

# Department for Education

Financial report  
for the year ended  
30 June 2020



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## To the Chief Executive Department for Education

### Opinion

I have audited the financial report of Department for Education 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 Department for Education 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 Changes in Equity for the year ended 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

### Basis for opinion

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

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

### **Responsibilities of the 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 Department for Education 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 Department for Education'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 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

21 September 2020

**Department for Education**  
**Certificate of Financial Statements**  
*for the year ended 30 June 2020*

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We certify that the attached General Purpose Financial Statements for the Department for Education:

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

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



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Rick Persse  
Chief Executive  
17 September 2020



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Chris Bernardi  
Chief Financial Officer  
17 September 2020

# **Department for Education**

## **Financial Statements**

For the year ended 30 June 2020

**Department for Education**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

		2020	2019	2020	2019
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
<b>Income</b>					
Appropriation	2.1	2 671 083	2 602 365	2 671 083	2 602 365
Commonwealth sourced grants and funding	2.2	614 439	560 591	614 439	560 591
Sales of goods and services	2.3	164 415	161 973	22 515	24 392
Other grants and contributions	2.5	64 073	47 533	11 262	12 501
Investment revenues	2.6	8 239	9 213	7 557	7 510
Resources received free of charge	2.7	13 456	41 356	13 382	41 356
Other revenues	2.8	64 462	66 768	32 912	24 767
<b>Total income</b>		<b>3 600 167</b>	<b>3 489 799</b>	<b>3 373 150</b>	<b>3 273 482</b>
<b>Expenses</b>					
Employee benefits expenses	3.3	2 587 721	2 479 541	2 542 125	2 436 013
Supplies and services	4.1	762 024	728 552	436 746	411 090
Grants and subsidies	4.2	69 487	46 311	262 233	215 658
Depreciation and amortisation	4.3	149 744	141 760	140 960	134 477
Borrowing costs	4.4	22 384	22 014	22 331	22 014
Cash returned to DTF		9 305	40 338	9 305	40 338
Net loss/(gain) from disposal of non-current assets	4.5	534	(128)	392	(191)
Other expenses	4.6	6 284	18 791	4 775	17 623
<b>Total expenses</b>		<b>3 607 483</b>	<b>3 477 179</b>	<b>3 418 867</b>	<b>3 277 022</b>
<b>Net result</b>		<b>(7 316)</b>	<b>12 620</b>	<b>(45 717)</b>	<b>(3 540)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result:</i>					
Changes in revaluation surplus		3 074	63 137	3 061	63 157
<b>Total other comprehensive income</b>		<b>3 074</b>	<b>63 137</b>	<b>3 061</b>	<b>63 157</b>
<b>Total comprehensive result</b>		<b>(4 242)</b>	<b>75 757</b>	<b>(42 656)</b>	<b>59 617</b>

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

**Department for Education**  
**Statement of Financial Position**  
*as at 30 June 2020*

		2020	2019	2020	2019
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
<b>Current assets</b>					
Cash and cash equivalents	6.1	1 029 556	932 438	531 782	430 408
Receivables	6.2	59 183	47 502	37 419	29 494
Inventories	5.5	6 193	6 024	-	-
Other financial assets	6.3	76	186	-	-
Non-current assets classified as held for sale	5.6	1 397	284	1 397	284
<b>Total current assets</b>		<b>1 096 405</b>	<b>986 434</b>	<b>570 598</b>	<b>460 186</b>
<b>Non-current assets</b>					
Receivables	6.2	2 202	1 616	6 151	4 294
Other financial assets	6.3	166	157	-	-
Property, plant and equipment	5.1	4 649 723	4 625 722	4 611 784	4 591 826
Right of use assets	5.2	184 042	176 939	181 534	176 939
Intangible assets	5.4	16 402	17 277	16 402	17 277
<b>Total non-current assets</b>		<b>4 852 535</b>	<b>4 821 711</b>	<b>4 815 871</b>	<b>4 790 336</b>
<b>Total assets</b>		<b>5 948 940</b>	<b>5 808 145</b>	<b>5 386 469</b>	<b>5 250 522</b>
<b>Current liabilities</b>					
Payables	7.1	117 286	103 462	149 736	103 904
Financial liabilities	7.2	6 111	2 277	5 162	2 277
Contract balances	2.4	909	-	909	-
Employee benefits	3.4	242 198	214 687	239 971	212 567
Provisions	7.3	19 880	16 249	20 150	16 269
Other liabilities	7.4	27 939	35 720	13 888	17 376
<b>Total current liabilities</b>		<b>414 323</b>	<b>372 395</b>	<b>429 816</b>	<b>352 393</b>
<b>Non-current liabilities</b>					
Payables	7.1	68 707	66 311	68 707	66 310
Financial liabilities	7.2	202 741	163 188	201 151	163 188
Employee benefits	3.4	491 828	486 605	487 868	483 022
Provisions	7.3	88 622	69 688	88 622	69 688
Other liabilities	7.4	19 436	20 826	18 987	20 178
<b>Total non-current liabilities</b>		<b>871 334</b>	<b>806 618</b>	<b>865 335</b>	<b>802 386</b>
<b>Total liabilities</b>		<b>1 285 657</b>	<b>1 179 013</b>	<b>1 295 151</b>	<b>1 154 779</b>
<b>Net assets</b>		<b>4 663 283</b>	<b>4 629 132</b>	<b>4 091 318</b>	<b>4 095 743</b>
<b>Equity</b>					
Retained earnings		2 436 587	2 433 642	1 864 802	1 900 420
Revaluation surplus		2 194 212	2 195 490	2 194 032	2 195 323
Contributed Capital		32 484	-	32 484	-
<b>Total equity</b>		<b>4 663 283</b>	<b>4 629 132</b>	<b>4 091 318</b>	<b>4 095 743</b>

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

**Department for Education**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2020*

**Consolidated**

	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2018</b>		-	2 156 965	2 396 410	4 553 375
Net result for 2018-19		-	-	12 620	12 620
Changes on revaluation during 2018-19		-	63 137	-	63 137
<b>Total comprehensive result for 2018-19</b>		-	<b>63 137</b>	<b>12 620</b>	<b>75 757</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(24 612)	24 612	-
<b>Balance at 30 June 2019</b>		-	<b>2 195 490</b>	<b>2 433 642</b>	<b>4 629 132</b>
Adjustments on initial adoption of AASB 15, 16 and 1058	9	-	-	313	313
<b>Adjusted balance at 1 July 2019</b>		-	<b>2 195 490</b>	<b>2 433 955</b>	<b>4 629 445</b>
Net result for 2019-20		-	-	(7 316)	(7 316)
Changes on revaluation during 2019-20		-	3 074	-	3 074
<b>Total comprehensive result for 2019-20</b>		-	<b>3 074</b>	<b>(7 316)</b>	<b>(4 242)</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(4 352)	4 352	-
Equity contribution received		32 484	-	-	32 484
Net liabilities transferred out as result of restructure	1.3	-	-	5 596	5 596
<b>Balance at 30 June 2020</b>		<b>32 484</b>	<b>2 194 212</b>	<b>2 436 587</b>	<b>4 663 283</b>

**Department**

	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2018</b>		-	2 156 778	1 879 348	4 036 126
Net result for 2018-19		-	-	(3 540)	(3 540)
Changes on revaluation during 2018-19	5.1	-	63 157	-	63 157
<b>Total comprehensive result for 2018-19</b>		-	<b>63 157</b>	<b>(3 540)</b>	<b>59 617</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(24 612)	24 612	-
<b>Balance at 30 June 2019</b>		-	<b>2 195 323</b>	<b>1 900 420</b>	<b>4 095 743</b>
Adjustments on initial adoption of AASB 15, 16 and 1058	9	-	-	151	151
<b>Adjusted balance at 1 July 2019</b>		-	<b>2 195 323</b>	<b>1 900 571</b>	<b>4 095 894</b>
Net result for 2019-20		-	-	(45 717)	(45 717)
Changes on revaluation during 2019-20	5.1	-	3 061	-	3 061
<b>Total comprehensive result for 2019-20</b>		-	<b>3 061</b>	<b>(45 717)</b>	<b>(42 656)</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(4 352)	4 352	-
Equity contribution received		32 484	-	-	32 484
Net liabilities transferred out as result of restructure	1.3	-	-	5 596	5 596
<b>Balance at 30 June 2020</b>		<b>32 484</b>	<b>2 194 032</b>	<b>1 864 802</b>	<b>4 091 318</b>

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

**Department for Education**  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

		2020	2019	2020	2019
	Note	Consolidated \$'000 (Outflows) Inflows	Consolidated \$'000 (Outflows) Inflows	Department \$'000 (Outflows) Inflows	Department \$'000 (Outflows) Inflows
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Appropriation		2 671 083	2 602 365	2 671 083	2 602 365
Receipts from Commonwealth sourced grants and funding		614 610	560 683	614 610	560 683
Sales of goods and services		164 837	166 175	26 064	29 574
Other grants and contributions received		49 853	50 385	10 695	12 582
Interest received		1 447	9 146	155	7 510
GST recovered from the ATO		79 356	99 013	45 912	67 134
Dividends		1	9	-	-
Other receipts		61 586	64 767	30 036	22 766
<b>Cash generated from operations</b>		<b>3 642 773</b>	<b>3 552 543</b>	<b>3 398 555</b>	<b>3 302 614</b>
<b>Cash outflows</b>					
Employee benefit payments		(2 528 769)	(2 414 015)	(2 483 651)	(2 370 821)
Payments for supplies and services		(826 148)	(789 970)	(482 586)	(435 872)
Payments of grants and subsidies		(71 156)	(65 093)	(222 146)	(238 521)
Cash returned to DTF		(9 305)	(40 338)	(9 305)	(40 338)
Interest paid		(21 148)	(20 906)	(21 095)	(20 906)
Other payments		(3 120)	(4 115)	(3 201)	(4 193)
<b>Cash used in operations</b>		<b>(3 459 646)</b>	<b>(3 334 437)</b>	<b>(3 221 984)</b>	<b>(3 110 651)</b>
<b>Net cash provided by / (used in) operating activities</b>	8.2	<b>183 127</b>	<b>218 106</b>	<b>176 571</b>	<b>191 963</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from the sale of property, plant and equipment		2 168	9 115	1 922	8 869
Proceeds from maturing term deposits		170	1 911	-	-
Receipt of loan repayments		29	5	841	569
<b>Cash generated from investing activities</b>		<b>2 367</b>	<b>11 031</b>	<b>2 763</b>	<b>9 438</b>
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(112 969)	(236 546)	(101 461)	(226 650)
Purchase of investments		(57)	(171)	-	-
Loans provided		(126)	-	(2 276)	-
<b>Cash used in investing activities</b>		<b>(113 152)</b>	<b>(236 717)</b>	<b>(103 737)</b>	<b>(226 650)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(110 785)</b>	<b>(225 686)</b>	<b>(100 974)</b>	<b>(217 212)</b>
<b>Cash flows from financing activities</b>					
<b>Cash inflows</b>					
Capital contributions from Government		32 484	-	32 484	-
<b>Cash generated from financing activities</b>		<b>32 484</b>	<b>-</b>	<b>32 484</b>	<b>-</b>
<b>Cash outflows</b>					
Repayment of leases		(6 349)	(2 037)	(5 348)	(2 037)
Cash transferred as a result of restructure	1.3	(160)	-	(160)	-
Repayment of borrowings		(1 199)	(1 053)	(1 199)	(1 053)
<b>Cash used in financing activities</b>		<b>(7 708)</b>	<b>(3 090)</b>	<b>(6 707)</b>	<b>(3 090)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>24 776</b>	<b>(3 090)</b>	<b>25 777</b>	<b>(3 090)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>97 118</b>	<b>(10 670)</b>	<b>101 374</b>	<b>(28 339)</b>
Cash and cash equivalents at the beginning of the reporting period		932 438	943 108	430 408	458 747
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>1 029 556</b>	<b>932 438</b>	<b>531 782</b>	<b>430 408</b>

The accompanying notes form part of these financial statements.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>1</b>	<b>About the Department for Education</b> .....	<b>9</b>
1.1.	Basis of preparation.....	10
1.2.	Objectives and programs.....	11
1.3.	Changes to the department.....	16
1.4.	Impact of COVID-19 pandemic on the Department.....	16
1.5.	Budget performance.....	17
1.6.	Significant transactions with government related entities.....	18
<b>2.</b>	<b>Income</b> .....	<b>19</b>
2.1.	Appropriation.....	19
2.2.	Commonwealth sourced grants and funding.....	20
2.3.	Sales of goods and services.....	20
2.4.	Contract balances.....	21
2.5.	Other grants and contributions.....	21
2.6.	Investment revenues.....	21
2.7.	Resources received free of charge.....	22
2.8.	Other revenues.....	22
<b>3.</b>	<b>Board, committees and employees</b> .....	<b>23</b>
3.1.	Key management personnel.....	23
3.2.	Board and committee members.....	23
3.3.	Employee benefits expenses.....	25
3.4.	Employee benefits liabilities.....	27
<b>4.</b>	<b>Expenses</b> .....	<b>28</b>
4.1.	Supplies and services.....	28
4.2.	Grants and subsidies.....	29
4.3.	Depreciation and amortisation.....	30
4.4.	Borrowing costs.....	31
4.5.	Net loss / (gain) from disposal of non-current assets.....	31
4.6.	Other expenses.....	32
<b>5.</b>	<b>Non-financial assets</b> .....	<b>33</b>
5.1.	Property, plant and equipment by asset class.....	33
5.2.	Right of use assets.....	37
5.3.	Summary of property, plant, and equipment and right of use assets.....	38
5.4.	Intangible assets.....	39
5.5.	Inventories.....	41
5.6.	Non-current assets classified as held for sale.....	41
<b>6.</b>	<b>Financial assets</b> .....	<b>43</b>
6.1.	Cash and cash equivalents.....	43
6.2.	Receivables.....	44
6.3.	Other financial assets.....	45
<b>7.</b>	<b>Liabilities</b> .....	<b>46</b>
7.1.	Payables.....	46
7.2.	Financial Liabilities.....	47
7.3.	Provisions.....	48
7.4.	Other liabilities.....	49
<b>8.</b>	<b>Other disclosures</b> .....	<b>50</b>
8.1.	Equity.....	50
8.2.	Cash flow.....	50

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

<b>9.</b>	<b>Changes in accounting policy</b> .....	<b>52</b>
9.1.	AASB 16 Leases .....	52
9.2.	AASB 15 Revenue from Contracts with Customers .....	54
9.3.	AASB 1058 Income of Not-for-Profit Entities .....	55
9.4.	Effects on financial statements AASB 15 and 1058 .....	55
9.5.	Presentation of financial statements .....	55
<b>10.</b>	<b>Outlook</b> .....	<b>56</b>
10.1.	Unrecognised contractual commitments .....	56
10.2.	Contingent assets and liabilities .....	59
10.3.	Impact of standards and statements not yet effective .....	59
10.4.	COVID-19 pandemic outlook for the department .....	59
10.5.	Events after the reporting period .....	59
<b>11.</b>	<b>Measurement and risk</b> .....	<b>60</b>
11.1.	Long service leave and other employee benefit liabilities – measurement .....	60
11.2.	Fair value .....	60
11.3.	Financial instruments.....	66

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1 About the Department for Education**

The Department for Education (the department) is a government department of the state of South Australia established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements which follows the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

***Transactions within Department columns***

The values in the Department columns in the financial statements incorporate the activities of the corporate department. Corporate department activities include transactions that relate to the operations of government controlled schools and preschools including:

- expenses such as salaries and wages, salary related on-costs and some utilities expenses
- infrastructure assets including land, buildings and major improvements
- liabilities recorded in the corporate department's financial systems such as employee benefits.

