

Department for Education

Financial report
for the year ended
30 June 2021



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To the Chief Executive Department for Education

Opinion

I have audited the financial report of the Department for Education and the consolidated entity comprising the Department for Education and its controlled entities for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Education and the consolidated entity as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Changes in Equity for the year ended 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- 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 the Department for Education and its controlled entities. 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.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Education and the consolidated entity for the financial year ended 30 June 2021.

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
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the 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.



Andrew Richardson

Auditor-General

23 September 2021

Department for Education

**Financial Statements
for the year ended
30 June 2021**

Department for Education
Certificate of Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Department for Education:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.

- internal controls employed by the Department for Education for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Rick Persse
Chief Executive
17 September 2021



Chris Bernardi
Chief Financial Officer
17 September 2021

Department for Education
Statement of Comprehensive Income
for the year ended 30 June 2021

		2021	2020	2021	2020
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Income					
Appropriation	2.1	3 000 919	2 671 083	3 000 919	2 671 083
Commonwealth sourced grants and funding	2.2	659 984	614 439	648 792	614 439
Sale of goods and services	2.3	137 106	164 415	17 808	22 515
Grants and transfers	2.5	58 002	69 467	11 437	17 333
Investment income	2.6	2 048	8 239	2 039	7 557
Resources received free of charge	2.7	14 165	13 456	13 659	13 382
Other income	2.8	47 299	59 068	14 985	26 841
Total income		3 919 523	3 600 167	3 709 639	3 373 150
Expenses					
Employee benefits expenses	3.3	2 655 063	2 587 578	2 602 935	2 542 125
Supplies and services	4.1	766 782	762 167	467 849	436 746
Grants and subsidies	4.2	64 935	69 487	268 551	262 233
Depreciation and amortisation	4.3	147 040	149 744	137 525	140 960
Borrowing costs	4.4	26 616	22 384	26 570	22 331
Cash alignment transfers to Consolidated Account		111 443	9 305	111 443	9 305
Net loss from disposal of non-current assets	4.5	180	534	335	392
Other expenses	4.6	11 799	6 284	11 826	4 775
Total expenses		3 783 858	3 607 483	3 627 034	3 418 867
Net result		135 665	(7 316)	82 605	(45 717)
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in asset revaluation surplus	5.1	242 555	3 074	242 554	3 061
Total other comprehensive income		242 555	3 074	242 554	3 061
Total comprehensive result		378 220	(4 242)	325 159	(42 656)

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 2021

		2021	2020	2021	2020
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Current assets					
Cash and cash equivalents	6.1	1 160 267	1 029 556	617 063	531 782
Receivables	6.2	60 011	59 183	42 280	37 419
Other financial assets	6.3	77	76	-	-
Inventories	5.5	6 054	6 193	-	-
Non-current assets classified as held for sale	5.6	6 681	1 397	6 681	1 397
Total current assets		1 233 090	1 096 405	666 024	570 598
Non-current assets					
Receivables	6.2	2 220	2 202	5 846	6 151
Other financial assets	6.3	156	166	-	-
Property, plant and equipment	5.1	5 461 650	4 649 723	5 417 690	4 611 784
Right of use assets	5.2	179 364	184 042	177 335	181 534
Intangible assets	5.4	15 600	16 402	15 600	16 402
Total non-current assets		5 658 990	4 852 535	5 616 471	4 815 871
Total assets		6 892 080	5 948 940	6 282 495	5 386 469
Current liabilities					
Payables	7.1	176 550	117 286	203 311	149 736
Financial liabilities	7.2	9 669	6 111	8 910	5 162
Contract balances	2.4	-	909	-	909
Employee benefits	3.4	262 878	242 198	260 273	239 971
Provisions	7.3	21 036	19 880	21 306	20 150
Other liabilities	7.4	13 793	27 939	11 366	13 888
Total current liabilities		483 926	414 323	505 166	429 816
Non-current liabilities					
Payables	7.1	72 477	68 707	72 477	68 707
Financial liabilities	7.2	379 251	202 741	377 984	201 151
Employee benefits	3.4	505 887	491 828	501 687	487 868
Provisions	7.3	98 159	88 622	98 159	88 622
Other liabilities	7.4	18 270	19 436	17 938	18 987
Total non-current liabilities		1 074 044	871 334	1 068 245	865 335
Total liabilities		1 557 970	1 285 657	1 573 411	1 295 151
Net assets		5 334 110	4 663 283	4 709 084	4 091 318
Equity					
Retained earnings		2 580 629	2 436 587	1 955 784	1 864 802
Revaluation surplus		2 428 390	2 194 212	2 428 209	2 194 032
Contributed capital		325 091	32 484	325 091	32 484
Total equity		5 334 110	4 663 283	4 709 084	4 091 318

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 2021

Consolidated	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019		-	2 195 490	2 433 955	4 629 445
Net result for 2019-20		-	-	(7 316)	(7 316)
Changes on revaluation during 2019-20		-	3 074	-	3 074
Total comprehensive result for 2019-20		-	3 074	(7 316)	(4 242)
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment	8.1	-	(4 352)	4 352	-
Equity contribution received	8.1	32 484	-	-	32 484
Net assets transferred out as result of administrative restructure		-	-	5 596	5 596
Balance at 30 June 2020		32 484	2 194 212	2 436 587	4 663 283
Net result for 2020-21		-	-	135 665	135 665
Changes on revaluation during 2020-21		-	242 555	-	242 555
Total comprehensive result for 2020-2021		-	242 555	135 665	378 220
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment	8.1	-	(8 377)	8 377	-
Equity contribution received	8.1	292 607	-	-	292 607
Balance at 30 June 2021		325 091	2 428 390	2 580 629	5 334 110

Department	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019		-	2 195 323	1 900 571	4 095 894
Net result for 2019-20		-	-	(45 717)	(45 717)
Changes on revaluation during 2019-20	5.1	-	3 061	-	3 061
Total comprehensive result for 2019-20		-	3 061	(45 717)	(42 656)
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment	8.1	-	(4 352)	4 352	-
Equity contribution received	8.1	32 484	-	-	32 484
Net assets transferred out as result of administrative restructure		-	-	5 596	5 596
Balance at 30 June 2020		32 484	2 194 032	1 864 802	4 091 318
Net result for 2020-21		-	-	82 605	82 605
Changes on revaluation during 2020-21	5.1	-	242 554	-	242 554
Total comprehensive result for 2020-2021		-	242 554	82 605	325 159
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment	8.1	-	(8 377)	8 377	-
Equity contribution received	8.1	292 607	-	-	292 607
Balance at 30 June 2021		325 091	2 428 209	1 955 784	4 709 084

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 2021

		2021 Consolidated \$'000 (Outflows) Inflows	2020 Consolidated \$'000 (Outflows) Inflows	2021 Department \$'000 (Outflows) Inflows	2020 Department \$'000 (Outflows) Inflows
Cash flows from operating activities	Note				
Cash inflows					
Appropriation		3 000 919	2 671 083	3 000 919	2 671 083
Receipts from Commonwealth sourced grants		660 144	614 610	648 952	614 610
Sales of goods and services		140 125	164 837	16 334	26 064
Grants and transfers		58 046	49 853	11 481	10 695
Investment income received		9 983	1 448	9 435	155
GST recovered from the ATO		105 321	79 356	76 034	45 912
Other receipts		43 880	61 586	11 578	30 036
Cash generated from operations		4 018 418	3 642 773	3 774 733	3 398 555
Cash outflows					
Employee benefit payments		(2 601 988)	(2 528 769)	(2 550 474)	(2 483 651)
Payments for supplies and services		(887 161)	(826 148)	(537 217)	(482 586)
Payments of grants and subsidies		(57 908)	(71 156)	(274 993)	(222 146)
Cash alignment transfers to Consolidated Account		(111 443)	(9 305)	(111 443)	(9 305)
Interest paid		(25 823)	(21 148)	(25 777)	(21 095)
Other payments		(4 388)	(3 120)	(4 344)	(3 201)
Cash used in operations		(3 688 711)	(3 459 646)	(3 504 248)	(3 221 984)
Net cash provided by operating activities	8.2	329 707	183 127	270 485	176 571
Cash flows from investing activities					
Cash inflows					
Proceeds from the sale of property, plant and equipment		550	2 168	155	1 922
Proceeds from maturing term deposits		17	170	-	-
Receipt of loan repayments		12	29	376	841
Cash generated from investing activities		579	2 367	531	2 763
Cash outflows					
Purchase of property, plant and equipment		(484 673)	(112 969)	(471 622)	(101 461)
Purchase of investments		(20)	(57)	-	-
Loans provided		-	(126)	-	(2 276)
Cash used in investing activities		(484 693)	(113 152)	(471 622)	(103 737)
Net cash provided by investing activities		(484 114)	(110 785)	(471 091)	(100 974)
Cash flows from financing activities					
Cash inflows					
Capital contributions from Government		292 607	32 484	292 607	32 484
Cash generated from financing activities		292 607	32 484	292 607	32 484
Cash outflows					
Repayment of leases		(6 493)	(6 349)	(5 724)	(5 348)
Cash transferred as a result of restructure		-	(160)	-	(160)
Repayment of borrowings		(996)	(1 199)	(996)	(1 199)
Cash used by financing activities		(7 489)	(7 708)	(6 720)	(6 707)
Net cash provided by financing activities		285 118	24 776	285 887	25 777
Net increase in cash and cash equivalents		130 711	97 118	85 281	101 374
Cash and cash equivalents at the beginning of the reporting period		1 029 556	932 438	531 782	430 408
Cash and cash equivalents at the end of the reporting period	6.1	1 160 267	1 029 556	617 063	531 782

