. The Lease gives the right-of-use for approved aircraft to provide certain helicopter services to assist State emergency services agencies in the provision of emergency rescue and relief services.
- The South Australian Government Radio Network has 80 leases for various areas of land and dedicated building space for the construction and/or installation of communication towers. It has been determined that 6 of these leases give the right-of-use for the land and/or space within the scope of the agreement.

The lease liabilities related to the right-of-use assets are disclosed in note A7.2. The department's maturity analysis of its lease liabilities is disclosed in note A11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note A4.4 and A4.5. Cash outflows related to leases are disclosed in note A8.1.

Impairment

Property, plant and equipment leased by the department has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

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A5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Intangible assets		
Intangible assets at cost	356	338
Accumulated amortisation	(137)	(67)
Total intangible assets	<u>219</u>	<u>271</u>

Reconciliation 2019-20

	Intangibles	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	271	271
Transfers from (to) work in progress	18	18
Depreciation and amortisation	(70)	(70)
Carrying amount at the end of the period	<u>219</u>	<u>219</u>

Reconciliation 2018-19

	Intangibles	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	236	236
Additions	90	90
Depreciation and amortisation	(55)	(55)
Carrying amount at the end of the period	<u>271</u>	<u>271</u>

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A6. Financial assets

A6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	313 510	307 975
Total cash and cash equivalents	313 510	307 975

Cash is measured at nominal amounts.

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.

A6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Receivables	49 764	26 799
Prepayments	982	998
Accrued interest	14	181
Other	7 812	1 580
Total current receivables	58 572	29 558
Total receivables	58 572	29 558

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note A11.3 for further information on risk management.

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A7. Liabilities

Employee benefits liabilities are disclosed in note A3.2.

A7.1. Payables – Administered items

	2020	2019
	\$'000	\$'000
Current		
Creditors and accruals	10 836	8 640
Employment on costs	89	83
Total current payables	<u>10 925</u>	<u>8 723</u>
Non-current		
Employment on costs	149	147
Total non-current payables	<u>149</u>	<u>147</u>
Total payables	<u><u>11 074</u></u>	<u><u>8 870</u></u>

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

Refer to note A11.3 for further information on risk management.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42%. The average factor for the calculation of employer superannuation on-costs has remained the same as the 2019 rate (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is immaterial.

A7.2. Financial Liabilities

		2020	2019
	Note	\$'000	\$'000
Current			
Lease liabilities	A5.3	3 290	-
Total current financial liabilities		<u>3 290</u>	<u>-</u>
Non-current			
Lease liabilities	A5.3	1 010	-
Total non-current financial liabilities		<u>1 010</u>	<u>-</u>
Total financial liabilities		<u><u>4 300</u></u>	<u><u>-</u></u>

The department measures financial liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above.

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Notes to and forming part of the financial statements
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A7.3. Other liabilities – Administered items

	2020	2019
	\$'000	\$'000
Current		
Gaming, fines and other receipts payable	34 604	28 701
Crown Solicitor's Trust Account	2 347	2 483
Other	3 114	3 071
Total other current liabilities	<u>40 065</u>	<u>34 255</u>
Total other liabilities	<u><u>40 065</u></u>	<u><u>34 255</u></u>

Crown Solicitor's Trust Account

	2020	2019
	\$'000	\$'000
Movement in Trust account		
Balance at the beginning of the period	2 483	2 753
Receipts	26 235	79 747
Payments	<u>(26 371)</u>	<u>(80 017)</u>
Balance at the end of the period	<u><u>2 347</u></u>	<u><u>2 483</u></u>

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A8. Other disclosures

A8.1. Cash flow reconciliation – Administered items

	2020	2019
	\$'000	\$'000
Leases		
Plant and equipment	12 822	-
Land	168	-
Vehicles	22	-
Total cash outflow for leases	<u>13 012</u>	<u>-</u>