Income earned and expenses incurred directly by government controlled schools and preschools which are accounted for locally in their general ledgers are excluded from the Department column.

***Transactions within Consolidated column***

The values in the Consolidated columns in the financial statements incorporate the activities of the corporate department as discussed above and government controlled schools. All material transactions between the corporate department and government controlled schools have been eliminated as required by Australian Accounting Standards.

Financial data was collected from government schools for the school year ended 31 December 2019 for the purpose of consolidating it with data from the corporate department. Where material, adjustments have been made to the consolidated figures to take into account the effect of schools having a different reporting period to the corporate department.

Income earned and expenses incurred directly by government controlled preschools which are accounted for locally in their general ledgers are excluded from the Consolidated column as these are deemed immaterial.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1 About the Department for Education (continued)**

***Administered items***

The department is responsible for the administration of specific funds. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

The main administered funds are:

- Ministers salaries
- Ministers payments
- Advocacy bodies
- Family Day Care

For further information refer to note A1.2.

**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 (PFAA);
- 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 for 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 (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; 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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1.2. Objectives and programs**

**Purpose**

The department was established to provide a range of integrated, high-quality services to South Australian children and young people across early childhood, education and training.

Our purpose is to improve children and young people's education and developmental outcomes at every stage of life – from the day they are born through their transition to adulthood, in all communities.

School education is at the core of the department's work. We know that the success of South Australian schools depends on strong and mutually-beneficial partnerships between parents and families, tertiary providers, industry, government and non-government organisations, the broader community and young people themselves.

The department also has an advisory role to the Minister for Education in respect of TAFE and Higher Education.

**Programs**

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

***Early Childhood Development***

The department is responsible for the delivery of early childhood education and care, child protection, health and wellbeing services for children, young people and families. The program recognises the importance of the parent's role in their child's development and builds upon establishing relationships with families to support every child to grow, learn and develop. The implementation of national and state early childhood reform agendas to improve outcomes for all South Australian children and families underpins the program.

There is a key focus on ensuring that the most vulnerable children and young people at risk of disadvantage are supported. The establishment of children's centres across the state in areas of highest need, the provision of preschool for all four-year olds, continued collaboration across agencies and the delivery of targeted family support programs contribute to achieving this goal. The provision of quality integrated early childhood education and care services that are accessible and support each child to develop and learn to their capacity are at the core of the program.

***School Education***

The department is responsible for the delivery of high quality primary and secondary public education across the state to all children and young people of school age. Through a focus on high achievement, growth, challenge, engagement and equity the department seeks to maximise every child and young person's learning and help them to become successful learners, confident and creative individuals and informed citizens.

The department maintains high expectations of schools to increase student performance and reduce the gap between the highest and lower achievers. The department's work is strengthened by the involvement of parents and local communities in the education of children.

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

**Department for Education**  
**Expenses and income by program**  
*for the year ended 30 June 2020*  
**Consolidated**

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

	Early Childhood Development		School Education		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	185 768	192 569	2 485 315	2 409 796	2 671 083	2 602 365
Commonwealth sourced grants and funding	33 423	33 436	581 016	527 155	614 439	560 591
Sales of goods and services	6 682	6 205	157 733	155 768	164 415	161 973
Other grants and contributions	1 692	3 173	62 381	44 360	64 073	47 533
Investment revenues	518	548	7 721	8 665	8 239	9 213
Resources received free of charge	934	2 833	12 522	38 523	13 456	41 356
Other revenues	1 799	2 935	62 663	63 833	64 462	66 768
<b>Total income</b>	<b>230 816</b>	<b>241 699</b>	<b>3 369 351</b>	<b>3 248 100</b>	<b>3 600 167</b>	<b>3 489 799</b>
<b>Expenses</b>						
Employee benefits expenses	184 067	193 791	2 403 654	2 285 750	2 587 721	2 479 541
Supplies and services	31 174	29 733	730 850	698 819	762 024	728 552
Grants and subsidies	11 011	8 118	58 476	38 193	69 487	46 311
Depreciation and amortisation	5 116	4 704	144 628	137 056	149 744	141 760
Borrowing costs	1 785	1 761	20 599	20 253	22 384	22 014
Cash returned to DTF	647	2 985	8 658	37 353	9 305	40 338
Net loss/(gain) from disposal of non-current assets	(12)	169	546	(297)	534	(128)
Other expenses	207	5 112	6 077	13 679	6 284	18 791
<b>Total expenses</b>	<b>233 995</b>	<b>246 373</b>	<b>3 373 488</b>	<b>3 230 806</b>	<b>3 607 483</b>	<b>3 477 179</b>
<b>Net result</b>	<b>(3 179)</b>	<b>(4 674)</b>	<b>(4 137)</b>	<b>17 294</b>	<b>(7 316)</b>	<b>12 620</b>

**Department for Education**  
**Expenses and income by program**  
*for the year ended 30 June 2020*  
**Department**

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

	Early Childhood Development		School Education		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	185 768	192 569	2 485 315	2 409 796	2 671 083	2 602 365
Commonwealth sourced grants and funding	33 423	33 436	581 016	527 155	614 439	560 591
Sales of goods and services	6 686	6 204	15 829	18 188	22 515	24 392
Other grants and contributions	1 692	3 173	9 570	9 328	11 262	12 501
Investment revenues	518	548	7 039	6 962	7 557	7 510
Resources received free of charge	934	2 833	12 448	38 523	13 382	41 356
Other revenues	1 807	2 935	31 105	21 832	32 912	24 767
<b>Total income</b>	<b>230 828</b>	<b>241 698</b>	<b>3 142 322</b>	<b>3 031 784</b>	<b>3 373 150</b>	<b>3 273 482</b>
<b>Expenses</b>						
Employee benefits expenses	184 067	193 791	2 358 058	2 242 222	2 542 125	2 436 013
Supplies and services	20 023	19 685	416 723	391 405	436 746	411 090
Grants and subsidies	22 164	18 168	240 069	197 490	262 233	215 658
Depreciation and amortisation	5 116	4 704	135 844	129 773	140 960	134 477
Borrowing costs	1 785	1 761	20 546	20 253	22 331	22 014
Cash returned to DTF	647	2 985	8 658	37 353	9 305	40 338
Net loss/(gain) from disposal of non-current assets	(12)	170	404	(361)	392	(191)
Other expenses	218	5 112	4 557	12 511	4 775	17 623
<b>Total expenses</b>	<b>234 008</b>	<b>246 376</b>	<b>3 184 859</b>	<b>3 030 646</b>	<b>3 418 867</b>	<b>3 277 022</b>
<b>Net result</b>	<b>(3 180)</b>	<b>(4 678)</b>	<b>(42 537)</b>	<b>1 138</b>	<b>(45 717)</b>	<b>(3 540)</b>

**Department for Education**  
**Assets and liabilities by program**  
*for the year ended 30 June 2020*  
**Consolidated**

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

	Early Childhood Development		School Education		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	36 906	32 761	992 650	899 677	1 029 556	932 438
Receivables	2 141	2 689	59 244	46 429	61 385	49 118
Inventories	-	-	6 193	6 024	6 193	6 024
Other financial assets	-	-	242	343	242	343
Non-current assets classified as held for sale	-	97	1 397	187	1 397	284
Property, plant and equipment	189 090	192 922	4 460 633	4 432 800	4 649 723	4 625 722
Right of use assets	207	-	183 835	176 939	184 042	176 939
Intangible assets	1 312	1 381	15 090	15 896	16 402	17 277
<b>Total assets</b>	<b>229 656</b>	<b>229 850</b>	<b>5 719 284</b>	<b>5 578 295</b>	<b>5 948 940</b>	<b>5 808 145</b>
<b>Liabilities</b>						
Payables	12 250	12 068	173 743	157 705	185 993	169 773
Financial liabilities	15 982	13 237	192 870	152 228	208 852	165 465
Contract balances	36	-	873	-	909	-
Employee benefits	52 777	55 512	681 249	645 780	734 026	701 292
Provisions	7 751	6 672	100 751	79 265	108 502	85 937
Other liabilities	1 607	1 709	45 768	54 837	47 375	56 546
<b>Total liabilities</b>	<b>90 403</b>	<b>89 198</b>	<b>1 195 254</b>	<b>1 089 815</b>	<b>1 285 657</b>	<b>1 179 013</b>
<b>Net assets</b>	<b>139 253</b>	<b>140 652</b>	<b>4 524 030</b>	<b>4 488 480</b>	<b>4 663 283</b>	<b>4 629 132</b>

**Department for Education**  
**Assets and liabilities by program**  
*for the year ended 30 June 2020*  
**Department**

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

	Early Childhood Development		School Education		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	36 906	32 761	494 876	397 647	531 782	430 408
Receivables	2 141	2 688	41 429	31 100	43 570	33 788
Non-current assets classified as held for sale	-	97	1 397	187	1 397	284
Property, plant and equipment	189 090	192 921	4 422 694	4 398 905	4 611 784	4 591 826
Right of use assets	207	-	181 327	176 939	181 534	176 939
Intangible assets	1 312	1 381	15 090	15 896	16 402	17 277
<b>Total assets</b>	<b>229 656</b>	<b>229 848</b>	<b>5 156 813</b>	<b>5 020 674</b>	<b>5 386 469</b>	<b>5 250 522</b>
<b>Liabilities</b>						
Payables	12 250	12 067	206 193	158 147	218 443	170 214
Financial liabilities	15 982	13 237	190 331	152 228	206 313	165 465
Contract balances	36	-	873	-	909	-
Employee benefits	52 777	55 512	675 062	640 077	727 839	695 589
Provisions	7 751	6 672	101 021	79 285	108 772	85 957
Other liabilities	1 607	1 709	31 268	35 845	32 875	37 554
<b>Total liabilities</b>	<b>90 403</b>	<b>89 197</b>	<b>1 204 748</b>	<b>1 065 582</b>	<b>1 295 151</b>	<b>1 154 779</b>
<b>Net assets</b>	<b>139 253</b>	<b>140 651</b>	<b>3 952 065</b>	<b>3 955 092</b>	<b>4 091 318</b>	<b>4 095 743</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1.3. Changes to the department**

**2019-20 Transferred out**

As a result of administrative arrangements outlined in the Government Gazettals on 23 May 2019 and 27 June 2019, the Department of Education relinquished responsibility for Child Family Intensive Support, a business unit of the department. Assets and liabilities relating to this business unit were transferred to the Department of Human Services effective 1 July 2019.

	<b>Child Family Intensive Support \$'000</b>
<b>Current assets</b>	
Cash	158
Receivables	35
<b>Total assets</b>	<b>193</b>
<b>Current liabilities</b>	
Payables	734
Employee benefits	5 053
Other liabilities	2
<b>Total liabilities</b>	<b>5 789</b>
<b>Total net liabilities transferred</b>	<b>(5 596)</b>

**1.4. Impact of COVID-19 pandemic on the Department**

COVID-19 has impacted on the operations of the department and the key impacts in 2019-20 are outlined below:

- Increased cleaning costs for additional cleaning shifts for schools and preschools, daily cleaning of playground equipment, education offices and various locations where additional cleaning is considered necessary (see note 4.1).
- Cleaning consumables for hand sanitisers and cleaning products (see note 4.1).
- Information Technology costs to upgrade systems and provide equipment for staff to work from home (see note 4.1).
- Additional funds being provided to preschools for minor works and maintenance (see note 4.1).

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**1.5. 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 2020 \$'000
<b>Statement of Comprehensive Income</b>			
<b>Income</b>			
Appropriation	2 713 644	2 671 083	(42 561)
Commonwealth sourced grants and funding	602 141	614 439	12 298
Sales of goods and services	163 134	164 415	1 281
Other revenues	54 823	64 462	9 639
Other grants and contributions	49 943	64 073	14 130
Investment revenues	8 158	8 239	81
Resources received free of charge	-	13 456	13 456
<b>Total income</b>	<b>3 591 843</b>	<b>3 600 167</b>	<b>8 324</b>
<b>Expenses</b>			
Employee benefits expenses	2 621 240	2 587 721	(33 519)
Supplies and services	777 269	762 024	(15 245)
Grants and subsidies	47 073	69 487	22 414
Cash returned to DTF	-	9 305	9 305
Depreciation and amortisation	151 543	149 744	(1 799)
Borrowing costs	23 129	22 384	(745)
Net loss from disposal of non financial assets	100	534	434
Other expenses	4 702	6 284	1 582
<b>Total expenses</b>	<b>3 625 056</b>	<b>3 607 483</b>	<b>(17 573)</b>
<b>Net result</b>	<b>(33 213)</b>	<b>(7 316)</b>	<b>25 897</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus	-	3 074	3 074
<b>Total comprehensive result</b>	<b>(33 213)</b>	<b>(4 242)</b>	<b>28 971</b>

No variances exceed the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**1.5. Budget performance (continued)**

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
<b>Investing expenditure summary</b>				
Total existing projects	1	175 584	150 363	(25 221)
Total annual programs		6 204	14 934	8 730
<b>Total investing expenditure</b>		<b>181 788</b>	<b>165 297</b>	<b>(16 491)</b>

1 This variance mainly relates to timing of expenditure on sustainable enrolment growth and other school projects which has been re-profiled to future years, and the recognition of work undertaken on the new PPP schools.

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

The department had no significant transactions with government related entities except for the appropriation funding received from Department of Treasury and Finance (note 2.1) and incurred expenditure with Department of Planning, Transport and Infrastructure (DPTI) of \$224 million (2019: \$315 million). As at 30 June 2020 the outstanding balance payable to DPTI was \$25.74 million (2019: \$13.88 million) (note 7.1).

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**2. Income**

**2.1. Appropriation**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 671 083	2 602 365	2 671 083	2 602 365
<b>Total appropriation</b>	<b>2 671 083</b>	<b>2 602 365</b>	<b>2 671 083</b>	<b>2 602 365</b>

***Appropriation***

Appropriations are recognised on receipt.

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

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

The original amount appropriated to the department under the annual Appropriation Act was \$2.7 billion and no additional funds were received from the Treasurer via the Governor's Appropriation Fund.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**2.2. Commonwealth sourced grants and funding**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Quality Schools/National Education Reform Agreement	571 127	518 514	571 127	518 514
National Partnership - Universal Access to Early Childhood Development	28 571	28 204	28 571	28 204
National School Chaplaincy Program	6 023	5 908	6 023	5 908
Rural Care Worker Program*	2 575	2 737	2 575	2 737
Local Schools Community Fund	1 389	-	1 389	-
Connected Beginnings*	1 094	978	1 094	978
Indigenous Advancement Strategy*	788	1 032	788	1 032
Community Childcare Funding*	659	785	659	785
National Partnership - Advanced Technology	550	100	550	100
Detainee Minors*	534	1 001	534	1 001
National Partnership - Teacher Quality	423	211	423	211
CCC Care Fund: Support*	310	109	310	109
Australian Early Development Index*	210	276	210	276
SA Aboriginal Sports Training Academy*	130	163	130	163
National Occasional Care*	-	307	-	307
Other specific Commonwealth revenue	56	266	56	266
<b>Total Commonwealth sourced grants and funding</b>	<b>614 439</b>	<b>560 591</b>	<b>614 439</b>	<b>560 591</b>

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 do not sit with the department unless paid direct to the agency.