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 2021

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Department for Education
Notes to and forming part of the financial statements
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Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1. About the Department for Education

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

The 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 are accounted for locally in their general ledgers and 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 and their respective governing councils. 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 and their respective governing councils for the school year ended 31 December 2020 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 and their respective governing councils 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 2021

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 purpose of preparing the Financial Statements, the department is a not-for-profit entity.

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 2021

1.2. Objectives and programs

Purpose

The Department for Education provides a range of integrated education, training and child development services to benefit children, young people and families. These services improve education and developmental outcomes for children through to transition to adulthood, reflecting the commitment to building a stronger future for children and young people by making the South Australian education system world-class.

School and preschool education is at the core of the department and it recognises that the success of South Australian government schools and preschools depends on mutually-beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations. The department also has a role in the oversight of TAFE SA and strategic engagement and collaboration with higher education providers.

The department's other important functions are the provision of wellbeing services, working in collaboration with the Department of Human Services and the Women's and Children's Health Network.

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 delivering early childhood education, wellbeing and some care services for children and their families. The department recognises the important role of parents in their child's development and provides a combination of universal services and targeted interventions to achieve improved outcomes.

The provision of high quality early childhood education, multidisciplinary interventions and targeted family support programs provide a strong basis to support each child to reach their potential.

School Education

The department seeks to create a stronger future for South Australia by providing students with high quality education through world-class schools and systems.

The department is responsible for delivering primary and secondary public education to enable children and young people to achieve their best and to equip them with the skills and capabilities they will need throughout their lives.

The department maintains high expectations of leaders, principals and teachers to improve student growth and achievement. It drives outcomes by providing evidence-based support and advice focusing on learning, school improvement, instructional leadership, system support and effective accountability. These are enhanced and progressed within the School Improvement Model, which aims to provide differentiated and tailored strategies to assist schools at all levels of performance.

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 2021
Consolidated

1.2 Objectives and programs (continued)

	Early Childhood Development		School Education		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income						
Appropriation	211 299	185 768	2 789 620	2 485 315	3 000 919	2 671 083
Commonwealth sourced grants and funding	32 918	33 423	627 066	581 016	659 984	614 439
Sale of goods and services	6 716	6 682	130 390	157 733	137 106	164 415
Grants and transfers	1 951	2 114	56 051	67 353	58 002	69 467
Investment income	134	518	1 914	7 721	2 048	8 239
Resources received free of charge	1 223	934	12 942	12 522	14 165	13 456
Other income	911	1 377	46 388	57 691	47 299	59 068
Total income	255 152	230 816	3 664 371	3 369 351	3 919 523	3 600 167
Expenses						
Employee benefits expenses	187 277	184 067	2 467 786	2 403 511	2 655 063	2 587 578
Supplies and services	34 945	31 174	731 837	730 993	766 782	762 167
Grants and subsidies	11 850	11 011	53 085	58 476	64 935	69 487
Depreciation and amortisation	4 893	5 116	142 147	144 628	147 040	149 744
Borrowing costs	1 721	1 785	24 895	20 599	26 616	22 384
Cash alignment transfers to Consolidated Account	7 847	647	103 596	8 658	111 443	9 305
Net loss from disposal of non-current assets	-	(12)	180	546	180	534
Other expenses	370	207	11 429	6 077	11 799	6 284
Total expenses	248 903	233 995	3 534 955	3 373 488	3 783 858	3 607 483
Net result	6 249	(3 179)	129 416	(4 137)	135 665	(7 316)

Department for Education
Expenses and income by program
for the year ended 30 June 2021
Department

1.2 Objectives and programs (continued)

	Early Childhood Development		School Education		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income						
Appropriation	211 299	185 768	2 789 620	2 485 315	3 000 919	2 671 083
Commonwealth sourced grants and funding	32 918	33 423	615 874	581 016	648 792	614 439
Sale of goods and services	6 719	6 686	11 089	15 829	17 808	22 515
Grants and transfers	1 951	2 114	9 486	15 219	11 437	17 333
Investment income	134	518	1 905	7 039	2 039	7 557
Resources received free of charge	1 223	934	12 436	12 448	13 659	13 382
Other income	911	1 385	14 074	25 456	14 985	26 841
Total income	255 155	230 828	3 454 484	3 142 322	3 709 639	3 373 150
Expenses						
Employee benefits expenses	187 277	184 067	2 415 658	2 358 058	2 602 935	2 542 125
Supplies and services	23 337	20 023	444 512	416 723	467 849	436 746
Grants and subsidies	23 462	22 164	245 089	240 069	268 551	262 233
Depreciation and amortisation	4 893	5 116	132 632	135 844	137 525	140 960
Borrowing costs	1 721	1 785	24 849	20 546	26 570	22 331
Cash alignment transfers to Consolidated Account	7 847	647	103 596	8 658	111 443	9 305
Net loss from disposal of non-current assets	-	(12)	335	404	335	392
Other expenses	629	218	11 197	4 557	11 826	4 775
Total expenses	249 166	234 008	3 377 868	3 184 859	3 627 034	3 418 867
Net result	5 989	(3 180)	76 616	(42 537)	82 605	(45 717)

Department for Education
Assets and liabilities by program
for the year ended 30 June 2021
Consolidated

1.2 Objectives and programs (continued)

	Early Childhood Development		School Education		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	40 877	36 906	1 119 390	992 650	1 160 267	1 029 556
Receivables	3 772	2 141	58 459	59 244	62 231	61 385
Inventories	-	-	6 054	6 193	6 054	6 193
Other financial assets	-	-	233	242	233	242
Non-current assets classified as held for sale	1 065	-	5 616	1 397	6 681	1 397
Property, plant and equipment	201 007	189 090	5 260 643	4 460 633	5 461 650	4 649 723
Right of use assets	373	207	178 991	183 835	179 364	184 042
Intangible assets	1 248	1 312	14 352	15 090	15 600	16 402
Total assets	248 342	229 656	6 643 738	5 719 284	6 892 080	5 948 940
Liabilities						
Payables	11 492	12 250	237 535	173 743	249 027	185 993
Financial liabilities	13 176	15 982	375 744	192 870	388 920	208 852
Contract balances	-	36	-	873	-	909
Employee benefits	54 839	52 777	713 926	681 249	768 765	734 026
Provisions	8 525	7 751	110 670	100 751	119 195	108 502
Other liabilities	1 535	1 607	30 528	45 768	32 063	47 375
Total liabilities	89 567	90 403	1 468 403	1 195 254	1 557 970	1 285 657
Net assets	158 775	139 253	5 175 335	4 524 030	5 334 110	4 663 283

Department for Education
Assets and liabilities by program
for the year ended 30 June 2021
Department