	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	313 510	307 975
Balance as per the Statement of Cash Flows	313 510	307 975
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	24 021	36 392
Add / (less) non-cash items		
Depreciation and amortisation	(20 800)	(7 296)
Gain/(loss) on disposal of non-current assets	(143)	(7 776)
Assets in payables	-	672
Movement in assets and liabilities		
Increase/(decrease) in receivables	29 014	(312)
(Increase)/decrease in payables	(2 204)	(1 083)
(Increase)/decrease in employee benefits	(34)	141
(Increase)/decrease in other liabilities	(5 810)	1 744
Net result	<u><u>24 044</u></u>	<u><u>22 482</u></u>

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Notes to and forming part of the financial statements
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A9. Changes in accounting policy

A9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 *Leases* replaces AASB 117 *Leases* and related interpretations.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 *Leases* resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 *Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on the department's retained earnings as at 1 July 2019 is as follows:

	<u>\$'000</u>
Closing retained earnings 30 June 2019 – AASB 117	378 221
<u>Assets</u>	
Property, Plant and Equipment	16 826
Receivables	(68)
<u>Liabilities</u>	
Financial liabilities	<u>(16 758)</u>
Opening retained earnings 1 July 2019 – AASB 16	<u>378 221</u>

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$5.8 million and other commitments of \$0.064 million under AASB 117.

The department has accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$5.8 million under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to accommodation services provided by DPTI are included in Note A10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years. This misclassification impacted items within the supplies and services expenses line. Note A4.6 applies the correct classification for both the current and comparative years.

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A9.1 AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The department has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance as at 1 July 2019 based on the SA Government's cost of borrowing.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the department's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the department, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies related to the application of AASB 16 are disclosed under relevant notes and are referenced at note A5.3.

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A9.2. AASB 15 Revenue from Contract with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Accounting policies on transition

On transition, there was no impact on retained earnings.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the department's accounting policies as follows:

- for non-intellectual property licences, low value licences (i.e. assets which have a value of \$15 000 or less) and short-term licences (i.e. being those with a licence term of 12 months or less) are exempt from AASB 15 revenue recognition requirements. The department has elected to recognise revenue at the point in time the licence is issued.
- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the department would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the department's performance completed to date.

A9.3 AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

A9.4 Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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A10. Outlook

A10.1. Unrecognised contractual commitments – Administered items

Operating lease commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are as follows:

	2020	2019
	\$'000	\$'000
Within one year	-	1 081
Later than one year but not longer than five years	-	2 702
Later than five years	-	2 032
Total operating lease commitments	-	5 815

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

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

	2020	2019
	\$'000	\$'000
Within one year	-	1 159
Later than one year but not longer than five years	-	2 245
Later than five years	-	821
Total operating lease commitments	-	4 225

When acting as lessor leases are non-cancellable leases for access rights to State owned land sites. The leases have terms ranging from 1 to 25 years with some having a right of renewal.

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A10.1 Unrecognised contractual commitments – Administered items (continued)

Other commitments

	2020	2019
	\$'000	\$'000
Within one year	66 260	65 913
Later than one year but not longer than five years	96 570	45 858
Later than five years	538	-
Total other commitments	163 368	111 771
Grants ⁽¹⁾	94 654	16 326
Motor vehicles ⁽²⁾	-	64
Capital ⁽³⁾	25 646	29 801
Accommodation ⁽⁴⁾	2 500	-
Other ⁽⁵⁾	40 568	65 580
Total other commitments	163 368	111 771

⁽¹⁾ Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. The grant commitments as at 30 June 2019 relates to the National Partnership Agreement on Legal Assistance Services between the Commonwealth of Australia and the States and Territories. A new National Legal Assistance partnership – Multilateral Agreements was signed in between the Commonwealth and the State and Territories, in June 2020 and the grant commitments as at 30 June 2020 reflect this new agreement.

⁽²⁾ Agreements for the provision of motor vehicles to executive officers or sections (that is, pool vehicles) are leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. There are no purchase options available to the department.

⁽³⁾ Includes the SA Government Radio Network Upgrade.

⁽⁴⁾ The Departments commitments include MoAA with DPTI for accommodation.

⁽⁵⁾ Other commitments relate to annual service and maintenance for the SA Computer Aided Dispatch system, SA Government Radio Network and State Rescue Helicopter Service.