\*These grants were received directly from the Commonwealth by the department, and therefore obligations under the funding arrangements rest with the department representing the State of South Australia's obligations under the grant for accounting purposes.

**2.3. Sales of goods and services**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Student related fees and charges	116 887	115 066	2 522	3 401
Canteen sales	15 347	15 497	-	-
Sales/fee for service revenue	14 149	13 217	731	802
Other user fees and charges	18 032	18 193	19 262	20 189
<b>Total sales of goods and services</b>	<b>164 415</b>	<b>161 973</b>	<b>22 515</b>	<b>24 392</b>

All revenue from the sales of goods and services is revenue recognised from contracts with customers.

Timing of revenue agreed to the provision of performance obligations in the contracts within the current reporting period with the exception of the revenue disclosed under Note 2.4 Contract balances.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**2.4. Contract balances**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Contract liabilities	909	-	909	-
<b>Total contract balances</b>	<b>909</b>	<b>-</b>	<b>909</b>	<b>-</b>

Contract liabilities were recognised in 2019-20 with the introduction of AASB 15 Revenues.

The contract liability relates to a land sale that had not settled as at the end of the financial year.

**2.5. Other grants and contributions**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies revenue	63 396	46 879	11 262	12 501
Donations	677	654	-	-
<b>Total other grants and contributions</b>	<b>64 073</b>	<b>47 533</b>	<b>11 262</b>	<b>12 501</b>

Grants and contributions are recognised as an asset and income when the department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

**2.6. Investment revenues**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest from entities within the SA Government	1	3	137	101
Dividends	1	9	-	-
Other interest	8 237	9 201	7 420	7 409
<b>Total investment revenues</b>	<b>8 239</b>	<b>9 213</b>	<b>7 557</b>	<b>7 510</b>

**Department for Education**  
**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	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Services received free of charge – Shared Services SA	13 382	11 007	13 382	11 007
Goods received free of charge	-	30 349	-	30 349
Volunteer services received free of charge	74	-	-	-
<b>Total resources received free of charge</b>	<b>13 456</b>	<b>41 356</b>	<b>13 382</b>	<b>41 356</b>

**Volunteers**

The department receives volunteer services at schools for assistance across a range of functions. The department recognises these services received free of charge because they form a necessary part of the school's activities. Services of this nature are recognised where they would have otherwise been purchased and fair value can be determined reliably. A corresponding expense is also recognised, but is not required to be disclosed as a separate line item.

**Goods received free of charge**

Goods received free of charge in 2018-19 includes the land for Adelaide Botanic High School and 2 residential houses on the Urrbrae High School site that transferred from DPTI. The Parks Children's Centre also transferred from the Department of Human Services, and the Wallaroo Preschool Centre transferred from the Copper Coast Council to the Minister for Education.

**2.8. Other revenues**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Fundraising revenue	7 708	7 866	-	-
Transfers from contingencies	6 071	6 604	6 071	6 604
Recoveries	5 609	5 318	5 694	5 643
Commission received	2 858	3 025	5 520	5 661
Assets recognised for the first time	3 473	2 468	3 473	2 468
Other revenue	38 743	41 487	12 154	4 391
<b>Total other revenues</b>	<b>64 462</b>	<b>66 768</b>	<b>32 912</b>	<b>24 767</b>

Other revenues are recognised as income on receipt.

**Department for Education**  
**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 Minister, the Chief Executive Officer and other members of the Senior Executive Group who have responsibility for the strategic direction and management of the department.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education receives. The Minister'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*.

	2020	2019
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	3 708	3 525
Post-employment benefits (employer contributed superannuation)	334	294
<b>Total compensation</b>	<b>4 042</b>	<b>3 819</b>

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

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

There are no material transactions to disclose for key management personnel and related parties.

**3.2. Board and committee members**

Members of the boards and committees during the 2019-20 financial year were:

**Animal Ethics Committee**

Mr Graeme Aust  
 Mr Alex Carr <sup>1</sup> (appointed 21 November 2019)  
 Ms Tracey Davies <sup>1</sup>  
 Mr John Hatch  
 Mr Manfred Heide  
 Ms Monica Kloppers <sup>1</sup>  
 Ms Jane Materne  
 Ms Sahra McFetridge (appointed 1 July 2019)  
 Ms Kay McGrath  
 Mr Matthew Mercorella <sup>1</sup>  
 Ms Sally Nance (resigned 18 July 2019)  
 Mr Ross Templeman <sup>1</sup>  
 Ms Margy Wright <sup>1</sup>

**Education Audit and Risk Committee**

Ms Ruth Blenkiron  
 Dr Caroline Croser-Barlow <sup>1</sup> (appointed 1 June 2020)  
 Ms Audra Cooper <sup>1</sup> (resigned 31 December 2019)  
 Ms Anne Millard <sup>1</sup>  
 Ms Julieann Riedstra <sup>1</sup>  
 Mr Coenraad Robberts <sup>1</sup>  
 Dr Tom Stubbs  
 Mr Ben Temperly <sup>1</sup>

**SA Teacher Certification Committee**

Ms Monica Conway (resigned 30 December 2019)  
 Mr Adrian Dilger  
 Ms Veronica Lee (resigned 30 December 2019)  
 Ms Susan Miels <sup>1</sup>  
 Mrs Belinda Radcliffe <sup>1</sup>  
 Ms Lynda Seacombe  
 Ms Elizabeth Sexton  
 Ms Sue Kennedy-Bradford (appointed 1 January 2020)

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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

**Education Management System Project Board**

Ms Julieann Riedstra<sup>1</sup>  
 Mr Chris Bernardi<sup>1</sup>  
 Ms Deonne Smith<sup>1</sup>  
 Ms Rowena Fox<sup>1</sup>  
 Ms Nanette Van Ruiten<sup>1</sup>  
 Ms Karen Weston<sup>1</sup> (resigned 20 March 2020)  
 Mr Ben Temperly<sup>1</sup>  
 Mr Scott Bayliss<sup>1</sup>  
 Ms Jasmine Sinodinos<sup>1</sup>  
 Mr Bret Morris  
 Dr Eva Balan-Vnuk<sup>1</sup>  
 Mr Ken Loutain<sup>1</sup>  
 Mr John Dunnery<sup>1</sup>

**Expert Advisory Panel for the Aboriginal Education Strategy**

Professor Peter Buckskin  
 Ms April Lawrie<sup>1</sup>  
 Dr Karen Sinclair  
 Dr Kaye Price  
 Professor Chris Matthews  
 Professor Daryle Rigney  
 Ms Annette Williams<sup>1</sup>  
 Mr Rueben Burton<sup>1</sup>

**Orbis Expert Advisory Board**

Ms Susan Cameron<sup>1</sup>  
 Mr Jules Carrigan  
 Ms Marina Elliott<sup>1</sup>  
 Ms Anne Millard<sup>1</sup>  
 Mr Rick Persse<sup>1</sup>  
 Mr Paul Reville  
 Ms Laura Schonfeldt<sup>1</sup>  
 Mr Jonathan Sharples  
 Ms Helen Timperley  
 Mr Chris Wardlaw

1 Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with the Premier and Cabinet Circular No.16.

	2020	2019
The number of members whose remuneration received/receivable falls within the following bands:		
	<b>Number of members</b>	<b>Number of members</b>
\$0	44	20
\$1 - \$19 999	17	6
\$20 000 - \$39 999	1	-
<b>Total number of members</b>	<b>62</b>	<b>26</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration, including employer superannuation contributions, received or receivable by members was \$55 000 (2019: \$32 000).

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**3.3. Employee benefits expenses**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	2 135 242	2 001 477	2 094 369	1 962 423
Employment on-costs - superannuation	214 813	202 646	211 152	199 284
Employment on-costs - payroll tax	117 683	112 798	117 683	112 798
Long service leave	58 654	90 979	57 852	90 160
Workers Compensation	41 840	43 413	41 840	43 412
Skills and experience retention leave	12 280	10 870	12 280	10 870
Targeted voluntary separation payments	1 596	12 519	1 596	12 519
Country incentive leave	271	251	271	251
Board and committee fees	55	32	55	32
Other employee related expenses	5 287	4 556	5 027	4 264
<b>Total employee benefits expenses</b>	<b>2 587 721</b>	<b>2 479 541</b>	<b>2 542 125</b>	<b>2 436 013</b>

**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.

**Targeted voluntary separation packages**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	Number of employees	Number of employees	Number of employees	Number of employees
The number of employees who received/owed a TVSP during the reporting period was:	16	145	16	145

  

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Separation payments	1 596	12 519	1 596	12 519
Leave paid to those employees	241	5 022	241	5 022
<b>Total amount paid</b>	<b>1 837</b>	<b>17 541</b>	<b>1 837</b>	<b>17 541</b>

  

Recovery from the Department of Treasury and Finance	184	6 489	184	6 489
<b>Net cost to the department</b>	<b>1 653</b>	<b>11 052</b>	<b>1 653</b>	<b>11 052</b>

The disclosure above includes targeted voluntary separation payments.

Annual leave and long service leave are paid at the time of separation payments. All leave entitlements are reported on an accrual basis in the employee benefits expenses note.

**Number of employees as at the reporting date**

As at 30 June, the department employed 24 695 (2019: 24 630) full-time equivalents.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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

	2020	2020	2019	2019
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of executives <sup>1</sup>	Consolidated Number of employees <sup>2</sup>	Consolidated Number of executives <sup>1</sup>	Consolidated Number of employees <sup>2</sup>
\$151 000 to \$154 000*	n/a	n/a	-	99
\$154 001 to \$174 000	7	268	4	193
\$174 001 to \$194 000	3	110	6	62
\$194 001 to \$214 000	17	66	13	57
\$214 001 to \$234 000	4	12	6	13
\$234 001 to \$254 000	4	7	4	4
\$254 001 to \$274 000	4	4	1	2
\$274 001 to \$294 000	3	3	4	7
\$294 001 to \$314 000	1	2	1	6
\$314 001 to \$334 000	-	-	1	4
\$334 001 to \$354 000	1	1	-	2
\$354 001 to \$374 000	-	2	-	1
\$374 001 to \$394 000	-	-	-	1
\$434 001 to \$454 000	-	-	-	1
\$454 001 to \$474 000	-	-	1	1
\$474 001 to \$494 000	1	1	-	-
<b>Total number of executives / employees</b>	<b>45</b>	<b>476</b>	<b>41</b>	<b>453</b>

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

<sup>1</sup> The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2020 and 30 June 2019 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2020 and 2019.

<sup>2</sup> Includes resigned and retired executives not included in the executive column.

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

Remuneration received or due and receivable by the above employees was \$85.4 million (2019: \$81.1 million), which is included in employee benefits expenses.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**3.4. Employee benefits liabilities**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Annual leave	132 888	121 778	131 492	120 436
Long service leave	54 225	55 167	54 097	55 010
Skills and experience retention leave	21 097	19 876	21 097	19 876
Accrued salaries and wages	33 520	17 350	32 817	16 729
Country incentive leave	468	516	468	516
<b>Total current employee benefits</b>	<b>242 198</b>	<b>214 687</b>	<b>239 971</b>	<b>212 567</b>
<b>Non-current</b>				
Long service leave	490 100	484 737	486 140	481 154
Country incentive leave	1 728	1 868	1 728	1 868
<b>Total non-current employee benefits</b>	<b>491 828</b>	<b>486 605</b>	<b>487 868</b>	<b>483 022</b>
<b>Total employee benefits</b>	<b>734 026</b>	<b>701 292</b>	<b>727 839</b>	<b>695 589</b>

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

***Salaries and wages, annual leave, country incentive 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 reporting date.

The annual leave liability, country incentive leave and the SERL liability are expected to be payable within 12 months and are 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. Details about the measurement of long service leave liability is provided as note 11.1.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**4. Expenses**

**4.1. Supplies and services**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	170 379	160 952	128 366	123 130
Printing, postage and consumables	80 749	84 221	4 684	5 709
Information technology and communication	58 373	44 522	49 245	36 112
Cleaning	53 627	42 112	7 754	6 102
Utilities	49 125	51 026	48 202	49 684
Contractors and other outsourced services	38 955	34 705	37 680	34 999
Student learning materials	30 820	34 702	-	-
Bus contractors	27 267	27 240	27 276	27 245
Excursions and camps	26 845	25 016	-	-
Vehicle and travelling expenses	25 910	31 031	23 409	28 089
Management fees and charges	24 757	19 837	26 855	22 170
Accommodation	7 649	7 679	7 652	7 683
Training and development	14 665	14 795	7 080	7 034
Cost of goods sold	14 623	14 525	-	-
Shared Services SA charges	13 803	11 436	13 803	11 436
Security	7 696	6 894	7 139	6 613
Insurance (including self-insurance)	7 637	6 832	7 640	6 833
Public Private Partnerships Service Fee	5 954	5 847	5 954	5 847
Copyright	4 224	4 356	4 222	4 353
Rentals and operating leases	15 040	17 278	12 815	14 904
Legal costs	3 697	3 267	3 697	3 268
Other supplies and services	80 229	80 279	13 273	9 879
<b>Total supplies and services</b>	<b>762 024</b>	<b>728 552</b>	<b>436 746</b>	<b>411 090</b>

**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.

**Operating lease payments**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating Lease payments include rental agreements that do not meet the definition of a lease as per AASB 16.

**Short term hire for vehicles**

The department uses short term hire for vehicles which are shown above in vehicle and travelling expenses.

**Short term and low value leases**

Other short term and low value leases are recorded as rentals and operating leases.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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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 Consolidated Number	2020 Consolidated \$'000	2019 Consolidated Number	2019 Consolidated \$'000
Below \$10 000	4	28	1	9
\$10 000 or above	21	1 509	16	1 805
<b>Total paid / payable to the consultants engaged</b>	<b>25</b>	<b>1 537</b>	<b>17</b>	<b>1 814</b>

**4.2. Grants and subsidies**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
Recurrent grants paid to other organisations	60 594	35 408	60 594	35 408
Recurrent grants paid to preschools	8 893	6 895	8 893	6 895
Recurrent grants paid to schools and units	-	-	192 746	169 327
Capital grants paid to schools and units	-	-	-	20
Capital grants paid to other organisations	-	4 008	-	4 008
<b>Total grants and subsidies</b>	<b>69 487</b>	<b>46 311</b>	<b>262 233</b>	<b>215 658</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**4.3. Depreciation and amortisation**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>				
Buildings and improvements	129 757	126 237	129 540	126 105
Computing, communication, furniture and equipment	6 294	6 053	278	416
Buses and motor vehicles	3 034	3 019	2 283	2 257
Leasehold improvements	1 193	1 179	1 193	1 179
Right of use plant and equipment	15	-	-	-
Right of use buildings	4 797	3 609	4 576	3 609
Right of use vehicles	2 993	-	2 178	-
Other assets	786	775	37	23
<b>Total depreciation</b>	<b>148 869</b>	<b>140 872</b>	<b>140 085</b>	<b>133 589</b>
<b>Amortisation</b>				
Service right for use of equipment	863	861	863	861
Externally provided software	12	27	12	27
<b>Total amortisation</b>	<b>875</b>	<b>888</b>	<b>875</b>	<b>888</b>
<b>Total depreciation and amortisation</b>	<b>149 744</b>	<b>141 760</b>	<b>140 960</b>	<b>134 477</b>

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

Land and non-current assets held for sale are not depreciated.