1.2 Objectives and programs (continued)

	Early Childhood Development		School Education		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Cash and cash equivalents	40 877	36 906	576 186	494 876	617 063	531 782
Receivables	3 771	2 141	44 355	41 429	48 126	43 570
Non-current assets classified as held for sale	1 065	-	5 616	1 397	6 681	1 397
Property, plant and equipment	201 006	189 090	5 216 684	4 422 694	5 417 690	4 611 784
Right of use assets	373	207	176 962	181 327	177 335	181 534
Intangible assets	1 248	1 312	14 352	15 090	15 600	16 402
Total assets	248 340	229 656	6 034 155	5 156 813	6 282 495	5 386 469
Liabilities						
Payables	11 492	12 250	264 296	206 193	275 788	218 443
Financial liabilities	13 176	15 982	373 718	190 331	386 894	206 313
Contract balances	-	36	-	873	-	909
Employee benefits	54 839	52 777	707 121	675 062	761 960	727 839
Provisions	8 525	7 751	110 940	101 021	119 465	108 772
Other liabilities	1 535	1 607	27 769	31 268	29 304	32 875
Total liabilities	89 567	90 403	1 483 844	1 204 748	1 573 411	1 295 151
Net assets	158 773	139 253	4 550 311	3 952 065	4 709 084	4 091 318

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.3. Impact of COVID-19 pandemic on the Department

The COVID-19 pandemic has impacted on the operations of the department and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- Continued cleaning costs for additional cleaning of schools and preschools, including daily cleaning of playground equipment, education offices and various locations where cleaning is considered necessary (see note 4.1).
- Cleaning consumables for hand sanitisers and cleaning products (see note 4.1).

1.4. Budget performance

The budget performance table compares the consolidated entity outcomes against budget information presented to Parliament (2020-21 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 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000
Statement of Comprehensive Income			
Income			
Appropriation	3 061 035	3 000 919	(60 116)
Commonwealth sourced grants and funding	657 074	659 984	2 910
Sale of goods and services	168 614	137 106	(31 508)
Grants and transfers	50 117	58 002	7 885
Investment income	8 158	2 048	(6 110)
Resources received free of charge	-	14 165	14 165
Other income	53 715	47 299	(6 416)
Total income	3 998 713	3 919 523	(79 190)
Expenses			
Employee benefits expenses	2 775 312	2 655 063	(120 249)
Supplies and services	896 756	766 782	(129 974)
Grants and subsidies	65 146	64 935	(211)
Depreciation and amortisation	156 169	147 040	(9 129)
Borrowing costs	27 612	26 616	(996)
Cash alignment transfers to Consolidated Account	111 443	111 443	-
Net loss from disposal of non-current assets	317	180	(137)
Other expenses	4 713	11 799	7 086
Total expenses	4 037 468	3 783 858	(253 610)
Net result	(38 755)	135 665	174 420
Other comprehensive income			
Changes in revaluation surplus	1 -	242 555	242 555
Total comprehensive result	(38 755)	378 220	416 975

1. The change in revaluation surplus reflects the outcome of the revaluation of assets for which there was no budget

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.4. Budget performance (continued)

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000
Investing expenditure summary			
Total new projects	3 891	2 417	(1 474)
Total existing projects	579 711	523 019	(56 692)
Total annual projects	13 178	10 695	(2 483)
Total Public Private Partnerships	186 148	178 773	(7 375)
Total leases	3 481	3 170	(311)
Total investing expenditure	786 409	718 074	(68 335)

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

1.5. 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 Infrastructure and Transport (DIT) of \$646 million (2020: \$224 million). As at 30 June 2021 the outstanding balance payable to DIT was \$76.31 million (2020: \$25.74 million) (note 7.1).

Department of Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2. Income

2.1. Appropriation

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	3 000 919	2 671 083	3 000 919	2 671 083
Total appropriation	3 000 919	2 671 083	3 000 919	2 671 083

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 \$3 billion and no additional funds were received from the Treasurer via the Governor's Appropriation Fund.

2.2. Commonwealth sourced grants and funding

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
National Schools Reform Agreement	607 554	571 127	607 554	571 127
National Partnership - Universal Access to Early Childhood Development	28 706	28 571	28 706	28 571
Job Keeper	11 192	-	-	-
National School Chaplaincy Program	5 949	6 023	5 949	6 023
Rural Care Worker Program*	2 630	2 575	2 630	2 575
National Partnership - Advanced Technology	1 250	550	1 250	550
Detainee Minors*	752	534	752	534
Community Childcare Funding*	625	659	625	659
Australian Early Development Index*	341	210	341	210
CCC Fund: Community Support*	314	310	314	310
Connected Beginnings*	291	1 094	291	1 094
SA Aboriginal Sports Training Academy*	130	130	130	130
Indigenous Advancement Strategy*	103	788	103	788
Local Schools Community Fund	-	1 389	-	1 389
National Partnership - Teacher Quality	-	423	-	423
Other specific Commonwealth revenue	147	56	147	56
Total Commonwealth sourced grants and funding	659 984	614 439	648 792	614 439

Commonwealth sourced grants and funding are recognised in accordance with AASB 1058 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 department.

*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.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.3. Sales of goods and services

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Student related fees and charges	97 878	121 085	3 650	6 720
Canteen sales	14 327	15 347	-	-
Sales/fee for service revenue	11 753	14 149	822	731
Other user fees and charges	13 148	13 834	13 336	15 064
Total sales of goods and services	137 106	164 415	17 808	22 515

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

2.4. Contract balances

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Contract liabilities	-	909	-	909
Total contract balances	-	909	-	909

The contract liability in 2019-20 relates to a land sale that had not settled as at the end of the financial year.

2.5. Grants and transfers

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
SA Government grants	19 915	28 462	9 571	9 659
Non-SAG Grants and subsidies revenue	36 539	33 602	318	271
Respite care funding	1 548	1 332	1 548	1 332
Contingency funding provided by the Department of Treasury and Finance	-	5 887	-	5 887
Recovery from the Department of Treasury and Finance for TVSPs	-	184	-	184
Total grants and transfers	58 002	69 467	11 437	17 333

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.6. Investment income

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest from entities within the SA Government	-	1	133	137
Other investment income	2 048	8 238	1 906	7 420
Total investment income	2 048	8 239	2 039	7 557

2.7. Resources received free of charge

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Services received free of charge – Shared				
Services SA	12 837	13 382	12 837	13 382
Goods received free of charge	1 133	-	822	-
Services received free of charge – Volunteers	195	74	-	-
Total resources received free of charge	14 165	13 456	13 659	13 382

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 2020-21 includes the land and buildings for Snowtown Kindergarten, Barmera Kindergarten and the Northbridge Kindergarten sites that transferred to the Minister for Education.

2.8. Other income

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Fundraising income	3 880	7 708	-	-
Recoveries	4 025	5 609	4 113	5 694
Commission received	2 493	2 858	4 647	5 520
Assets recognised for the first time	3 394	3 473	3 394	3 473
Donations	826	677	-	-
Other income	32 681	38 743	2 831	12 154
Total other income	47 299	59 068	14 985	26 841

Donations are received by SA Government schools from various sources.

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 2021

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive 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 of the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid and recovered from the Consolidated Account.