A10.2. Contingent assets and liabilities – Administered items

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

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

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A10.3 Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The department has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

A10.4 COVID-19 pandemic outlook for the Department

The COVID-19 pandemic will continue to impact the operations of Administered Items in 2020-21. The key expected impacts are:

- Continued reduction in gaming machines taxation income due to business closures/restrictions.
- Possibly lower Fines and related fees income due to a continued decreased ability in debtors to pay.

A10.5 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2020 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2020.

Note disclosure is made about events between 30 June 2020 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2020 and which may have a material impact on the results of subsequent years.

As at the date of this report there are no known or material events that have occurred after the reporting period.

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A11. Measurement and risk

A11.1. Long service leave liability – measurement

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 1.25% (2019) to 0.75% (2020).

The actuarial assessment performed by the Department of Treasury and Finance has decreased the salary inflation rate from 4% (2019) to 2.5% (2020) for long service leave liability.

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$154 000 and employee benefits expense of \$154 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The current portion of long service leave reflects the department's past experience of long service leave which is expected to continue in future.

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A11.2. Fair value

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value or minimal value they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value, that is the amount recorded by the transferor Public Authority immediately prior to restructure.

Revaluation

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

The revaluation process is reviewed by the Chief Finance Officer.

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

Every six years, the department revalues its leasehold improvements, plant and equipment, IT Equipment, Buildings and other structures and Radio Network. 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 accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Fair value hierarchy

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

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

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

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

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2020 and 2019, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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A11.2. Fair value (continued)

Fair value classification - non-financial assets at 30 June 2020

	Level 3	Total
	\$'000	\$'000
Recurring fair value measurements		
Government Radio Network assets	83 365	83 365
Buildings and other structures	1 259	1 259
Plant and equipment	12	12
Total recurring fair value measurements	84 636	84 636
Total fair value measurements	84 636	84 636

Fair value classification - non-financial assets at 30 June 2019

	Level 3	Total
	\$'000	\$'000
Recurring fair value measurements		
Government Radio Network assets	79 921	79 921
Buildings and other structures	1 314	1 314
Plant and equipment	18	18
Total recurring fair value measurements	81 253	81 253
Total fair value measurements	81 253	81 253

Valuation of leasehold improvements

Valuations of leasehold improvements were performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

Valuation of buildings and other structures and radio network

Valuations of buildings and other structures and radio network assets were performed by an independent valuer, Mark Ochota, Principal Consultant of UXC Consulting as at 30 June 2016.

Other assets

All items for plant and equipment and information technology had a fair value at the time of acquisition less than \$1.5m or had an estimated useful life of less than three years. These assets have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

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A11.3. Financial instruments – Administered items

Financial risk management

Risk management is managed by the department's corporate services section. Departmental risk management policies are in accordance with the *Risk Management Policy* Statement issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

Financial liabilities principally represent taxation receipts payable to the Treasurer. Therefore the department's exposure to liquidity risk is insignificant due to the nature of the financial instruments held and current assessment of risk.

Credit risk

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

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

Market risk

Cash administered by the department is subject to interest rate risk.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

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A11.3. Financial instruments – Administered items (continued)

Category of financial asset and financial liability	Note	2020	2020 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	A6.1	313 510	313 510	-
Financial assets at amortised cost				
Receivables	A6.2	7 756	7 756	-
Total financial assets		321 266	321 266	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	A7.1	10 825	10 825	-
Lease liabilities	A7.2	4 300	3 290	1 010
Other financial liabilities	A7.3	40 065	40 065	-
Total financial liabilities		55 190	54 180	1 010

Category of financial asset and financial liability	Note	2019	2019 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	A6.1	307 975	307 975	-
Financial assets at amortised cost				
Receivables	A6.2	6 730	6 730	-
Total financial assets		314 705	314 705	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	A7.1	8 629	8 629	-
Other financial liabilities	A7.3	34 255	34 255	-
Total financial liabilities		42 884	42 884	-

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). 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 levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note A6.2.