**Review of accounting estimates**

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

**Useful Life**

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

Class of asset	Useful life (years)
Buildings and improvements	10-170
Leasehold improvements	Lease term
Buses and motor vehicles	12-20
Computing, communications, furniture and equipment	3-20
Right of use assets	Lease term
Intangible assets	3-30
Other assets	5-10

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**4.4. Borrowing costs**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Lease costs	21 942	22 014	21 889	22 014
Finance charge costs	442	-	442	-
<b>Total borrowing costs</b>	<b>22 384</b>	<b>22 014</b>	<b>22 331</b>	<b>22 014</b>

Lease costs and finance charge costs relate mainly to the interest expenses associated with the Public Private Partnership agreements. The department does not capitalise borrowing costs. For further information refer to note 5.2 and note 10.1.

**4.5. Net loss / (gain) from disposal of non-current assets**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Land and buildings</b>				
Proceeds from disposal	(414)	(3 729)	(420)	(3 729)
Less net book value of assets disposed	803	3 434	803	3 434
<b>Net loss/(gain) from disposal of land and buildings</b>	<b>389</b>	<b>(295)</b>	<b>383</b>	<b>(295)</b>
<b>Vehicles, plant and equipment</b>				
Proceeds from disposal	(401)	(404)	(149)	(158)
Less net book value of assets disposed	783	686	395	377
<b>Net loss/(gain) from disposal of vehicles, plant and equipment</b>	<b>382</b>	<b>282</b>	<b>246</b>	<b>219</b>
<b>Non-current assets classified as held for sale</b>				
Proceeds from disposal	(444)	(4 982)	(444)	(4 982)
Less net book value of assets disposed	207	4 867	207	4 867
<b>Net loss/(gain) from disposal of non-current assets classified as held for sale</b>	<b>(237)</b>	<b>(115)</b>	<b>(237)</b>	<b>(115)</b>
<b>Total assets</b>				
Proceeds from disposal	(1 259)	(9 115)	(1 013)	(8 869)
Less net book value of assets disposed	1 793	8 987	1 405	8 678
<b>Net loss/(gain) from disposal of total assets</b>	<b>534</b>	<b>(128)</b>	<b>392</b>	<b>(191)</b>

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

When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**4.6. Other expenses**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Non-current assets written off	1 066	12 542	1 066	12 542
Allowance for impairment loss on receivables	2 254	2 348	49	199
Emergency Services Levy	967	888	967	888
Auditor's remuneration – other	527	1 101	462	1 037
Auditor's remuneration - Auditor-General's Department *	540	483	540	483
Insurance	929	1 426	1 075	1 568
Donated assets	-	-	615	903
Other expenses	1	3	1	3
<b>Total other expenses</b>	<b>6 284</b>	<b>18 791</b>	<b>4 775</b>	<b>17 623</b>

\* Audit fees paid/payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

For further information on the allowance for impairment loss on receivables refer to note 6.2.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Land</b>				
Land	1 582 083	1 567 868	1 581 684	1 567 469
<b>Total land</b>	<b>1 582 083</b>	<b>1 567 868</b>	<b>1 581 684</b>	<b>1 567 469</b>
<b>Buildings and improvements</b>				
Buildings and improvements	8 042 117	8 026 099	8 040 324	8 024 531
Accumulated depreciation	(5 164 722)	(5 067 646)	(5 164 022)	(5 067 082)
<b>Total buildings and improvements</b>	<b>2 877 395</b>	<b>2 958 453</b>	<b>2 876 302</b>	<b>2 957 449</b>
<b>Construction work in progress</b>				
Construction work in progress	115 770	28 228	115 770	28 228
<b>Total construction work in progress</b>	<b>115 770</b>	<b>28 228</b>	<b>115 770</b>	<b>28 228</b>
<b>Leasehold improvements</b>				
Leasehold improvements	38 296	38 296	38 296	38 296
Accumulated depreciation	(29 407)	(28 214)	(29 407)	(28 214)
<b>Total leasehold improvements</b>	<b>8 889</b>	<b>10 082</b>	<b>8 889</b>	<b>10 082</b>
<b>Buses and motor vehicles</b>				
Buses and motor vehicles	58 054	60 366	43 076	45 756
Accumulated depreciation	(27 051)	(27 933)	(17 511)	(18 610)
<b>Total buses and motor vehicles</b>	<b>31 003</b>	<b>32 433</b>	<b>25 565</b>	<b>27 146</b>
<b>Computing, communications, furniture and equipment</b>				
Computing, communications, furniture and equipment	80 161	71 354	16 623	14 570
Accumulated depreciation	(50 356)	(46 356)	(13 369)	(13 272)
<b>Total computing, communications, furniture and equipment</b>	<b>29 805</b>	<b>24 998</b>	<b>3 254</b>	<b>1 298</b>
<b>Other assets</b>				
Other assets	14 062	12 424	3 487	3 488
Accumulated depreciation	(9 284)	(8 764)	(3 167)	(3 334)
<b>Total other assets</b>	<b>4 778</b>	<b>3 660</b>	<b>320</b>	<b>154</b>
<b>Total property, plant and equipment</b>	<b>4 649 723</b>	<b>4 625 722</b>	<b>4 611 784</b>	<b>4 591 826</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**5.1. Property, plant and equipment by asset class (continued)**

Property, plant and equipment with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed.

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

The construction work in progress includes \$34.6 million for two birth-to-year 12 schools being constructed under a Public Private Partnership (PPP) agreement delivered under the SA Schools Public Private Partnership Project. Further details about this agreement is provided in note 10.1.

***Impairment***

The department holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value.

The department also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount will be close to or greater than fair value.

Land, buildings and improvements for 3 (2019: 3) disused sites were written down to their fair value less cost of disposal. An impairment loss of \$1 million (2019: \$4.4 million) was recognised. The valuations were provided by independent certified practising valuers and were based on observable market data.

There were no other indications of impairment of property, plant and equipment at 30 June 2020.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.1. Property, plant and equipment by asset class (continued)**

**Reconciliation 2019-20**

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department 2019-20	Land	Buildings and improvements	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July 2019</b>	1 567 469	2 957 449	28 228	10 082	27 146	1 298	154	4 591 826
Additions	12 516	3 713	130 905	-	1 619	2 141	60	150 954
Disposals	(695)	(83)	-	-	(395)	-	-	(1 173)
Assets derecognised	-	(1 010)	(31)	-	-	(23)	-	(1 064)
Assets reclassified to assets held for sale	(825)	-	-	-	(522)	-	-	(1 347)
Transfers to/(from) WIP	-	43 332	(43 332)	-	-	-	-	-
Revaluation increment/(decrement)	4 084	-	-	-	-	-	-	4 084
Impairment to revaluation surplus	(865)	(158)	-	-	-	-	-	(1 023)
Depreciation and amortisation	-	(129 540)	-	(1 193)	(2 283)	(278)	(37)	(133 331)
Assets recognised for the first time	-	2 599	-	-	-	731	143	3 473
Donated assets to schools	-	-	-	-	-	(615)	-	(615)
<b>Carrying amount at 30 June 2020</b>	<b>1 581 684</b>	<b>2 876 302</b>	<b>115 770</b>	<b>8 889</b>	<b>25 565</b>	<b>3 254</b>	<b>320</b>	<b>4 611 784</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.1. Property, plant and equipment by asset class (continued)**

**Reconciliation 2018-19**

The reconciliation of non-current assets is for the Department entity only.

Department 2018-19	Land	Buildings and improvements	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July 2018</b>	1 498 246	2 758 179	170 986	6 868	28 473	1 068	74	4 463 894
Additions	785	2 321	174 343	-	1 307	651	10	179 417
Disposals	(2 235)	(1 199)	-	-	(377)	-	-	(3 811)
Assets derecognised	-	(12 537)	-	-	-	(5)	-	(12 542)
Assets reclassified to/(from) assets held for sale	(214)	(25)	-	-	17	-	-	(222)
Transfers to/(from) WIP	-	316 215	(316 215)	-	-	-	-	-
Transfers between asset classes	-	(4 393)	-	4 393	-	-	-	-
Revaluation increment/(decrement)	67 582	-	-	-	-	-	-	67 582
Impairment to revaluation surplus	(315)	(4 110)	-	-	-	-	-	(4 425)
Depreciation and amortisation	-	(126 105)	-	(1 179)	(2 257)	(416)	(23)	(129 980)
Assets recognised for the first time	-	2 375	-	-	-	-	93	2 468
Transfers from SA Government	3 500	26 497	-	-	-	-	-	29 997
Donated assets (to)/from 3rd parties	120	231	(886)	-	(17)	-	-	(552)
<b>Carrying amount at 30 June 2019</b>	<b>1 567 469</b>	<b>2 957 449</b>	<b>28 228</b>	<b>10 082</b>	<b>27 146</b>	<b>1 298</b>	<b>154</b>	<b>4 591 826</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.2. Right of use assets**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Right of use buildings</b>				
Right of use buildings	215 821	207 986	214 384	207 986
Accumulated depreciation	(35 846)	(31 047)	(35 626)	(31 047)
<b>Total right of use buildings</b>	<b>179 975</b>	<b>176 939</b>	<b>178 758</b>	<b>176 939</b>
<b>Right of use vehicles</b>				
Right of use vehicles	6 764	-	4 748	-
Accumulated depreciation	(2 735)	-	(1 972)	-
<b>Total right of use vehicles</b>	<b>4 029</b>	<b>-</b>	<b>2 776</b>	<b>-</b>
<b>Right of use plant and equipment</b>				
Right of use plant and equipment	53	-	-	-
Accumulated depreciation	(15)	-	-	-
<b>Total right of use plant and equipment</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total right of use assets</b>	<b>184 042</b>	<b>176 939</b>	<b>181 534</b>	<b>176 939</b>

Right of use assets are recorded at cost. On transition to AASB 16 all right of use assets which have been revalued are deemed to be recorded at cost and APS 16F requires the revaluation model not to be adopted.

Right of use buildings for the Education Works New Schools Public Private Partnership lease were revalued prior to transition. The independent valuation of buildings for Education Works New Schools Public Private Partnership lease were performed as at 30 June 2017 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd. The valuer adopted depreciated replacement cost when valuing the buildings due to there not being an active market for purchasing such buildings. The depreciated replacement cost considered the need for ongoing provision of government services, the specialised nature of the assets including the restricted use of the assets, size, condition, location and current use of the asset. The valuation was based on the cost data from construction manuals and projects costs of buildings recently erected.

As part of the changes under AASB 16 Leases, buildings under finance lease were reclassified to the right of use buildings for 2018-19.

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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.2. Right of use assets (continued)**

The department has a number of leases:

- 641 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 range from 3 years (60,000km) up to 5 years (100,000km).
- The department has 18 property leases that are non-cancellable. Remaining property lease terms range from 6 months to 23 years.
- Schools have 7 leases that are non-cancellable. The remaining lease terms range from 2 years to 15 years.
- Education Works New Schools Public Private Partnership lease relates to the design and construction of six schools. Refer to note 5.4 for service right for use of equipment and note 10.1 for expenditure commitments.

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.

**Reconciliation 2019-20**

The reconciliation of right of use assets is for the Consolidated entity only.

Consolidated 2019-20	Buildings under finance lease	Right of use buildings	Right of use vehicles	Right of use plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount transferred on adoption of AASB 16	(176 939)	176 939	-	-	-
Carrying amount at 1 July 2019	-	176 939	-	-	176 939
Additions	-	5	2 111	-	2 116
Disposals	-	-	(450)	-	(450)
Depreciation and amortisation	-	(4 797)	(2 993)	(15)	(7 805)
Assets recognised on adoption of AASB 16	-	7 828	5 361	53	13 242
Carrying amount at 30 June 2020	-	179 975	4 029	38	184 042

**5.3. Summary of property, plant and equipment and right of use assets**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
Property, plant and equipment	4 649 723	4 625 722	4 611 784	4 591 826
Right of use assets	184 042	176 939	181 534	176 939
<b>Total property, plant and equipment and right of use assets</b>	<b>4 833 765</b>	<b>4 802 661</b>	<b>4 793 318</b>	<b>4 768 765</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.4. Intangible assets**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Internally developed computer software</b>				
Internally developed computer software	4 354	4 354	4 354	4 354
Accumulated amortisation	(4 354)	(4 354)	(4 354)	(4 354)
<b>Total internally developed computer software</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Externally provided software</b>				
Externally provided software	140	139	140	139
Accumulated amortisation	(131)	(118)	(131)	(118)
<b>Total externally provided software</b>	<b>9</b>	<b>21</b>	<b>9</b>	<b>21</b>
<b>Service right for use of equipment</b>				
Service right for use of equipment	24 264	24 264	24 264	24 264
Accumulated amortisation	(7 871)	(7 008)	(7 871)	(7 008)
<b>Total service right for use of equipment</b>	<b>16 393</b>	<b>17 256</b>	<b>16 393</b>	<b>17 256</b>
<b>Total intangible assets</b>	<b>16 402</b>	<b>17 277</b>	<b>16 402</b>	<b>17 277</b>

The internally developed computer software relates to the department's human resource management system (Valeo).

The service right to use equipment relates to the provision, maintenance and replacement of equipment under the Education Works New Schools agreement. The service right is amortised over the remaining period of the agreement. The Education Works New Schools agreement has been detailed in note 10.1.

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 any accumulated amortisation and any accumulated impairment losses.

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

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

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

**Impairment**

There were no indications of impairment of intangible assets as at 30 June 2020.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.4. Intangible assets (continued)**

**Reconciliation**

The reconciliation of intangible assets is for the Department entity only.

Department 2019-20	Externally provided software	Service right for use of equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	21	17 256	17 277
Amortisation	(12)	(863)	(875)
<b>Carrying amount at 30 June 2020</b>	<b>9</b>	<b>16 393</b>	<b>16 402</b>

Department 2018-19	Externally provided software	Service right for use of equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	48	18 080	18 128
Additions	-	37	37
Amortisation	(27)	(861)	(888)
<b>Carrying amount at 30 June 2019</b>	<b>21</b>	<b>17 256</b>	<b>17 277</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.5. Inventories**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Materials at net realisable value	6 193	6 024	-	-
<b>Total inventories</b>	<b>6 193</b>	<b>6 024</b>	<b>-</b>	<b>-</b>

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

**5.6. Non-current assets classified as held for sale**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land	875	214	875	214
Buildings and improvements	-	70	-	70
Buses	522	-	522	-
<b>Total non-current assets classified as held for sale</b>	<b>1 397</b>	<b>284</b>	<b>1 397</b>	<b>284</b>

The department has measured the non-current assets held for sale at fair value less costs to sell because the assets' fair value less costs to sell is lower than its carrying amount. Detail about the department's approach to fair value is set out in note 11.2.