	2021	2020
	\$'000	\$'000
Salaries and other short term employee benefits	3 428	3 708
Post-employment benefits (employer contributed superannuation)	336	334
Total compensation	3 764	4 042

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 2020-21 financial year were:

Animal Ethics Committee

Mr Graeme Aust
 Mr Alex Carr ¹
 Ms Tracey Davies ¹
 Mr John Hatch
 Mr Manfred Heide
 Ms Monica Kloppers ¹ (resigned January 2021)
 Ms Jane Materne
 Ms Sahra McFetridge
 Ms Kay McGrath
 Mr Matthew Mercorella ¹
 Dr Adam O'Connell (appointed January 2021)
 Mr Ross Templeman ¹
 Ms Margy Wright ¹

Capital Works Governance Committee

Hon Dr Dean Brown AO
 Mr Scott Bayliss ¹
 Ms Helen Doyle ¹
 Mr Bill Glasgow ¹
 Mr Ben Hogarth ¹
 Mr James MacDonald ¹
 Ms Poppy Maio ¹
 Mr Simon Morony ¹
 Ms Deb O'Riley ¹ (resigned June 2021)
 Ms Julieann Riedstra ¹ (resigned June 2021)
 Ms Jasmine Sinodinos ¹
 Ms Libby Sowry ¹
 Mr Ben Temperly ¹
 Mr Carmine Vetere ¹
 Ms Thaa Wolf ¹

Department of Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2 Board and committee members (continued)

Education Audit and Risk Committee

Ms Ruth Blenkiron
 Dr Caroline Croser-Barlow ¹
 Ms Anne Millard ¹
 Ms Julieann Riedstra ¹ (resigned June 2021)
 Mr Coenraad Robberts ¹
 Dr Tom Stubbs
 Mr Ben Temperly ¹

Expert Advisory Panel

Sir Kevan Collins
 Professor Patricia Eadie
 Professor Lester-Irabinna Rigney
 Professor Sharon Lynn Kagan (resigned December 2020)
 Mr Chris Wardlaw
 Professor Martin Westwell

Orbis Expert Advisory Board

Ms Susan Cameron ¹
 Sir Kevan Collins
 Ms Marina Elliott ¹
 Ms Anne Millard ¹
 Mr Rick Persse ¹
 Mr Paul Reville
 Mr Geoff Rohrsheim
 Ms Laura Schonfeldt ¹
 Mr Jonathan Sharples
 Ms Helen Timperley
 Mr Chris Wardlaw

Education Management System Project Board

Mr Chris Bernardi ¹
 Dr Eva Balan-Vnuk ¹
 Mr Scott Bayliss ¹
 Mr Sean Cummins ¹ (appointed January 2021)
 Mr John Dunnery ¹ (resigned December 2020)
 Ms Rowena Fox ¹
 Mr Ken Loutain ¹
 Mr Bret Morris ¹
 Ms Julieann Riedstra ¹ (resigned June 2021)
 Ms Jasmine Sinodinos ¹
 Ms Deonne Smith ¹
 Mr Ben Temperly ¹
 Ms Nanette Van Ruiten ¹

Expert Advisory Panel for the Aboriginal Education Strategy

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

SA Teacher Certification Committee

Mr Adrian Dilger
 Ms Christine Harford (appointed June 2021)
 Ms Sue Kennedy-Bradford
 Mrs Belinda Radcliffe ¹ (resigned June 2021)
 Ms Lynda Seacombe
 Ms Elizabeth Sexton

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.

	2021	2020
	Number of	Number of
	members	members
The number of members whose remuneration received/receivable falls within the following bands:		
\$0	67	44
\$1 - \$19 999	13	17
\$20 000 - \$39 999	2	1
Total number of members	82	62

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, Fringe Benefits Tax and any other salary sacrifice arrangements. The total remuneration, including employer superannuation contributions, received or receivable by members was \$136 000 (2020: \$55 000).

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3. Employee benefits expenses

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	2 209 705	2 135 242	2 162 094	2 094 369
Employment on-costs - superannuation	221 423	214 813	217 704	211 152
Employment on-costs - payroll tax	120 961	117 683	120 961	117 683
Long service leave	51 458	58 654	50 735	57 852
Workers Compensation	32 556	41 840	32 556	41 840
Skills and experience retention leave	11 820	12 280	11 820	12 280
Targeted voluntary separation payments	1 896	1 596	1 896	1 596
Country incentive leave	256	271	256	271
Board and committee fees	136	55	136	55
Other employee related expenses	4 852	5 144	4 777	5 027
Total employee benefits expenses	2 655 063	2 587 578	2 602 935	2 542 125

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

The number of employees who received a TVSP during the reporting period was 20 (16).

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Separation payments	1 896	1 596	1 896	1 596
Leave paid to those employees	483	241	483	241
Total amount paid	2 379	1 837	2 379	1 837
Recovery from the Department of Treasury and Finance	-	184	-	184
Net cost to the department	(2 379)	(1 653)	(2 379)	(1 653)

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 24 830 (2020: 24 695) full-time equivalents.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3 Employee benefits expenses (continued)

Executive remuneration

	2021	2020	2021	2020
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of executives¹	Consolidated Number of executives¹	Consolidated Number of employees²	Consolidated Number of employees²
\$154 001 to \$174 000	12	7	354	268
\$174 001 to \$194 000	11	3	102	110
\$194 001 to \$214 000	20	17	80	66
\$214 001 to \$234 000	5	4	15	12
\$234 001 to \$254 000	5	4	9	7
\$254 001 to \$274 000	2	4	2	4
\$274 001 to \$294 000	5	3	6	3
\$294 001 to \$314 000	-	1	1	2
\$314 001 to \$334 000	2	-	2	-
\$334 001 to \$354 000	1	1	1	1
\$354 001 to \$374 000	-	-	-	2
\$414 001 to \$434 000	-	-	1	-
\$474 001 to \$494 000	1	1	1	1
Total	64	45	574	476

¹ 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 2021 and 30 June 2020 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 2021 and 2020.

² 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 \$102.2 million (2020: \$85.4 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 2021

3.4. Employee benefits liabilities

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	154 940	132 888	153 226	131 492
Long service leave	47 185	54 225	47 057	54 097
Skills and experience retention leave	21 974	21 097	21 974	21 097
Accrued salaries and wages	38 164	33 520	37 401	32 817
Country incentive leave	615	468	615	468
Total current employee benefits	262 878	242 198	260 273	239 971
Non-current				
Long service leave	504 653	490 100	500 453	486 140
Country incentive leave	1 234	1 728	1 234	1 728
Total non-current employee benefits	505 887	491 828	501 687	487 868
Total employee benefits	768 765	734 026	761 960	727 839

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 10.1.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	199 444	170 379	154 083	128 366
Printing, postage and consumables	74 019	80 275	3 907	4 210
Information technology and communication	62 540	58 373	53 965	49 245
Cleaning	52 549	53 627	8 394	7 754
Utilities	39 434	49 125	37 691	48 202
Consultants	1 921	1 537	1 921	1 537
Contractors and other outsourced services	50 087	37 418	47 876	36 143
Student learning materials	30 695	31 294	704	474
Bus contractors	26 885	27 267	26 896	27 276
Excursions and camps	12 309	26 845	-	-
Vehicle and travelling expenses	23 434	25 910	21 312	23 409
Management fees and charges	22 351	24 757	24 307	26 855
Accommodation	7 389	7 649	7 389	7 649
Training and development	14 550	14 665	9 109	7 080
Cost of goods sold	14 068	14 623	-	-
Shared Services SA charges	13 502	13 803	13 502	13 803
Security	7 936	7 696	7 309	7 139
Insurance (including self-insurance)	7 586	7 637	7 586	7 640
Public Private Partnerships Service Fee	6 024	5 954	6 024	5 954
Copyright	4 127	4 224	4 127	4 222
Rentals and operating leases	16 729	15 040	14 614	12 818
Legal costs	3 842	3 697	3 842	3 697
Other supplies and services	75 361	80 372	13 291	13 273
Total supplies and services	766 782	762 167	467 849	436 746

Accommodation

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

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.

Operating leases includes short term and low value leases.

Short term hire for vehicles

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

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:

	2021 Consolidated Number	2021 Consolidated \$'000	2020 Consolidated Number	2020 Consolidated \$'000
Below \$10 000	2	10	4	28
\$10 000 or above	27	1 911	21	1 509
Total paid / payable to the consultants engaged	29	1 921	25	1 537

4.2. Grants and subsidies

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Recurrent grants paid to other organisations	53 822	60 594	53 822	60 594
Recurrent grants paid to preschools	11 113	8 893	11 113	8 893
Recurrent grants paid to schools and units	-	-	203 616	192 746
Total grants and subsidies	64 935	69 487	268 551	262 233

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4.3. Depreciation and amortisation

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Depreciation				
<u>Department owned assets</u>				
Buildings and improvements	126 053	129 757	125 834	129 540
Computing, communication, furniture and equipment	7 407	6 294	593	278
Buses and motor vehicles	2 989	3 034	2 238	2 283
Leasehold improvements	1 193	1 193	1 193	1 193
Other assets	798	786	45	37
Total department owned depreciation	138 440	141 064	129 903	133 331
<u>Right of use assets</u>				
Right of use plant and equipment	5	15	-	-
Right of use buildings	4 736	4 797	4 529	4 576
Right of use vehicles	2 983	2 993	2 217	2 178
Total right of use assets depreciation	7 724	7 805	6 746	6 754
Total depreciation	146 164	148 869	136 649	140 085
Amortisation				
Service right for use of equipment	867	863	867	863
Externally provided software	9	12	9	12
Total amortisation	876	875	876	875
Total depreciation and amortisation	147 040	149 744	137 525	140 960

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.