As a result of school and preschool closures and amalgamations, the land and buildings located at these sites are surplus to requirements. It is anticipated the land and buildings will be sold within the next 12 months.

Buses that have reached the end of their useful lives and are no longer economically viable are held for sale at auction.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5.6 Non-current assets classified as held for sale (continued)**

**Movement in the non-current assets classified as held for sale**

The following table shows the movement of non-current assets classified as held for sale:

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Land</b>				
Carrying amount at the beginning of the period	214	3 942	214	3 942
Asset disposals	(164)	(3 942)	(164)	(3 942)
Assets reclassified to/(from) assets held for sale	825	214	825	214
<b>Carrying amount at the end of the period</b>	<b>875</b>	<b>214</b>	<b>875</b>	<b>214</b>
<b>Buildings and improvements</b>				
Carrying amount at the beginning of the period	70	430	70	430
Asset disposals	(70)	(385)	(70)	(385)
Assets reclassified to/(from) assets held for sale	-	25	-	25
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>70</b>
<b>Buses</b>				
Carrying amount at the beginning of the period	-	558	-	558
Asset disposals	-	(541)	-	(541)
Assets reclassified to/(from) assets held for sale	522	(17)	522	(17)
<b>Carrying amount at the end of the period</b>	<b>522</b>	<b>-</b>	<b>522</b>	<b>-</b>
<b>Total non-current assets classified as held for sale</b>	<b>1 397</b>	<b>284</b>	<b>1 397</b>	<b>284</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer (AAEFA)	341 216	285 476	341 216	285 476
SA School Investment Fund (SASIF)	456 929	461 232	-	-
Deposits with the Treasurer - Section 8	189 844	143 936	189 844	143 936
Cash at bank and on hand	41 173	41 401	328	603
Deposits with the Treasurer - Section 21	394	393	394	393
<b>Total cash and cash equivalents</b>	<b>1 029 556</b>	<b>932 438</b>	<b>531 782</b>	<b>430 408</b>

***Deposits with the Treasurer***

Special deposit accounts are established under Section 8 and 21 of the Public Finance and Audit Act 1987. Special deposit accounts must be used in accordance with their approved purpose.

Although the department controls the money reported above in the Accrual Appropriation Excess Funds Account (AAEFA), its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

***SA School Investment Fund***

Represents the amount held in schools SASIF accounts at 31 December 2019, adjusted to account for additional grant revenue and other material movements that occurred between the school's calendar year and the department's financial year.

The physical amount held in schools and units SASIF accounts as at 30 June 2020 was \$453.0 million (2019: \$471.1 million) and does not include \$44.8 million (2019: \$39.5 million) held in the account for preschools and some units as these have been treated as transactions with third parties.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**6.2. Receivables**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Current</b>				
Fees, charges and other receivables				
From government entities	1 440	3 137	4 800	11 748
From non-government entities	32 881	28 608	11 221	5 784
Less impairment loss on receivables	(5 620)	(5 422)	(545)	(573)
<b>Total fees, charges and other receivables</b>	<b>28 701</b>	<b>26 323</b>	<b>15 476</b>	<b>16 959</b>
GST recoverable from the ATO	14 150	11 409	11 026	7 832
Prepayments	6 373	6 147	2 807	3 085
Accrued revenues	9 957	3 623	7 406	982
Loan receivables	2	-	704	636
<b>Total current receivables</b>	<b>59 183</b>	<b>47 502</b>	<b>37 419</b>	<b>29 494</b>
<b>Non-current</b>				
Workers compensation receivable	2 096	1 606	2 096	1 606
Loan receivables	106	10	4 055	2 688
<b>Total non-current receivables</b>	<b>2 202</b>	<b>1 616</b>	<b>6 151</b>	<b>4 294</b>
<b>Total receivables</b>	<b>61 385</b>	<b>49 118</b>	<b>43 570</b>	<b>33 788</b>

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. 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.

Other than as recognised in the 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.

**Allowance for impairment loss on receivables**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Carrying amount at the beginning of the period</b>	<b>5 422</b>	<b>5 755</b>	<b>573</b>	<b>643</b>
Increase/(decrease) in allowance recognised in profit or loss	2 254	2 348	49	199
Amounts written off	(2 056)	(2 681)	(77)	(269)
<b>Carrying amount at the end of the period</b>	<b>5 620</b>	<b>5 422</b>	<b>545</b>	<b>573</b>

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

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

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**6.3. Other financial assets**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Term deposits	76	186	-	-
<b>Total current investments</b>	<b>76</b>	<b>186</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Term deposits	11	15	-	-
Shares held in listed securities	155	142	-	-
<b>Total non-current investments</b>	<b>166</b>	<b>157</b>	<b>-</b>	<b>-</b>
<b>Total other financial assets</b>	<b>242</b>	<b>343</b>	<b>-</b>	<b>-</b>

The term deposits are carried at cost and are to be held to their maturity.

The fair value of shares held in listed securities is based on quoted market prices for identical assets or liabilities at balance date.

For further information on risk management refer to note 11.3.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**7. Liabilities**

**7.1. Payables**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors	52 779	44 644	98 654	49 346
Employment on-costs	44 427	47 586	44 405	47 559
Accrued expenses	15 325	6 748	1 922	2 515
Accrued interest on PPP lease	3 864	3 906	3 864	3 906
Paid Parental Leave Scheme payable	891	578	891	578
<b>Total current payables</b>	<b>117 286</b>	<b>103 462</b>	<b>149 736</b>	<b>103 904</b>
<b>Non-current</b>				
Employment on-costs	56 404	54 847	56 404	54 846
Accrued interest on PPP lease	12 300	11 464	12 300	11 464
Creditors	3	-	3	-
<b>Total non-current payables</b>	<b>68 707</b>	<b>66 311</b>	<b>68 707</b>	<b>66 310</b>
<b>Total payables</b>	<b>185 993</b>	<b>169 773</b>	<b>218 443</b>	<b>170 214</b>

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

***Employment on-costs***

Employment on-costs include Payroll Tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, country incentive leave, annual leave and skills and experience retention leave. They are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by DTF, the percentage of long service leave taken has increased to a rate of 64% (2019: 62%) and the average factor for the calculation of employer superannuation remained unchanged at a rate of 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year and subsequent years is immaterial.

***Paid parental leave scheme***

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

***Accrued interest on PPP lease***

Accrued interest on PPP lease relates to the Education Works New Schools Public Private Partnership lease.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**7.2. Financial Liabilities**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	3 561	-	2 612	-
Education Works New Schools PPP lease <sup>1</sup>	2 550	2 277	2 550	2 277
<b>Total current financial liabilities</b>	<b>6 111</b>	<b>2 277</b>	<b>5 162</b>	<b>2 277</b>
<b>Non-current</b>				
Lease liabilities	7 106	-	5 516	-
Education Works New Schools PPP lease <sup>1</sup>	160 638	163 188	160 638	163 188
SA Schools PPP borrowings <sup>1</sup>	34 997	-	34 997	-
<b>Total non-current financial liabilities</b>	<b>202 741</b>	<b>163 188</b>	<b>201 151</b>	<b>163 188</b>
<b>Total financial liabilities</b>	<b>208 852</b>	<b>165 465</b>	<b>206 313</b>	<b>165 465</b>

<sup>1</sup> These are related to the public private partnership agreements and are interest bearing.

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

The interest rate implied, based on the total payments due over the life of the Education Works New Schools PPP lease, is 11.26%.

The interest rate implied, based on the total payments due over the life of the SA Schools PPP Project lease, is 4.02%.

For further information on risk management refer to note 11.3.

All material cash outflows are reflected in the lease liabilities disclosed above. For 2018-19 the Education Works New Schools PPP lease was classified as finance lease recognised in accordance with AASB 117.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**7.3. Provisions**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Provision for workers' compensation	19 380	15 579	19 380	15 579
Provision for legal claims	500	670	500	670
Provision for fire claims	-	-	270	20
<b>Total current provisions</b>	<b>19 880</b>	<b>16 249</b>	<b>20 150</b>	<b>16 269</b>
<b>Non-current</b>				
Provision for workers' compensation	84 904	65 931	84 904	65 931
Provision for legal claims	3 718	3 757	3 718	3 757
<b>Total non-current provisions</b>	<b>88 622</b>	<b>69 688</b>	<b>88 622</b>	<b>69 688</b>
<b>Total provisions</b>	<b>108 502</b>	<b>85 937</b>	<b>108 772</b>	<b>85 957</b>
<b>Movement in workers compensation provisions</b>				
	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	81 510	58 605	81 510	58 605
Reductions arising from payments	(17 158)	(18 756)	(17 158)	(18 756)
Additional provision recognised	39 932	41 661	39 932	41 661
<b>Carrying amount at the end of the period</b>	<b>104 284</b>	<b>81 510</b>	<b>104 284</b>	<b>81 510</b>

A liability 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.

Following changes to relevant Public Sector Enterprise Agreements and Awards, the department has recognised an additional compensation provision from 30 June 2019.

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

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated to be \$0.13 million and this amount is included in the provision for workers compensation above.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**7.3. Provisions (continued)**

Movement in legal claim provisions	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
Carrying amount at the beginning of the period	4 427	4 293	4 427	4 293
Reductions arising from payments	(357)	(643)	(357)	(643)
Reversal of prior provision	(1 124)	(832)	(1 124)	(832)
Additional provision recognised	1 272	1 609	1 272	1 609
<b>Carrying amount at the end of the period</b>	<b>4 218</b>	<b>4 427</b>	<b>4 218</b>	<b>4 427</b>

Movement in fire claim provisions	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
Carrying amount at the beginning of the period	-	-	20	30
Reductions arising from payments	-	-	(105)	(13)
Reversal of prior provision	-	-	-	(10)
Additional provision recognised	-	-	355	13
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>20</b>

**7.4. Other liabilities**

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Current</b>				
Unearned revenue	-	670	-	670
Deposits	12 834	15 533	12 414	15 247
Other liabilities	14 035	18 319	404	261
Equipment service right	1 070	1 198	1 070	1 198
<b>Total current other liabilities</b>	<b>27 939</b>	<b>35 720</b>	<b>13 888</b>	<b>17 376</b>
<b>Non-current</b>				
Equipment service right	18 461	19 532	18 461	19 532
Other liabilities	470	470	470	470
Deposits	505	824	56	176
<b>Total non-current other liabilities</b>	<b>19 436</b>	<b>20 826</b>	<b>18 987</b>	<b>20 178</b>
<b>Total other liabilities</b>	<b>47 375</b>	<b>56 546</b>	<b>32 875</b>	<b>37 554</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**8. Other disclosures**

**8.1. Equity**

The revaluation surplus is used to record increments and decrements in the fair value of land, buildings, leasehold improvements and other financial assets to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

The equity contribution was provided to the department under the *Appropriation Act 2019*. The funding relates to an increase in the Education Accrual Appropriation Excess Fund Special Deposit Account held by the Treasurer.

For information about equity adjustments related to AASB changes refer to note 9.

**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 the operating cash flows.

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Leases</b>				
Buildings	22 263	-	22 055	-
Vehicles	3 053	-	2 220	-
Plant and equipment	13	-	-	-
<b>Total cash outflow for leases</b>	<b>25 329</b>	<b>-</b>	<b>24 275</b>	<b>-</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**8.2. Cash flow (continued)**

*Cash flow reconciliation*

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>				
Cash and cash equivalents disclosed in the Statement of Financial Position	1 029 556	932 438	531 782	430 408
Balance as per Statement of Cash Flows	1 029 556	932 438	531 782	430 408
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>				
Net cash provided by/(used in) operating activities	183 127	218 106	176 571	191 963
<b>Add / (less) non-cash items</b>				
Depreciation and amortisation	(149 744)	(141 760)	(140 960)	(134 477)
Bad and doubtful debts	(2 254)	(2 348)	(49)	(199)
Non-current assets derecognised/written off	(1 066)	(12 542)	(1 066)	(12 542)
Contributed assets	-	30 349	-	30 349
Donated assets	-	-	(615)	(903)
Assets recognised for the first time	3 473	2 468	3 473	2 468
Net loss/(gain) from disposal of non financial assets	(534)	128	(392)	191
<b>Movement in assets and liabilities</b>				
Increase/(decrease) in receivables	14 297	(4 162)	8 430	(9 903)
Increase/(decrease) in inventories	169	(41)	-	(3)
(Increase)/decrease in payables	(1 960)	(13 367)	(34 027)	(9 549)
(Increase)/decrease in employee benefits	(37 789)	(37 035)	(37 305)	(36 707)
(Increase)/decrease in financial liabilities	(442)	-	(442)	-
(Increase)/decrease in provisions	(22 565)	(23 039)	(22 815)	(23 029)
(Increase)/decrease in other liabilities	7 972	(4 137)	3 480	(1 199)
<b>Net result</b>	<b>(7 316)</b>	<b>12 620</b>	<b>(45 717)</b>	<b>(3 540)</b>

**Department for Education**  
**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 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:

	<b>Consolidated</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Closing retained earnings 30 June 2019 – AASB 117</b>	2 433 642	1 900 420
<b><u>Assets</u></b>		
Right of use assets	13 242	10 268
<b><u>Liabilities</u></b>		
Financial liabilities	13 089	10 117
<b>Opening retained earnings 1 July 2019 – AASB 16</b>	<b>2 433 795</b>	<b>1 900 571</b>

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$37.1 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 that should have been disclosed is \$10.3 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 – expenditure commitments.

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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**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 rate published by the Department of Treasury and Finance as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 0.59%.
- 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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**9.2. AASB 15 Revenue from Contracts 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.

**Impact on retained earnings**

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.
- 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.
- there is no disclosures of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with paragraph B16.

Significant accounting policies relate to the application of AASB 15 are disclosed under relevant notes.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**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**

The department has adopted AASB 1058 on 1 July 2019. The Treasurer's Instructions (Accounting Policy Statements) require certain choices in those transitional provisions to be taken. The department has on transition recognised the cumulative effect of initially applying AASB 1058 as an increase of \$0.16 million to the opening balance of retained earnings as at 1 July 2019. As a result, comparative information has not been restated.

**9.4. Effects on financial statements AASB 15 and 1058**

The impact on the financial statements for AASB 15 and AASB 1058 during the year are immaterial and are disclosed within the following notes:

Note 2.3 – Sale of goods and services. This note was previously called student and other fees and charges.

Note 2.4 – Contract balances. These balances would previously have been recorded as unearned revenue and is therefore only a disclosure change to the statements.

Note 2.7 – Resources received free of charge. This note now includes a line for volunteers.

**9.5. 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.

**Department for Education**  
**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 capital arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

**SA Schools Public Private Partnership Project**

In December 2019, the state of South Australia entered into a Project Deed for the delivery of the SA School Private Partnership Project for the finance, design, construction and maintenance of two birth-to-year 12 schools under a Public Private Partnership (PPP) agreement. The Northern School is in the Angle Vale suburb of Adelaide and the Southern School is in the Aldinga suburb of Adelaide. This is referred to as the SA Schools PPP agreement. Both schools are currently under construction, with Construction Work in Progress costs of \$34.56 million recognised in 2019-20. A corresponding finance charge and financial liability has been accounted for in note 4.4 and 7.2 respectively.