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	3-170
Leasehold improvements	5-43
Buses and motor vehicles	12-20
Computing, communications, furniture and equipment	2-20
Right of use assets	1-22
Intangible assets	5-30
Other assets	5-10

Department for Education
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for the year ended 30 June 2021

4.3. Depreciation and amortisation (continued)

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.

4.4. Borrowing costs

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	21 527	21 889	21 522	21 889
Interest expense on financial liabilities	5 089	495	5 048	442
Total borrowing costs	26 616	22 384	26 570	22 331

Borrowing 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 9.1.

4.5. Net loss from disposal of non-current assets

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	(63)	(420)	(63)	(420)
Less net book value of assets disposed	17	803	17	803
Net loss/(gain) from disposal of land and buildings	(46)	383	(46)	383
Vehicles, plant and equipment				
Proceeds from disposal	(419)	(395)	(24)	(149)
Less net book value of assets disposed	395	783	155	395
Net loss/(gain) from disposal of vehicles, plant and equipment	(24)	388	131	246
Non-current assets classified as held for sale				
Proceeds from disposal	(977)	(444)	(977)	(444)
Less net book value of assets disposed	1 227	207	1 227	207
Net loss/(gain) from disposal of non-current assets classified as held for sale	250	(237)	250	(237)
Total assets				
Proceeds from disposal	(1 459)	(1 259)	(1 064)	(1 013)
Less net book value of assets disposed	1 639	1 793	1 399	1 405
Net loss from disposal of total assets	180	534	335	392

Department for Education
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4.5. Net loss / (gain) from disposal of non-current assets (continued)

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.

4.6. Other expenses

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Non-current assets written off	3 960	1 066	3 960	1 066
Allowance for impairment loss on receivables	2 996	2 254	1 155	49
Emergency Services Levy	1 047	967	1 047	967
Auditor's remuneration – other	1 546	527	1 477	462
Auditor's remuneration - Auditor-General's Department *	760	540	760	540
Insurance	770	929	795	1 075
Donated assets	719	-	2 631	615
Other expenses	1	1	1	1
Total other expenses	11 799	6 284	11 826	4 775

* 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
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5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Land				
Land	1 629 447	1 582 083	1 629 048	1 581 684
Total land	1 629 447	1 582 083	1 629 048	1 581 684
Buildings and improvements				
Buildings and improvements	8 735 291	8 042 275	8 732 352	8 040 482
Accumulated depreciation	(5 752 322)	(5 164 880)	(5 751 409)	(5 164 180)
Total buildings and improvements	2 982 969	2 877 395	2 980 943	2 876 302
Construction work in progress				
Construction work in progress	772 648	115 770	772 649	115 770
Total construction work in progress	772 648	115 770	772 649	115 770
Leasehold improvements				
Leasehold improvements	39 128	38 296	39 128	38 296
Accumulated depreciation	(30 856)	(29 407)	(30 856)	(29 407)
Total leasehold improvements	8 272	8 889	8 272	8 889
Buses and motor vehicles				
Buses and motor vehicles	57 929	58 054	42 520	43 076
Accumulated depreciation	(29 091)	(27 051)	(19 390)	(17 511)
Total buses and motor vehicles	28 838	31 003	23 130	25 565
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	88 818	80 161	16 940	16 623
Accumulated depreciation	(54 445)	(50 356)	(13 661)	(13 369)
Total computing, communications, furniture and equipment	34 373	29 805	3 279	3 254
Other assets				
Other assets	15 232	14 062	3 581	3 487
Accumulated depreciation	(10 129)	(9 284)	(3 212)	(3 167)
Total other assets	5 103	4 778	369	320
Total property, plant and equipment	5 461 650	4 649 723	5 417 690	4 611 784

Department for Education
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5.1 Property, plant and equipment by asset class (continued)

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

Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in Note 10.2.

The construction work in progress includes \$213.3 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 9.1.

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 (2020: 3) disused sites were written down to their fair value less cost of disposal. An impairment loss of \$1 million (2020: \$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 as at 30 June 2021.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Department for Education
Notes to and forming part of the financial statements
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5.1 Property, plant and equipment by asset class (continued)

Reconciliation 2020-21

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 2020-21	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
Carrying amount 1 July 2020	1 581 684	2 876 302	115 770	8 889	25 565	3 254	320	4 611 784
Additions	6 772	4 181	688 632	-	-	2 637	94	702 316
Disposals	(11)	(6)	-	-	(155)	-	-	(172)
Assets derecognised	-	(3 793)	-	-	(42)	(128)	-	(3 963)
Assets reclassified to assets held for sale	(6 406)	(105)	-	-	-	-	-	(6 511)
Transfers to/(from) WIP	-	31 753	(31 753)	-	-	-	-	-
Transfers between asset classes	(202)	202	-	-	-	-	-	-
Revaluation increment/(decrement)	47 102	195 067	-	576	-	-	-	242 745
Impairment to revaluation surplus	-	(188)	-	-	-	(3)	-	(191)
Depreciation	-	(125 834)	-	(1 193)	(2 238)	(593)	(45)	(129 903)
Assets recognised for the first time	-	3 364	-	-	-	30	-	3 394
Donated assets	109	-	-	-	-	(1 918)	-	(1 809)
Carrying amount at 30 June 2021	1 629 048	2 980 943	772 649	8 272	23 130	3 279	369	5 417 690

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

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.

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
Carrying amount 1 July 2019	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	-	(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)
Carrying amount at 30 June 2020	1 581 684	2 876 302	115 770	8 889	25 565	3 254	320	4 611 784

Department of Education
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5.2. Right of use assets

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Right of use buildings				
Right of use buildings	215 655	215 821	214 248	214 384
Accumulated depreciation	(40 432)	(35 846)	(40 005)	(35 626)
Total right of use buildings	175 223	179 975	174 243	178 758
Right of use vehicles				
Right of use vehicles	8 528	6 764	6 206	4 748
Accumulated depreciation	(4 420)	(2 735)	(3 114)	(1 972)
Total right of use vehicles	4 108	4 029	3 092	2 776
Right of use plant and equipment				
Right of use plant and equipment	53	53	-	-
Accumulated depreciation	(20)	(15)	-	-
Total right of use plant and equipment	33	38	-	-
Total right of use assets	179 364	184 042	177 335	181 534

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 was performed as at 30 June 2017 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practising 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.

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

The department has a number of leases:

- 616 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 17 property leases that are non-cancellable. Remaining property lease terms range from 4 years to 22 years.
- Schools have 7 leases that are non-cancellable. The remaining lease terms range from 1 year 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 9.1 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 10.3. 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.

Department for Education
Notes to and forming part of the financial statements
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5.2 Right of use assets (continued)

Reconciliation 2020-21

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

Consolidated 2020-21	Right of use plant and equipment \$'000	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2020	38	179 975	4 029	184 042
Additions	-	70	3 100	3 170
Assets derecognised	-	-	(37)	(37)
Depreciation	(5)	(4 736)	(2 983)	(7 724)
Remeasurement of leased asset	-	(86)	(1)	(87)
Carrying amount at 30 June 2021	33	175 223	4 108	179 364

Reconciliation 2019-20

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

Consolidated 2019-20	Right of use plant and equipment \$'000	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2019	-	176 939	-	176 939
Additions	-	5	2 111	2 116
Assets derecognised	-	-	(450)	(450)
Depreciation	(15)	(4 797)	(2 993)	(7 805)
Assets recognised on adoption of AASB16	53	7 828	5 361	13 242
Carrying amount at 30 June 2020	38	179 975	4 029	184 042

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

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Property, plant and equipment	5 461 650	4 649 723	5 417 690	4 611 784
Right of use assets	179 364	184 042	177 335	181 534
Total property, plant and equipment and right of use assets	5 641 014	4 833 765	5 595 025	4 793 318

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5.4. Intangible assets

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Internally developed computer software				
Internally developed computer software	4 354	4 354	4 354	4 354
Accumulated amortisation	(4 354)	(4 354)	(4 354)	(4 354)
Total internally developed computer software	-	-	-	-
Purchased software				
Externally provided software	140	140	140	140
Accumulated amortisation	(140)	(131)	(140)	(131)
Total purchased software	-	9	-	9
Service right for use of equipment				
Service right for use of equipment	24 338	24 264	24 338	24 264
Accumulated amortisation	(8 738)	(7 871)	(8 738)	(7 871)
Total service right for use of equipment	15 600	16 393	15 600	16 393
Total intangibles	15 600	16 402	15 600	16 402

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 acquisition of internally developed software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5 000.

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 9.1.

Impairment

There were no indications of impairment of intangible assets as at 30 June 2021.

Department for Education
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5.4. Intangible assets (continued)

Reconciliation

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

Department 2020-21	Purchased software \$'000	Service right for use of equipment \$'000	Total \$'000
Carrying amount 1 July 2020	9	16 393	16 402
Additions	-	74	74
Amortisation	(9)	(867)	(876)
Carrying amount at 30 June 2021	-	15 600	15 600

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

5.5. Inventories

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Materials at net realisable value	6 054	6 193	-	-
Total inventories	6 054	6 193	-	-

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

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Land	6 431	875	6 431	875
Buildings and improvements	105	-	105	-
Buses	145	522	145	522
Total non-current assets classified as held for sale	6 681	1 397	6 681	1 397

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 10.2.

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

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.

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:

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land				
Carrying amount at the beginning of the period	875	214	875	214
Disposals	(850)	(164)	(850)	(164)
Assets reclassified to/(from) assets held for sale	6 406	825	6 406	825
Carrying amount at the end of the period	6 431	875	6 431	875
Buildings and improvements				
Carrying amount at the beginning of the period	-	70	-	70
Disposals	-	(70)	-	(70)
Assets reclassified to/(from) assets held for sale	105	-	105	-
Carrying amount at the end of the period	105	-	105	-
Buses				
Carrying amount at the beginning of the period	522	-	522	-
Disposals	(377)	-	(377)	-
Assets reclassified to/(from) assets held for sale	-	522	-	522
Carrying amount at the end of the period	145	522	145	522
Total non-current assets classified as held for sale	6 681	1 397	6 681	1 397

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6. Financial assets

6.1. Cash and cash equivalents

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer				
Operating Account	222 854	189 844	222 854	189 844
Accrual Appropriation Excess Funds	393 308	341 216	393 308	341 216
Section 21 Deposit Account	394	394	394	394
Total deposits with the Treasurer	616 556	531 454	616 556	531 454
SA School Investment Fund (SASIF)	498 611	456 929	-	-
Cash at bank and on hand	45 100	41 173	507	328
Total cash and cash equivalents	1 160 267	1 029 556	617 063	531 782

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.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds Account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer.

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

SA School Investment Fund (SASIF)

Represents the amount held in schools SASIF accounts at 31 December 2020, 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 2021 was \$499.4 million (2020: \$453 million) and does not include \$53.6 million (2020: \$44.8 million) held in the account for preschools and some units as these have been treated as transactions with third parties.

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6.2. Receivables

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Current				
<i>Fees, charges and other receivables</i>				
From government entities	3 004	1 440	8 928	4 800
From non-government entities	30 327	32 881	10 306	11 221
Less impairment loss on receivables	(6 821)	(5 620)	(1 700)	(545)
Total fees, charges and other receivables	26 510	28 701	17 534	15 476
<i>Statutory receivables</i>				
GST recoverable from the ATO	22 090	14 150	18 849	11 026
Loan receivables	11	2	672	704
Total statutory receivables	22 101	14 152	19 521	11 730
Prepayments	8 479	6 373	5 176	2 807
Accrued revenues	2 921	9 957	49	7 406
Total current receivables	60 011	59 183	42 280	37 419
Non-current				
<i>Statutory receivables</i>				
Workers compensation receivable	2 135	2 096	2 135	2 096
Loan receivables	85	106	3 711	4 055
Total non-current receivables	2 220	2 202	5 846	6 151
Total receivables	62 231	61 385	48 126	43 570

Fees, charges and other receivables arise in the normal course of selling goods and services to other government agencies and to the public. Fees, charges and other 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.

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

Refer to note 10.3 for further information on risk management.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

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

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

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6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Carrying amount at the beginning of the period	5 620	5 422	545	573
Increase/(decrease) in allowance recognised in profit or loss	2 996	2 254	1 155	49
Amounts written off	(1 795)	(2 056)	-	(77)
Carrying amount at the end of the period	6 821	5 620	1 700	545

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

Refer to note 10.3 for details of credit risk and the methodology for determining impairment for the department.

6.3. Other financial assets

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Current				
Term deposits	77	76	-	-
Total current investments	77	76	-	-
Non-current				
Term deposits	-	11	-	-
Shares held in listed securities	156	155	-	-
Total non-current investments	156	166	-	-
Total other financial assets	233	242	-	-

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 10.3.

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7. Liabilities

7.1. Payables

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	113 461	52 779	147 796	98 654
Accrued expenses	9 599	15 325	2 043	1 922
Accrued interest on PPP lease	4 028	3 864	4 028	3 864
<i>Statutory payables</i>				
Employment on-costs	48 834	44 427	48 816	44 405
Paid Parental Leave Scheme payable	628	891	628	891
Total statutory payables	49 462	45 318	49 444	45 296
Total current payables	176 550	117 286	203 311	149 736
Non-current				
Creditors	-	3	-	3
Accrued interest on PPP lease	12 929	12 300	12 929	12 300
<i>Statutory payables</i>				
Employment on-costs	59 548	56 404	59 548	56 404
Total non-current payables	72 477	68 707	72 477	68 707
Total payables	249 027	185 993	275 788	218 443

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.

Statutory payables do not arise from contracts.

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken has increased to a rate of 65% (2020: 64%) and the average factor for the calculation of employer superannuation increased to a rate of 10.1% (2020: 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.

Accrued interest on PPP lease

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

Department for Education
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7.2. Financial Liabilities

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	3 378	3 561	2 619	2 612
Education Works New Schools PPP lease ¹	2 853	2 550	2 853	2 550
SA Schools PPP ¹	3 438	-	3 438	-
Total current financial liabilities	9 669	6 111	8 910	5 162
Non-current				
Lease liabilities	6 152	7 106	4 885	5 516
Education Works New Schools PPP lease ¹	157 785	160 638	157 785	160 638
SA Schools PPP borrowings ¹	215 314	34 997	215 314	34 997
Total non-current financial liabilities	379 251	202 741	377 984	201 151
Total financial liabilities	388 920	208 852	386 894	206 313

¹ These are related to the public private partnership agreements and are interest bearing.

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

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

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 4.01%.

For further information on risk management refer to note 10.3.

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

Department for Education
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7.3. Provisions

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Current				
Provision for workers' compensation	20 364	19 380	20 364	19 380
Provision for legal claims	672	500	672	500
Provision for fire claims	-	-	270	270
Total current provisions	21 036	19 880	21 306	20 150
Non-current				
Provision for workers' compensation	94 857	84 904	94 857	84 904
Provision for legal claims	3 302	3 718	3 302	3 718
Total non-current provisions	98 159	88 622	98 159	88 622
Total provisions	119 195	108 502	119 465	108 772

Movement in workers compensation provisions

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Carrying amount at the beginning of the period	104 284	81 510	104 284	81 510
Reductions arising from payments	(19 527)	(17 158)	(19 527)	(17 158)
Additional provision recognised	30 464	39 932	30 464	39 932
Carrying amount at the end of the period	115 221	104 284	115 221	104 284

A provision has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 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.