	Total expenditure commitments	Total capital commitments
	\$'000	\$'000
Later than one year but not later than five years	20 768	50 452
Later than five years	212 194	356 680
<b>SA Schools PPP Commitments</b>	<b>232 962</b>	<b>407 132</b>

The expenditure commitments include the provision of building and grounds maintenance, cleaning, waste management, security and other services, and the maintenance and replacement of equipment over the term of the agreement. The capital commitments are for the remaining construction costs and finance charges.

**Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements are payable as follows:

	2020 Consolidated \$'000	2019 Consolidated \$'000	2020 Department \$'000	2019 Department \$'000
Within one year	139 050	10 711	139 050	10 711
Later than one year but not later than five years	41 306	-	41 306	-
<b>Total capital commitments</b>	<b>180 356</b>	<b>10 711</b>	<b>180 356</b>	<b>10 711</b>

The department's capital commitments are for commitments under the investing program.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**10.1. Unrecognised contractual commitments (continued)**

**Expenditure commitments**

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	13 007	13 121	13 007	13 121
Later than one year but not later than five years	34 322	43 385	34 322	43 385
Later than five years	111 814	123 203	111 814	123 203
<b>Total expenditure commitments</b>	<b>159 143</b>	<b>179 709</b>	<b>159 143</b>	<b>179 709</b>

The majority of expenditure commitments relate to future operations and maintenance commitments for the Education Works New Schools Public Private Partnership and memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation.

**Education Works New Schools Public Private Partnership**

In July 2009 the state of South Australia entered into a 30 year agreement for the delivery of the Education Works New School Private Partnership Project, under the Partnerships SA policy, for the financing, design, construction, and maintenance of six schools. This agreement includes the provision of operational and maintenance services by the operator for a specified period of time, and is referred to as a Public Private Partnership.

Under the Education Works New Schools PPP agreement, the department pays the operator over the period of the arrangement, subject to specified performance criteria being met. These estimated periodic payments relate to the ongoing operation and maintenance of the facilities accounted for as operating costs which are expensed in the Statement of Comprehensive Income.

**Education Works New Schools minimum lease payment commitments**

Future minimum lease payments under finance lease together with the present value of net minimum lease payments are as follows:

	2020	2020	2019	2019
	Minimum	Present	Minimum	Present
	lease	value of	lease	value of
	payments	lease	payments	lease
	\$'000	payments	\$'000	payments
	\$'000	\$'000	\$'000	\$'000
Within one year	-	-	21 002	18 893
Later than one year but not later than five years	-	-	83 963	58 379
Later than five years	-	-	316 836	88 193
<b>Total minimum lease payments</b>	<b>-</b>	<b>-</b>	<b>421 801</b>	<b>165 465</b>
Less amounts representing finance charges	-	-	256 336	-
<b>Present value of minimum lease payments</b>	<b>-</b>	<b>-</b>	<b>165 465</b>	<b>165 465</b>

Finance lease commitments disclosures are provided for the comparative year only as AASB 117 required this disclosure.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**10.1. Unrecognised contractual commitments (continued)**

**Operating lease commitments for facilities and vehicles**

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

	2020	2019	2020	2019
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	-	3 674	-	2 931
Later than one year but not later than five years	-	6 130	-	5 454
Later than five years	-	2 154	-	1 871
<b>Total operating lease commitments for facilities and vehicles</b>	<b>-</b>	<b>11 958</b>	<b>-</b>	<b>10 256</b>

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 not include commitments for memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation. This has been reclassified and included under expenditure commitments. For more detail about the reclassification see note 9.1.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**10.2. Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of this note.

An application is currently before the South Australian Employment Tribunal in relation to an interpretation of the "Teachers of Special Classes Allowance" provided under the Teachers (DECS) Award. The application by the Australian Education Union is seeking to broaden the eligibility of the allowance. A sufficiently reliable estimate of the potential liability cannot be quantified at this time.

The department has undertaken a review of long service leave records and supporting documents and identified that a revision in the long service leave provision may be required for certain employee categories. The department is not able to reliably estimate the total potential amount of the change to the overall liability at the reporting date. Where amounts are able to reliably be identified and measured, they have been recognised as liabilities in line with the measurement and recognition criteria of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.

**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**

As the situation with COVID-19 evolves, the department continues to plan and operate in accordance with advice from SA Health to support the safety and wellbeing of staff, students and the broader community. It is expected that the increase in cleaning costs and associated cleaning consumables will continue during the pandemic period.

**10.5. Events after the reporting period**

No events to report after reporting period.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**11. Measurement and risk**

**11.1. Long service leave and other employee benefit liabilities – measurement**

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government. 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 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department for Treasury and Finance (DTF) has provided the basis for the measurement of long service leave.

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 decreased to 0.50% (2019: 1.25%).

The actuarial assessment performed by DTF decreased the salary inflation rate to 2.5% (2019: 4%) for long service leave liability and 2% (2019: 2.2%) for annual leave and skills and experience retention 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 \$25.6 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 impact on annual leave and skills and experience retention leave liabilities was immaterial.

The split for long service leave between current and non-current is based on the departments best estimate of the amount to be paid in the coming year.

**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 measurement date.

***Initial recognition***

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

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

All non-current tangible assets with a value equal to or in excess of \$5 000 are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

***Revaluation of non-current assets***

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 million and estimated useful life is greater than three years.

The department revalues its buildings and improvements and leasehold improvements at least every three years. However if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land is revalued annually if the revaluation is considered to be material in nature.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**11.2. Fair value (continued)**

The revaluation of buildings and improvements has been deferred until the 2020-21 financial year due to the contracted valuer being unable to gain access to sites due to COVID-19 restrictions.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

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

**Impairment of non-current assets**

For further information refer to note 5.1.

**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 valuation.

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

Level 2: not traded in an active market and are derived from inputs (input 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 2019 and 2020, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and level 2 fair value hierarchy levels and there were no changes in valuation technique.

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

Fair value measurements at 30 June 2020	Department	Department	Department
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land	1 581 684	-	1 581 684
Buildings and improvements	200	2 876 102	2 876 302
Leasehold improvements	-	8 889	8 889
Buses and motor vehicles	-	25 565	25 565
Computing, communications, furniture and equipment	-	3 254	3 254
Other assets	-	320	320
<b>Total recurring fair value measurements</b>	<b>1 581 884</b>	<b>2 914 130</b>	<b>4 496 014</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale	875	-	875
Buses held for sale	522	-	522
<b>Total non-recurring fair value measurements</b>	<b>1 397</b>	<b>-</b>	<b>1 397</b>
<b>Total fair value measurements</b>	<b>1 583 281</b>	<b>2 914 130</b>	<b>4 497 411</b>

**Department for Education**  
**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 2019**

Fair value measurements at 30 June 2019	Department Level 2 \$'000	Department Level 3 \$'000	Department Total \$'000
<b>Recurring fair value measurements</b>			
Land	1 567 469	-	1 567 469
Buildings and improvements	640	2 956 809	2 957 449
Leasehold improvements	-	10 082	10 082
Buses and motor vehicles	-	27 146	27 146
Computing, communications, furniture and equipment	-	1 298	1 298
Other assets	-	154	154
<b>Total recurring fair value measurements</b>	<b>1 568 109</b>	<b>2 995 489</b>	<b>4 563 598</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale	214	-	214
Buildings and improvements held for sale	70	-	70
<b>Total non-recurring fair value measurements</b>	<b>284</b>	<b>-</b>	<b>284</b>
<b>Total fair value measurements</b>	<b>1 568 393</b>	<b>2 995 489</b>	<b>4 563 882</b>

**Land and buildings**

The independent valuation of land was performed by the Valuer-General as at 30 June 2020.

Buildings and improvements are valued at current replacement cost less accumulated depreciation. Current replacement cost information on asset holdings was obtained from the Strategic Asset Management Information System (SAMIS) maintained by the Department of Planning, Transport and Infrastructure (DPTI). Replacement costs have been established by reference to quantity surveyors' estimates and updated through the application of a relevant building index. The valuations for buildings are current as at 30 June 2017, paved areas are current as at 30 June 2017 and swimming pools are current as at 30 June 2018. The building data excludes landscaping, infrastructure, pergolas, playground equipment, fencing and some paving, sheds and outdoor learning areas because they either cannot be reliably measured or no information is recorded in SAMIS.

As part of the changes under AASB 16 Leases, buildings under finance lease were transferred to the right of use buildings asset class in 2018-19, refer to 5.2 for independent valuation information on right of use buildings.

**Leasehold improvements**

The independent valuation of leasehold improvements was performed by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of Valcorp Australia Pty Ltd as at 30 June 2017. The valuer adopted depreciated replacement cost when valuing the assets as quoted prices in an active liquid market were not available.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**11.2. Fair value (continued)**

***Buses and motor vehicles***

Buses acquired prior to 30 June 2015 are valued based on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, and residual values as at 30 June 2015. New buses from 1 July 2015 are valued at historical cost.

***Computing, communications, furniture and equipment***

All computing, communications, furniture and equipment and other assets which had a fair value at time of acquisition that was less than \$1.5 million have not been revalued in accordance with APS 116.D. The carrying values of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their fair value, except for management assumptions about condition and remaining useful life.

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

The department has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* because the assets' fair value less costs to sell is lower than its carrying amount. Refer to note 5.6.

**Department for Education**  
**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).

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department 2019-20	Buildings and improvements	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 956 809	10 082	27 146	1 298	154
Additions	3 713	-	1 619	2 141	60
Disposals	(83)	-	(395)	-	-
Assets derecognised	(1 010)	-	-	(23)	-
Assets reclassified to assets held for sale	-	-	(522)	-	-
Transfers from WIP	43 332	-	-	-	-
Assets recognised for the first time	2 599	-	-	731	143
Transfers from third parties	-	-	-	(615)	-
Depreciation and amortisation	(129 100)	(1 193)	(2 283)	(278)	(37)
<b>Total gains/(losses) recognised in net result</b>	<b>(129 100)</b>	<b>(1 193)</b>	<b>(2 283)</b>	<b>(278)</b>	<b>(37)</b>
Gains/(losses) for the period recognised in other comprehensive income (OCI)					
Revaluation increments/(decrements)	(158)	-	-	-	-
<b>Total gains/(losses) recognised in OCI</b>	<b>(158)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at the end of the period</b>	<b>2 876 102</b>	<b>8 889</b>	<b>25 565</b>	<b>3 254</b>	<b>320</b>

**Department for Education**  
**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 2019**

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

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department 2018-19	Buildings and improvements	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 756 201	6 868	28 473	1 068	74
Additions	2 321	-	1 307	651	10
Disposals	-	-	(377)	-	-
Assets derecognised	(12 537)	-	-	(5)	-
Assets reclassified to assets held for sale	(25)	-	-	-	-
Transfers from WIP	316 215	-	-	-	-
Transfers between asset classes	(4 393)	4 393	-	-	-
Assets recognised for the first time	2 375	-	-	-	93
Transfers from third parties	26 497	-	-	-	-
Transfer into level 3 <sup>1</sup>	-	-	17	-	-
Transfer out of level 3 <sup>2</sup>	(86)	-	-	-	-
Donated Assets	231	-	(17)	-	-
Gains/(losses) for the period recognised in net result:					
Depreciation and amortisation	(125 880)	(1 179)	(2 257)	(416)	(23)
<b>Total gains/(losses) recognised in net result</b>	<b>(125 880)</b>	<b>(1 179)</b>	<b>(2 257)</b>	<b>(416)</b>	<b>(23)</b>
Gains/(losses) for the period recognised in other comprehensive income (OCI)					
Impairment to revaluation surplus	(4 110)	-	-	-	-
<b>Total gains/(losses) recognised in OCI</b>	<b>(4 110)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at the end of the period</b>	<b>2 956 809</b>	<b>10 082</b>	<b>27 146</b>	<b>1 298</b>	<b>154</b>

<sup>1</sup> In 2019 a bus was transferred from level 2 to level 3 and donated to a school.

<sup>2</sup> In 2019 certain buildings and improvements that were considered to be impaired were transferred from level 3 (existing use basis) to level 2 (market value basis) due to the assets being revalued to market value via an independent valuation based on observable market data.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**11.3. Financial instruments**

***Financial risk management***

Risk management is managed by the department and 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.

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

***Liquidity risk***

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

Refer to note 7.1 and 7.2 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***

Impairment of financial assets is performed using a two step process.

First, an allowance for impairment loss is recognised when there is objective evidence the receivable is impaired. Then the remaining receivables are assessed for loss allowances using the simplified approach in AASB 9.

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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**11.3. Financial instruments (continued)**

The following tables relate to the department's assessment of credit risk. This provides information about the exposure to the expected credit loss for non-government debtors. Credit risk has been assessed at the school level, however information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Table 1. General receivables non-government debtors

\$0.229 million was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2020</b>			
Current (not past due)	1 185	0.22%	3
1-30 days past due	58	0.63%	-
31-60 days past due	31	1.52%	-
61-90 days past due	98	2.58%	3
More than 90 days past due	1 025	3.49%	36
<b>Loss allowance</b>	<b>2 397</b>		<b>42</b>

Table 2. International Education debtors.

\$0.106 million was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2020</b>			
Current (not past due)	5 783	0.00%	-
1-30 days past due	231	0.00%	-
31-60 days past due	30	0.00%	-
61-90 days past due	22	0.00%	-
More than 90 days past due	188	0.00%	-
<b>Loss allowance</b>	<b>6 254</b>		<b>-</b>

Table 3. Salary overpayments debtors.

\$0.125 million was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2020</b>			
Current (not past due)	287	0.61%	2
1-30 days past due	140	1.78%	2
31-60 days past due	110	2.16%	2
61-90 days past due	148	2.55%	4
More than 90 days past due	1 161	2.86%	33
<b>Loss allowance</b>	<b>1 846</b>		<b>43</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

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**11.3. Financial instruments (continued)**

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 90 days past due.

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.

***Market risk***

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks.

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

***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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**11.3. Financial instruments (continued)**

The department measures all financial instruments at amortised cost.

The following tables are for the department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

**Categorisation of financial assets and liabilities (Department)**

Category of financial asset and financial liability	Notes	2020 Carrying amount / fair value \$'000	2019 Carrying amount / fair value \$'000	2020 Contractual maturities		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents						
Cash and cash equivalents	6.1	531 782	430 408	-	-	-
Financial assets at amortised cost						
Receivables	6.2	27 641	21 265	23 586	1 683	2 372
<b>Total financial assets</b>		<b>559 423</b>	<b>451 673</b>	<b>23 586</b>	<b>1 683</b>	<b>2 372</b>
<b>Financial liabilities</b>						
Financial liabilities held at amortised cost						
Payables	7.1	117 136	67 311	104 833	12 303	-
Lease liabilities	7.2	171 316	165 465	5 162	13 608	152 546
Borrowings	7.2	34 997	-	-	20 122	14 875
Contract balances	2.4	909	-	909	-	-
Other liabilities	7.4	32 875	37 554	13 888	5 534	13 453
<b>Total financial liabilities</b>		<b>357 233</b>	<b>270 330</b>	<b>124 792</b>	<b>51 567</b>	<b>180 874</b>

**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 cost (not materially different from amortised cost).

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

# **Department for Education**

## **Administered Financial Statements**

For the year ended 30 June 2020

**Department for Education**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered income</b>			
Appropriation	A2.1	505 142	305 466
Commonwealth sourced grants and funding	A2.2	1 273 263	977 794
Resources received free of charge	A2.3	6	5
Other revenues	A2.4	4 137	1 031
<b>Total administered income</b>		<b>1 782 548</b>	<b>1 284 296</b>
<b>Administered expenses</b>			
Employee benefits expense	A3.2	4 431	4 073
Supplies and services	A4.1	982	1 246
Transfer payments	A4.2	1 714 183	1 216 929
Grants and subsidies	A4.3	60 205	59 748
Depreciation	A4.4	258	53
<b>Total administered expenses</b>		<b>1 780 059</b>	<b>1 282 049</b>
<b>Net result</b>		<b>2 489</b>	<b>2 247</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result:</i>			
Changes in revaluation surplus		-	2 165
<b>Total other comprehensive income</b>		<b>-</b>	<b>2 165</b>
<b>Total comprehensive result</b>		<b>2 489</b>	<b>4 412</b>

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

**Department for Education**  
**Statement of Administered Financial Position**  
*for the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A6.1	41 018	37 828
Receivables	A6.2	513	388
<b>Total current assets</b>		<b>41 531</b>	<b>38 216</b>
<b>Administered non-current assets</b>			
Property, plant and equipment	A5.1	14 235	14 451
<b>Total non-current assets</b>		<b>14 235</b>	<b>14 451</b>
<b>Total assets</b>		<b>55 766</b>	<b>52 667</b>
<b>Administered current liabilities</b>			
Payables	A7.1	970	344
Employee benefits	A3.3	342	337
<b>Total current liabilities</b>		<b>1 312</b>	<b>681</b>
<b>Administered non-current liabilities</b>			
Payables	A7.1	44	45
Employee benefits	A3.3	377	397
<b>Total non-current liabilities</b>		<b>421</b>	<b>442</b>
<b>Total liabilities</b>		<b>1 733</b>	<b>1 123</b>
<b>Net assets</b>		<b>54 033</b>	<b>51 544</b>
<b>Administered equity</b>			
Retained earnings		51 868	49 379
Revaluation surplus		2 165	2 165
<b>Total equity</b>		<b>54 033</b>	<b>51 544</b>

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

**Department for Education**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2020*

	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
<b>Balance at 30 June 2018</b>	-	35 626	35 626
Net result for 2018-19	-	2 247	2 247
Changes on revaluation of property during 2018-19	2 165	-	2 165
<b>Total comprehensive result for 2018-19</b>	<b>2 165</b>	<b>2 247</b>	<b>4 412</b>
Net assets transferred in as result of restructure	-	11 506	11 506
<b>Balance at 30 June 2019</b>	<b>2 165</b>	<b>49 379</b>	<b>51 544</b>
Net result for 2019-20	-	2 489	2 489
<b>Total comprehensive result for 2019-20</b>	<b>-</b>	<b>2 489</b>	<b>2 489</b>
<b>Balance at 30 June 2020</b>	<b>2 165</b>	<b>51 868</b>	<b>54 033</b>

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

**Department for Education**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2020*

		2020 (Outflows) Inflows \$'000	2019 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation		505 142	305 466
GST recovered from the ATO		47 633	26 688
Receipts from Commonwealth sourced grants and funding		1 273 263	977 794
Other receipts		4 109	1 031
<b>Cash generated from operations</b>		<b>1 830 147</b>	<b>1 310 979</b>
<b>Cash outflows</b>			
Employee benefit payments		(4 448)	(3 973)
Payments for supplies and services		(1 460)	(1 631)
Transfer payments		(1 732 491)	(1 262 928)
Payments of grants and subsidies		(88 558)	(40 402)
<b>Cash used in operations</b>		<b>(1 826 957)</b>	<b>(1 308 934)</b>
<b>Net cash provided by / (used in) operating activities</b>	A8.1	<b>3 190</b>	<b>2 045</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		-	(822)
<b>Cash used in investing activities</b>		<b>-</b>	<b>(822)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>-</b>	<b>(822)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3 190</b>	<b>1 223</b>
Cash and cash equivalents at the beginning of the reporting period		37 828	36 605
<b>Cash and cash equivalents at the end of the reporting period</b>	A6.1	<b>41 018</b>	<b>37 828</b>

The accompanying notes form part of these financial statements.

**Department for Education**  
**Schedule of Income and Expenses attributable to Administered Activities**  
*for the year ended 30 June 2020*

Activities - refer note A1.2	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>										
Appropriation	366	359	500 053	299 527	4 723	5 580	-	-	505 142	305 466
Commonwealth sourced grants and funding	-	-	1 254 119	958 700	-	-	19 144	19 094	1 273 263	977 794
Resources received free of charge	-	-	-	-	6	5	-	-	6	5
Other revenues	-	-	3 485	636	631	386	21	9	4 137	1 031
<b>Total administered income</b>	<b>366</b>	<b>359</b>	<b>1 757 657</b>	<b>1 258 863</b>	<b>5 360</b>	<b>5 971</b>	<b>19 165</b>	<b>19 103</b>	<b>1 782 548</b>	<b>1 284 296</b>
<b>Administered expenses</b>										
Employee benefits expense	368	359	9	20	4 054	3 694	-	-	4 431	4 073
Supplies and services	-	-	31	24	946	1 216	5	6	982	1 246
Transfer payments	-	-	1 714 183	1 216 920	-	9	-	-	1 714 183	1 216 929
Grants and subsidies	-	-	41 045	40 564	-	104	19 160	19 080	60 205	59 748
Depreciation	-	-	173	16	85	37	-	-	258	53
<b>Total administered expenses</b>	<b>368</b>	<b>359</b>	<b>1 755 441</b>	<b>1 257 544</b>	<b>5 085</b>	<b>5 060</b>	<b>19 165</b>	<b>19 086</b>	<b>1 780 059</b>	<b>1 282 049</b>
<b>Net result</b>	<b>(2)</b>	<b>-</b>	<b>2 216</b>	<b>1 319</b>	<b>275</b>	<b>911</b>	<b>-</b>	<b>17</b>	<b>2 489</b>	<b>2 247</b>

**Department for Education**  
**Schedule of Assets and Liabilities attributable to Administered Activities**  
*for the year ended 30 June 2020*

Activities - refer note A1.2	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered assets</b>										
Cash and cash equivalents	-	-	40 334	34 526	45	3 285	639	17	41 018	37 828
Receivables	-	-	432	315	81	73	-	-	513	388
Property, plant and equipment	-	-	13 482	13 655	753	796	-	-	14 235	14 451
<b>Total assets</b>	-	-	<b>54 248</b>	<b>48 496</b>	<b>879</b>	<b>4 154</b>	<b>639</b>	<b>17</b>	<b>55 766</b>	<b>52 667</b>
<b>Administered liabilities</b>										
Payables	-	-	215	227	160	162	639	-	1 014	389
Employee benefits	-	-	-	-	719	734	-	-	719	734
<b>Total liabilities</b>	-	-	<b>215</b>	<b>227</b>	<b>879</b>	<b>896</b>	<b>639</b>	<b>-</b>	<b>1 733</b>	<b>1 123</b>
<b>Net assets</b>	-	-	<b>54 033</b>	<b>48 269</b>	-	<b>3 258</b>	-	<b>17</b>	<b>54 033</b>	<b>51 544</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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<b>A1.</b>	<b>About the Administered items for the Department for Education</b> .....	<b>9</b>
A1.1.	Basis of preparation.....	9
A1.2.	Administered activities.....	9
A1.3.	Changes to the Administered items for the Department for Education.....	10
A1.4.	Budget performance.....	10
A1.5.	Significant transactions with government related entities.....	11
<b>A2.</b>	<b>Income</b> .....	<b>11</b>
A2.1.	Appropriation.....	11
A2.2.	Commonwealth sourced grants and funding.....	11
A2.3.	Resources received free of charge.....	11
A2.4.	Other revenues.....	12
<b>A3.</b>	<b>Board, committees and employees</b> .....	<b>12</b>
A3.1.	Remuneration of board and committee members.....	12
A3.2.	Employee benefits expenses.....	14
A3.3.	Employee benefits liabilities.....	15
<b>A4.</b>	<b>Expenses</b> .....	<b>16</b>
A4.1.	Supplies and services.....	16
A4.2.	Transfer payments.....	17
A4.3.	Grants and subsidies.....	17
A4.4.	Depreciation.....	18
<b>A5.</b>	<b>Non-financial assets</b> .....	<b>19</b>
A5.1.	Property, plant and equipment by asset class.....	19
A5.2.	Property, plant and equipment.....	20
<b>A6.</b>	<b>Financial assets</b> .....	<b>21</b>
A6.1.	Cash and cash equivalents.....	21
A6.2.	Receivables.....	21
<b>A7.</b>	<b>Liabilities</b> .....	<b>21</b>
A7.1.	Payables.....	21
<b>A8.</b>	<b>Other disclosures</b> .....	<b>22</b>
A8.1.	Cash flow.....	22
<b>A9.</b>	<b>Changes in accounting policy</b> .....	<b>23</b>
A9.1.	AASB 16 Leases.....	23
A9.2.	Presentation of Financial statements.....	23
<b>A10.</b>	<b>Outlook</b> .....	<b>24</b>
A10.1.	Unrecognised contractual commitments.....	24
<b>A11.</b>	<b>Measurement and risk</b> .....	<b>25</b>
A11.1.	Long service leave and other employee benefit liabilities – measurement.....	25
A11.2.	Fair value.....	25
A11.3.	Financial instruments.....	27

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A1. About the Administered items for the Department for Education**

The Department for Education is responsible for the administration of specific funds or bodies on behalf of the Minister for Education. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

**A1.1. Basis of preparation**

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

**A1.2. Administered activities**

The main administered funds are:

***Ministers salaries***

The Minister's salary and allowances are funded by specific legislation and the department has no control over this part of the annual appropriation.

***Ministers payments***

Funds are appropriated to the Minister for Education and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government contribution to the operation of the SACE Board of South Australia
- the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia
- payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel
- payments to Ministerial committees
- the State Government contribution to the operation of non-government schools, some non-government preschools, organisations and services to students with disabilities
- the Commonwealth Government contribution to the operation of non-government schools, organisations and services to students with disabilities
- the State Government contribution to the operation of the History Trust of South Australia, Australian Children's Performing Arts Company (Windmill Theatre Co), and Carclew Youth Arts

***Advocacy bodies***

Operations of the following advocacy bodies are administered by the department:

- Commissioner for Children and Young People
- Guardian for Children and Young People
- Commissioner for Aboriginal Children and Young People

***Family Day Care***

The following Commonwealth subsidy is administered by the Department for Education:

- Receipts and payments for Commonwealth child care subsidies relating to family day care.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A1.3. Changes to the Administered items for the Department for Education**

There were no changes to the Administered items for the department during the 2019-20 financial year.

**A1.4. Budget performance**

The budget performance table compares the department's administered items 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
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Appropriation	1	325 432	505 142	179 710
Commonwealth sourced grants and funding	2	1 015 165	1 273 263	258 098
Resources received free of charge		-	6	6
Other revenues		394	4 137	3 743
<b>Total income</b>		<b>1 340 991</b>	<b>1 782 548</b>	<b>441 557</b>
<b>Expenses</b>				
Employee benefits expense		4 697	4 431	(266)
Supplies and services		884	982	98
Transfer payments	1,2	1 275 150	1 714 183	439 033
Grants and subsidies		60 461	60 205	(256)
Depreciation		221	258	37
<b>Total expenses</b>		<b>1 341 413</b>	<b>1 780 059</b>	<b>438 646</b>
<b>Net result</b>		<b>(422)</b>	<b>2 489</b>	<b>2 911</b>
<b>Total comprehensive result</b>		<b>(422)</b>	<b>2 489</b>	<b>2 911</b>

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

- 1 Bringing forward of State government payments to non-government schools from 2020-21 to 2019-20, to assist non-government schools in meeting cash flow requirements due to the impact of COVID-19.
- 2 Bringing forward of the Commonwealth government payments to non-government schools from 2020-21 to 2019-20, to assist non-government schools in meeting cash flow requirements due to the impact of COVID-19 as well as other Commonwealth government funding arrangements with non-government schools.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A1.5. Significant transactions with government related entities**

The department's administered items had no significant transactions with government related entities except for the appropriation funding received from Department of Treasury and Finance (A2.1) and incurred expenditure with:

- SACE Board of SA of \$19 million (2019: \$18 million) (A4.2)
- Education and Early Childhood Services Registration and Standards Board of SA of \$3 million (2019: \$4 million) (A4.2)
- Department of Planning, Transport and Infrastructure (DPTI) of \$14 million (2019: \$14 million) (A4.1 & A4.3).

**A2. Income**

**A2.1. Appropriation**

	2020 \$'000	2019 \$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	324 776	301 007
Appropriation from Governor's Appropriation Fund	180 000	4 100
Appropriations under other Acts	366	359
<b>Total appropriation</b>	<b>505 142</b>	<b>305 466</b>

**Appropriation**

Appropriations are recognised on receipt.

**A2.2. Commonwealth sourced grants and funding**

	2020 \$'000	2019 \$'000
Quality school funding	1 251 763	957 055
Family Day Care Scheme*	19 144	19 094
National School Chaplaincy Program	1 686	1 645
Local Schools Community Fund	670	-
<b>Total Commonwealth sourced grants and funding</b>	<b>1 273 263</b>	<b>977 794</b>

Commonwealth sourced grants and funding are recognised on receipt.

\*These subsidies were received directly from the Commonwealth, and therefore obligations under the funding arrangements rest with the administered entity representing the State of South Australia's obligations under the arrangement for accounting purposes.