Movement in legal claims provisions

	2021 Consolidated \$'000	2020 Consolidated \$'000	2021 Department \$'000	2020 Department \$'000
Carrying amount at the beginning of the period	4 218	4 427	4 218	4 427
Reductions arising from payments	(986)	(357)	(986)	(357)
Reversal of prior provision	(674)	(1 124)	(674)	(1 124)
Additional provision recognised	1 416	1 272	1 416	1 272
Carrying amount at the end of the period	3 974	4 218	3 974	4 218

Department for Education
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7.3 Provisions (continued)

Movement in fire claims provisions	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	270	20
Reductions arising from payments	-	-	(20)	(105)
Additional provision recognised	-	-	20	355
Carrying amount at the end of the period	-	-	270	270

7.4. Other liabilities

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Deposits	10 283	12 834	9 929	12 414
Other liabilities	2 424	14 035	351	404
Equipment service right	1 086	1 070	1 086	1 070
Total current other liabilities	13 793	27 939	11 366	13 888
Non-current				
Equipment service right	17 449	18 461	17 449	18 461
Other liabilities	541	470	489	470
Deposits	280	505	-	56
Total non-current other liabilities	18 270	19 436	17 938	18 987
Total other liabilities	32 063	47 375	29 304	32 875

Department for Education
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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 Accrual Appropriation Excess Funds Account held by the Treasurer.

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.

Total cash outflow for leases was \$25.3 million (2020: \$25.3 million). The cash outflow for leases is for the Consolidated entity only.

Cash Flow Reconciliation	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period				
Cash and cash equivalents disclosed in the Statement of Financial Position	1 160 267	1 029 556	617 063	531 782
Balance as per the Statement of Cash Flows	1 160 267	1 029 556	617 063	531 782
Reconciliation of net cash provided by operating activities to net cost of providing services				
Net cash provided by operating activities	329 707	183 127	270 485	176 571
Add / (less) non-cash items				
Depreciation and amortisation	(147 040)	(149 744)	(137 525)	(140 960)
Bad and doubtful debts	(2 996)	(2 254)	(1 155)	(49)
Non-current assets derecognised/written off	(3 960)	(1 066)	(3 960)	(1 066)
Resources received free of charge	311	-	-	-
Donated assets	(719)	-	(2 631)	(615)
Assets recognised for the first time	3 394	3 473	3 394	3 473
Net loss/(gain) from disposal of non financial assets	(180)	(534)	(335)	(392)
Movement in assets and liabilities				
Increase/(decrease) in receivables	846	14 297	4 556	8 430
Increase/(decrease) in inventories	(139)	169	-	-
(Increase)/decrease in payables	(8 350)	(1 960)	(3 933)	(34 027)
(Increase)/decrease in employee benefits	(34 739)	(37 789)	(34 121)	(37 305)
(Increase)/decrease in financial liabilities	(5 089)	(442)	(5 048)	(442)
(Increase)/decrease in provisions	(10 693)	(22 565)	(10 693)	(22 815)
(Increase)/decrease in other liabilities	15 312	7 972	3 571	3 480
Net result	135 665	(7 316)	82 605	(45 717)

Department for Education
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9. Outlook

9.1. Unrecognised contractual commitments

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

SA Schools Public Private Partnership capital and financing commitments

	Total capital and financing commitments	
	2021	2020
	\$'000	\$'000
Later than one year but not later than five years	228 425	50 452
Later than five years	-	356 680
SA Schools PPP capital and financing commitments	228 425	407 132

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 \$213.2 million recognised in 2020-21. A corresponding finance charge and financial liability has been accounted for in note 4.4 and 7.2 respectively.

Capital commitments

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	272 170	139 050	272 170	139 050
Later than one year but not later than five years	-	41 306	-	41 306
Total capital commitments	272 170	180 356	272 170	180 356

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

Expenditure commitments

	2021	2020	2021	2020
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	16 283	13 007	16 283	13 007
Later than one year but not later than five years	53 727	55 090	53 727	55 090
Later than five years	316 744	324 008	316 744	324 008
Total expenditure commitments	386 754	392 105	386 754	392 105

The majority of expenditure commitments relate to future operations and maintenance commitments for Public Private Partnership agreements and memoranda of administrative arrangements with the Department of Infrastructure and Transport for accommodation.

Department for Education
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9.1 Unrecognised contractual commitments (continued)

Public Private Partnership Agreements

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 and the SA Schools Public Private Partnership include 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 PPP agreements, 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.

9.2. 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 and if quantifiable, are measured at nominal value.

The department is not aware of any contingent assets.

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'.

9.3. 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 cleaning costs and associated cleaning consumables will continue during the pandemic period.

9.4. Events after the reporting period

No events to report after reporting period.

Department for Education
Notes to and forming part of the financial statements
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10. Measurement and risk

10.1. Long service leave and other employee benefit liabilities – measurement

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 and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over 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 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 increased to 1.0% (2020: 0.50%).

The actuarial assessment performed by DTF left the salary inflation rate at 2.5% (2020: 2.5%) for long service leave liability and 2% (2020: 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 \$18.6 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 based on actual prior years long service leave taken.

10.2. 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 tangible 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.

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 \$1.5 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
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10.2 Fair value (continued)

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 2021, 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 2021

	Department Level 2 \$'000	Department Level 3 \$'000	Department Total \$'000
Recurring fair value measurements			
Land	1 629 048	-	1 629 048
Buildings and improvements	147	2 980 796	2 980 943
Leasehold improvements	-	8 272	8 272
Buses and motor vehicles	-	23 130	23 130
Computing, communications, furniture and equipment	-	3 279	3 279
Other assets	-	369	369
Total recurring fair value measurements	1 629 195	3 015 846	4 645 041
Non-recurring fair value measurements			
Land held for sale	6 431	-	6 431
Buildings and improvements held for sale	105	-	105
Buses held for sale	145	-	145
Total non-recurring fair value measurements	6 681	-	6 681
Total fair value measurements	1 635 876	3 015 846	4 651 722

Department for Education
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10.2 Fair value (continued)

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

	Department Level 2 \$'000	Department Level 3 \$'000	Department Total \$'000
Recurring fair value measurements			
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
Total recurring fair value measurements	1 581 884	2 914 130	4 496 014
Non-recurring fair value measurements			
Land held for sale	875	-	875
Buses held for sale	522	-	522
Total non-recurring fair value measurements	1 397	-	1 397
Total fair value measurements	1 583 281	2 914 130	4 497 411

Land and buildings

The independent valuation of land was performed by the Valuer-General as at 30 June 2021.

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 for Infrastructure and Transport (DIT). 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 2021, paved areas are current as at 30 June 2021, 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.

Refer to note 5.2 for independent valuation information on right of use buildings.

Leasehold improvements

An independent valuation of one leasehold improvement with the largest written down value 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 2021. The valuer adopted depreciated replacement cost when valuing the asset as quoted prices in an active liquid market were not available. This valuation only resulted in a 10% increase in the value of the written down cost. Therefore based on this outcome the department considers the carrying value of the other leasehold improvements approximates fair value.

Department for Education
Notes to and forming part of the financial statements
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10.2 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
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10.2 Fair value (continued)

Reconciliation of level 3 recurring fair value measurements as at 30 June 2021

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 2020-21	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	2 876 102	8 889	25 565	3 254	320
Additions	4 181	-	-	2 637	94
Disposals	(6)	-	(155)	-	-
Assets derecognised	(3 793)	-	(42)	(128)	-
Assets reclassified to assets held for sale	(105)	-	-	-	-
Transfers from WIP	31 753	-	-	-	-
Transfers between asset classes	172	-	-	-	-
Assets recognised for the first time	3 364	-	-	30	-
Transfers from third parties	-	-	-	(1 918)	-
Gains/(losses) for the period recognised in net result					
Depreciation and amortisation	(125 817)	(1 193)	(2 238)	(593)	(45)
Total gains/(losses) recognised in net result	(125 817)	(1 193)	(2 238)	(593)	(45)
Gains/(losses) for the period recognised in other comprehensive income (OCI)					
Reversal of revaluation decrement	195 067	576	-	-	-
Impairment to revaluation surplus	(122)	-	-	(3)	-
Total gains/(losses) recognised in OCI	194 945	576	-	(3)	-
Closing balance at the end of the period	2 980 796	8 272	23 130	3 279	369

Department for Education
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10.2. 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	-	-	-	143
Transfers from third parties	-	-	-	116	-
Gains/(losses) for the period recognised in net result					
Depreciation and amortisation	(129 100)	(1 193)	(2 283)	(278)	(37)
Total gains/(losses) recognised in net result	(129 100)	(1 193)	(2 283)	(278)	(37)
Gains/(losses) for the period recognised in other comprehensive income (OCI)					
Impairment to revaluation surplus	(158)	-	-	-	-
Total gains/(losses) recognised in OCI	(158)	-	-	-	-
Closing balance at the end of the period	2 876 102	8 889	25 565	3 254	320

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10.3. Financial instruments

Financial risk management

Risk management is managed by the department and departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

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

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10.3. 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

\$285 000 was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2021			
Current (not past due)	579	0.19%	1
1-30 days past due	20	0.60%	-
31-60 days past due	115	1.49%	2
61-90 days past due	107	2.23%	2
More than 90 days past due	943	2.96%	28
Loss allowance			33

Salary overpayments debtors.