**A2.3. Resources received free of charge**

	2020 \$'000	2019 \$'000
Services received free of charge - Shared Services SA	6	5
<b>Total resources received free of charge</b>	<b>6</b>	<b>5</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A2.4. Other revenues**

	2020	2019
	\$'000	\$'000
Grants and subsidies revenue	4 051	691
Recoveries	32	75
Transfers from contingencies	12	265
Sundry revenue	42	-
<b>Total other revenues</b>	<b>4 137</b>	<b>1 031</b>

**A3. Board, committees and employees**

**A3.1. Remuneration of board and committee members**

Members of the boards and committees during the 2019-20 financial year were:

**Ministerial Advisory Committee: Children and Students with Disability**

*(This board ceased on 31 December 2019)*

Dr Kerry Bissaker  
 Ms Mary Carmody  
 Ms Alice Duffield  
 Ms Jacqui Jones <sup>2</sup>  
 Ms Cathy Leane <sup>1</sup>  
 Mr Ian May <sup>1</sup>  
 Ms Deborah McInnes <sup>1</sup>  
 Ms Jocelyn Neumuller  
 Mr Byron Stuu  
 Ms Margaret Wallace

**Multicultural Education and Languages Committee**

Mr Darryl Buchanan  
 Ms Antonietta Cocchiaro  
 Ms Deb Dalwood  
 Ms Jessica Dubois <sup>1</sup>(resigned 31 December 2019)  
 Ms Meridie Howley  
 Ms Michelle Kohler  
 Ms Olga Kostic  
 Ms Jasmine Millbanks (appointed 1 January 2020)  
 Ms Anna Mirasgentis  
 Ms Shamsiya Mohammadi  
 Ms Panayoula Parha <sup>1</sup>  
 Mr Harry Savelsburg (appointed 1 January 2020)  
 Associate Professor Angela Scarino  
 Ms Inawantji Scales (appointed 1 January 2020)  
 Mr Mohammad Shabibi (resigned 31 December 2019)  
 Ms Tamara Stewart-Jones (resigned 31 December 2019)  
 Ms Lia Tedesco <sup>1</sup>  
 Mr Adireddy Yara  
 Professor John West-Sooby

**Child Development Council**

Mr Phillip Allen (appointed 15 February 2020)  
 Dr Sally Brinkman  
 Dr Yvonne Clark (appointed 15 February 2020)  
 Ms Helen Connolly <sup>1</sup>  
 Dr Anne Glover AO  
 Ms Ann-Marie Hayes <sup>1</sup>  
 Mr Graham Jaeschke (appointed 7 July 2019)  
 Mr Anthony Minniecon <sup>1</sup> (resigned 14 February 2020)  
 Dr Barbara Spears  
 Ms Vivienne St John Robb <sup>2</sup>  
 Ms Kelly Ryan  
 Ms Patricia Walton (appointed 15 February 2020)  
 Ms Joanne Wickes  
 Dr Neil Wigg  
 Ms Annette Williams <sup>1</sup> (resigned 14 February 2020)

**Child Death and Serious Injury Review Committee**

Mr Michael Ahern <sup>2</sup>  
 Ms Melissa Bradley  
 Ms Angela Davis  
 Mr Meredith Dickson  
 Mr David Everett  
 Dr Mark Fuller <sup>2</sup>  
 Ms Dianne Gursansky  
 Ms Ann-Marie Hayes <sup>1</sup>  
 Dr Deepa Jeyaseelan <sup>2</sup>  
 Dr Margaret Kyrkou <sup>2</sup>  
 Mr Philip Robinson <sup>1</sup>  
 Ms Barbara Tiffin <sup>1</sup>  
 Mr William Thompson  
 Mr Kurt Towers <sup>1</sup> (appointed 18 February 2020)

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A3.1. Remuneration of board and committee members (continued)**

- <sup>1</sup> Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.
- <sup>2</sup> Part-time government employee who gained approval to receive remuneration for board/committee duties during the financial year.

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

	<b>2020</b>	<b>2019</b>
	<b>Number of</b>	<b>Number of</b>
	<b>members</b>	<b>members</b>
\$0	22	26
\$1 - \$19 999	35	32
<b>Total number of members</b>	<b>57</b>	<b>58</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, out of hours fees, retention fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$56 000 (2019: \$63 000).

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A3.2. Employee benefits expenses**

	2020	2019
	\$'000	\$'000
Salaries and wages	3 424	3 175
Employment on-costs - superannuation	369	272
Annual leave	282	258
Employment on-costs - payroll tax	202	164
Long service leave	65	125
Board and committee fees	52	60
Skills and experience retention leave	10	2
Workers' compensation	2	1
Other employee related expenses	25	16
<b>Total employee benefits expenses</b>	<b>4 431</b>	<b>4 073</b>

***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.

***Number of employees as at the reporting date***

As at 30 June 2020, 32 (2019: 36) full time equivalents were employed to manage the department's administered items. Refer to note A1 for further information.

***Executive remuneration***

	2020	2020	2019	2019
	Number of	Number of	Number of	Number of
	Executives <sup>1</sup>	Employees	Executives <sup>1</sup>	Employees
The number of employees whose remuneration received or receivable falls within the following bands:				
\$214 001 to \$234 000	-	-	1	1
\$234 001 to \$254 000	2	2	1	1
\$294 001 to \$314 000	1	1	1	1
<b>Total number of executives / employees</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

<sup>1</sup> The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2020 and 30 June 2019 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2020 and 2019.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any FBT paid or payable in respect of these benefits. Remuneration received or due and receivable by the above employees was \$0.8 million (2019: \$0.8 million) which is included in employee benefits expenses.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A3.3. Employee benefits liabilities**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Annual leave	258	241
Long service leave	46	58
Accrued salaries and wages	31	33
Skills and experience retention leave	7	5
<b>Total current employee benefits</b>	<u>342</u>	<u>337</u>
<b>Non-current</b>		
Long service leave	377	397
<b>Total non-current employee benefits</b>	<u>377</u>	<u>397</u>
<b>Total employee benefits</b>	<u><u>719</u></u>	<u><u>734</u></u>

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.

For further information refer to notes 3.4 and 11.1.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A4. Expenses**

**A4.1. Supplies and services**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	205	214
Program development	164	118
Contractors and other outsourced services	98	194
Advertising, publicity and promotion expenses	96	82
Vehicle and travelling expenses	77	85
Printing, postage and consumables	74	119
Minor works, maintenance and equipment	50	89
Sponsorship	26	83
Cleaning	25	16
Catering	18	25
Training and development	17	23
Conference expenses	17	21
Management fees and charges	11	11
Information technology and communication	10	54
Shared Services SA charges	8	31
Rentals and operating leases	4	17
Office removal expenses	-	6
Other supplies and services	82	58
<b>Total supplies and services</b>	<b>982</b>	<b>1 246</b>

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

***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 A9.1.

***Operating Leases***

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating lease payments include rental agreements that do not meet the definition of a lease as per AASB 16.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A4.1. 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:

<b>Consultancy fees</b>	<b>2020 Number</b>	<b>2020 \$'000</b>	<b>2019 Number</b>	<b>2019 \$'000</b>
Above \$10 000	1	20	-	-
<b>Total paid / payable to consultants engaged</b>	<b>1</b>	<b>20</b>	<b>-</b>	<b>-</b>

**A4.2. Transfer payments**

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Non-government schools	1 684 663	1 194 237
SACE Board of South Australia	18 735	18 471
Education and Early Childhood Services Registration and Standards Board of SA	3 445	3 753
Arts SA entities	7 340	468
<b>Total transfer payments</b>	<b>1 714 183</b>	<b>1 216 929</b>

Transfer payments are payments made to eligible recipients, consistent with legislation or other authority, where the amount transferred is determined by the initial transferring entity. The department is the agent responsible for the transfer process but does not control the amount of funds transferred or the use of the funds by the eligible recipients.

**A4.3. Grants and subsidies**

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Family Day Care subsidies	19 160	19 081
Non-government schools	14 741	11 010
Transport concessions	13 885	14 201
Non-government preschools	4 961	4 355
Arts SA entities	2 496	-
Other SA Government entities	403	1 480
Government schools	-	72
Other organisations	4 559	9 549
<b>Total grants and subsidies</b>	<b>60 205</b>	<b>59 748</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A4.4. Depreciation**

	2020	2019
	\$'000	\$'000
Buildings and improvements	142	12
Leasehold improvements	82	35
Computing, furniture and equipment	4	3
Other assets	30	3
<b>Total depreciation</b>	<b>258</b>	<b>53</b>

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

Land is not depreciated.

Leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

***Review of accounting estimates***

Assets' residual values, useful lives and depreciation 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.

***Useful Life***

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and improvements	10-170
Computing, furniture and equipment	5-20
Leasehold improvements	Lease term
Other assets	5-10

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A5. Non-financial assets**

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

	2020	2019
	\$'000	\$'000
<b>Land</b>		
Land	10 105	10 105
<b>Total land</b>	<u>10 105</u>	<u>10 105</u>
<b>Buildings and improvements</b>		
Buildings and improvements	12 779	12 712
Accumulated depreciation	(9 431)	(9 222)
<b>Total buildings and improvements</b>	<u>3 348</u>	<u>3 490</u>
<b>Leasehold improvements</b>		
Leasehold improvements	822	822
Accumulated depreciation	(117)	(35)
<b>Total leasehold improvements</b>	<u>705</u>	<u>787</u>
<b>Computing, furniture and equipment</b>		
Computing, furniture and equipment	87	46
Accumulated depreciation	(13)	(10)
<b>Total computing, furniture and equipment</b>	<u>74</u>	<u>36</u>
<b>Other assets</b>		
Other assets	2 132	2 132
Accumulated depreciation	(2 129)	(2 099)
<b>Total other assets</b>	<u>3</u>	<u>33</u>
<b>Total property, plant and equipment</b>	<u><u>14 235</u></u>	<u><u>14 451</u></u>

Property, plant and equipment with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed.

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

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A5.2. Property, plant and equipment**

*Reconciliation*

<b>2019-20</b>	<b>Land \$'000</b>	<b>Buildings and Improvements \$'000</b>	<b>Leasehold improvements \$'000</b>	<b>Computing, furniture and equipment \$'000</b>	<b>Other assets \$'000</b>	<b>Total \$'000</b>
Carrying amount at 1 July 2019	10 105	3 490	787	36	33	14 451
Assets recognised first time	-	-	-	42	-	42
Depreciation	-	(142)	(82)	(4)	(30)	(258)
<b>Carrying amount at 30 June 2020</b>	<b>10 105</b>	<b>3 348</b>	<b>705</b>	<b>74</b>	<b>3</b>	<b>14 235</b>

<b>2018-19</b>	<b>Land \$'000</b>	<b>Buildings and Improvements \$'000</b>	<b>Leasehold improvements \$'000</b>	<b>Computing, furniture and equipment \$'000</b>	<b>Other assets \$'000</b>	<b>Total \$'000</b>
Carrying amount at 1 July 2018	-	-	352	11	-	363
Additions	-	-	470	-	-	470
Revaluation increment/(decrement)	2 165	-	-	-	-	2 165
Transfers (to)/from Restructures	7 940	3 502	-	28	36	11 506
Depreciation	-	(12)	(35)	(3)	(3)	(53)
<b>Carrying amount at 30 June 2019</b>	<b>10 105</b>	<b>3 490</b>	<b>787</b>	<b>36</b>	<b>33</b>	<b>14 451</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A6. Financial assets**

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

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer – section 8	41 018	37 828
<b>Total cash and cash equivalents</b>	<b>41 018</b>	<b>37 828</b>

The department does not earn interest on its deposits with the Treasurer.

**A6.2. Receivables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
GST recoverable from ATO	513	388
<b>Total current receivables</b>	<b>513</b>	<b>388</b>

**A7. Liabilities**

**A7.1. Payables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Creditors	906	279
Employment on-costs	50	49
Accrued expenses	14	16
<b>Total current payables</b>	<b>970</b>	<b>344</b>
<b>Non-current</b>		
Employment on-costs	44	45
<b>Total non-current payables</b>	<b>44</b>	<b>45</b>
<b>Total payables</b>	<b>1 014</b>	<b>389</b>

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

**Employment on-costs**

For further information relating to the calculation of employment on-costs, refer to note 7.1.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A8. Other disclosures**

**A8.1. Cash flow**

**Cash flow reconciliation**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	41 018	37 828
Balance as per the Statement of Administered Cash Flows	41 018	37 828
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	3 190	2 045
<b>Add / (less) non-cash Items</b>		
Depreciation	(258)	(53)
Assets recognised first time	42	-
<b>Movement in assets and liabilities</b>		
(Increase)/decrease in payables	(625)	443
Increase/(decrease) in receivables	125	(77)
(Increase)/decrease in employee benefits	15	(111)
<b>Net result</b>	<b>2 489</b>	<b>2 247</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A9. Changes in accounting policy**

For further information on the impacts of changes in accounting policy, refer to note 9.

**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 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.

The 2018-19 financial report disclosed total undiscounted operating lease commitments for facilities of \$1.62 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 nil.

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 A4.1 applies the correct classification for both the current and comparative years.

**A9.2. Presentation of Financial statements**

Treasurer's Instructions (Accounting Policy Statements) issued on 1 July 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.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A10. Outlook**

**A10.1. Unrecognised contractual commitments**

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

<i>Expenditure commitments</i>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	199	277
Later than one year but not later than five years	873	1 027
Later than five years	728	315
<b>Total expenditure commitments</b>	<b>1 800</b>	<b>1 619</b>

The expenditure commitments relate to the memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation. This has been reclassified from operating lease commitments to expenditure commitments. For more detail about the reclassification see note A9.1.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

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**A11. Measurement and risk**

**A11.1. Long service leave and other employee benefit liabilities – measurement**

For further information on the measurement of long service leave and other employee benefits, refer to note 11.1.

**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.

For further information on fair value measurement and recognition, refer to note 11.2.

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

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land	10 105	-	10 105
Buildings and improvements	-	3 348	3 348
Leasehold improvements	-	705	705
Computing furniture and equipment	-	74	74
Other assets	-	3	3
<b>Total recurring fair value measurements</b>	<b>10 105</b>	<b>4 130</b>	<b>14 235</b>
<b>Total fair value measurements</b>	<b>10 105</b>	<b>4 130</b>	<b>14 235</b>

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

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land	10 105	-	10 105
Buildings and improvements	-	3 490	3 490
Leasehold improvements	-	787	787
Computing furniture and equipment	-	36	36
Other assets	-	33	33
<b>Total recurring fair value measurements</b>	<b>10 105</b>	<b>4 346</b>	<b>14 451</b>
<b>Total fair value measurements</b>	<b>10 105</b>	<b>4 346</b>	<b>14 451</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A11.1. 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).

	<b>Buildings and improvements</b>	<b>Leasehold improvements</b>	<b>Computing, furniture and equipment</b>	<b>Other assets</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July</b>	3 490	787	36	33	4 346
Assets recognised first time	-	-	42	-	42
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation and amortisation	(142)	(82)	(4)	(30)	(258)
<b>Total gains/(losses) recognised in net result</b>	<b>(142)</b>	<b>(82)</b>	<b>(4)</b>	<b>(30)</b>	<b>(258)</b>
<b>Carrying amount at 30 June</b>	<b>3 348</b>	<b>705</b>	<b>74</b>	<b>3</b>	<b>4 130</b>

**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).

	<b>Buildings and improvements</b>	<b>Leasehold improvements</b>	<b>Computing, furniture and equipment</b>	<b>Other assets</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July</b>	-	352	11	-	363
Acquisitions	-	470	-	-	470
Acquisitions through administrative restructure	3 502	-	28	36	3 566
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation and amortisation	(12)	(35)	(3)	(3)	(53)
<b>Total gains/(losses) recognised in net result</b>	<b>(12)</b>	<b>(35)</b>	<b>(3)</b>	<b>(3)</b>	<b>(53)</b>
<b>Carrying amount at 30 June</b>	<b>3 490</b>	<b>787</b>	<b>36</b>	<b>33</b>	<b>4 346</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2020*

**A11.3. Financial instruments**

**Financial risk management**

Risk management is managed by the department and 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 administered activities exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

**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.

**Categorisation of financial assets and liabilities**

	Note	2020 Carrying amount / fair value \$'000	2019 Carrying amount / fair value \$'000	2020 Contractual maturities		
				Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
<b>Cash and equivalents</b>						
Cash and cash equivalents	A6.1	41 018	37 828	41 018	-	-
<b>Total financial assets</b>		<b>41 018</b>	<b>37 828</b>	<b>41 018</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Payables	A7.1	906	279	906	-	-
<b>Total financial liabilities</b>		<b>906</b>	<b>279</b>	<b>906</b>	<b>-</b>	<b>-</b>

**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 cost (not materially different from amortised cost).