\$1 053 000 was impaired based on objective evidence. There are no expected lifetime losses.

International Education debtors.

\$329 000 was impaired based on objective evidence. There are no expected lifetime losses.

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 allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses.

No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

Cash and debt investments

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.3. Financial instruments (continued)

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.

Classification of financial instruments

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.

Maturity analysis of financial instruments (Department)

Category of financial asset and financial liability	Notes	2021	2020	2021 Contractual maturities		
		Carrying amount/ fair value \$'000	Carrying amount/ fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	6.1	617 063	531 782	-	-	-
Financial assets at amortised cost						
Receivables	6.2	21 966	27 641	18 255	1 392	2 319
Total financial assets		639 029	559 423	18 255	1 392	2 319
Financial liabilities						
Financial liabilities at amortised cost						
Payables	7.1	166 898	117 136	153 969	12 929	-
Lease liabilities	7.2	168 142	171 316	5 472	15 225	147 445
Borrowings	7.2	218 752	34 997	3 438	22 775	192 539
Contract balances	2.4	-	909	-	-	-
Other liabilities	7.4	29 304	32 875	11 366	5 104	12 834
Total financial liabilities		583 096	357 233	174 245	56 033	352 818

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

Department for Education

Administered Financial Statements

For the year ended 30 June 2021

Department for Education
Statement of Administered Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Administered income			
Appropriation	A2.1	369 834	505 142
Commonwealth sourced grants and funding	A2.2	899 096	1 273 270
Grants and transfers	A2.3	1 241	4 056
Resources received free of charge		6	6
Other income	A2.4	10	74
Total administered income		1 270 187	1 782 548
Administered expenses			
Employee benefits expenses	A3.2	4 494	4 431
Supplies and services	A4.1	897	982
Transfer payments	A4.2	1 195 456	1 714 183
Grants and subsidies	A4.3	69 624	60 205
Depreciation	A4.4	235	258
Total administered expenses		1 270 706	1 780 059
Net result		(519)	2 489
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in revaluation surplus		6 369	-
Total other comprehensive income		6 369	-
Total comprehensive result		5 850	2 489

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 2021

	Note	2021 \$'000	2020 \$'000
Administered current assets			
Cash and cash equivalents		21 179	41 018
GST recoverable from the ATO		19 588	513
Total current assets		40 767	41 531
Administered non-current assets			
Property, plant and equipment	A5.1	20 369	14 235
Total non-current assets		20 369	14 235
Total assets		61 136	55 766
Administered current liabilities			
Payables	A6.1	345	970
Employee benefits	A3.3	399	342
Total current liabilities		744	1 312
Administered non-current liabilities			
Payables	A6.1	54	44
Employee benefits	A3.3	455	377
Total non-current liabilities		509	421
Total liabilities		1 253	1 733
Net assets		59 883	54 033
Administered equity			
Retained earnings		51 349	51 868
Revaluation surplus		8 534	2 165
Total equity		59 883	54 033

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 2021

	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 1 July 2019	2 165	49 379	51 544
Net result for 2019-20	-	2 489	2 489
Total comprehensive result for 2019-20	-	2 489	2 489
Balance at 30 June 2020	2 165	51 868	54 033
Net result for 2020-21	-	(519)	(519)
Changes on revaluation during 2020-21	6 369	-	6 369
Total comprehensive result for 2020-21	6 369	(519)	5 850
Balance at 30 June 2021	8 534	51 349	59 883

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 2021

	2021	2020
	(Outflows)	(Outflows)
	Inflows	Inflows
	\$'000	\$'000
Cash flows from operating activities	Note	
Cash inflows		
Appropriation	369 834	505 142
GST recovered from the ATO	12 558	47 633
Receipts from Commonwealth sourced grants and funding	899 096	1 273 263
Grants and transfers	1 241	4 077
Other receipts	10	32
Cash generated from operations	1 282 739	1 830 147
Cash outflows		
Employee benefit payments	(4 337)	(4 448)
Payments for supplies and services	(982)	(1 460)
Transfer payments	(1 241 005)	(1 732 491)
Payments of grants and subsidies	(56 254)	(88 558)
Cash used in operations	(1 302 578)	(1 826 957)
Net cash provided by / (used in) operations	A7.1 (19 839)	3 190
Net increase / (decrease) in cash and cash equivalents	(19 839)	3 190
Cash and cash equivalents at the beginning of the period	41 018	37 828
Cash and cash equivalents at the end of the period	21 179	41 018

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 2021

Activities - refer note A1.2	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered income										
Appropriation	368	366	364 853	500 053	4 613	4 723	-	-	369 834	505 142
Commonwealth sourced grants and funding	-	-	882 110	1 254 119	-	-	16 986	19 151	899 096	1 273 270
Grants and transfers	-	-	703	3 460	538	596	-	-	1 241	4 056
Resources received free of charge	-	-	-	-	6	6	-	-	6	6
Other income	-	-	2	17	1	43	7	14	10	74
Total administered income	368	366	1 247 668	1 757 649	5 158	5 368	16 993	19 165	1 270 187	1 782 548
Administered expenses										
Employee benefits expenses	368	368	5	9	4 121	4 054	-	-	4 494	4 431
Supplies and services	-	-	19	31	875	946	3	5	897	982
Transfer payments	-	-	1 195 456	1 714 183	-	-	-	-	1 195 456	1 714 183
Grants and subsidies	-	-	52 624	41 045	10	-	16 990	19 160	69 624	60 205
Depreciation	-	-	143	173	92	85	-	-	235	258
Total administered expenses	368	368	1 248 247	1 755 441	5 098	5 085	16 993	19 165	1 270 706	1 780 059
Net result	-	(2)	(579)	2 208	60	283	-	-	(519)	2 489

Department of Education
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2021

Activities - refer note A1.2	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered assets										
Cash and cash equivalents	-	-	20 911	40 334	260	45	8	639	21 179	41 018
GST recoverable from the ATO	-	-	19 496	432	92	81	-	-	19 588	513
Property, plant and equipment	-	-	19 708	13 482	661	753	-	-	20 369	14 235
Total assets	-	-	60 115	54 248	1 013	879	8	639	61 136	55 766
Administered liabilities										
Payables	-	-	232	215	159	160	8	639	399	1 014
Employee benefits	-	-	-	-	854	719	-	-	854	719
Total liabilities	-	-	232	215	1 013	879	8	639	1 253	1 733
Net assets	-	-	59 883	54 033	-	-	-	-	59 883	54 033

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

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Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

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 South Australia Certificate of Education (SACE) Board of South Australia
- the State and Commonwealth Government contributions to the operation of the Education Standards Board of South Australia
- payments to the Department of Infrastructure and Trade 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 2021

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 2020-21 financial year.

A1.4. Budget performance

The budget performance table compares the department's administered items outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Income				
Appropriation	1	171 911	369 834	197 923
Commonwealth sourced grants and funding		889 854	899 096	9 242
Grants and transfers		1 098	1 241	143
Resources received free of charge		-	6	6
Other income		-	10	10
Total administered income		1 062 863	1 270 187	207 324
Expenses				
Employee benefits expense		4 751	4 494	(257)
Supplies and services		975	897	(78)
Transfer payments	2	984 104	1 195 456	211 352
Grants and subsidies		74 729	69 624	(5 105)
Depreciation		269	235	(34)
Total expenses		1 064 828	1 270 706	205 878
Net result		(1 965)	(519)	1 446
Other comprehensive income				
Changes in revaluation surplus		-	6 369	6 369
Total other comprehensive income		-	6 369	6 369
Total comprehensive result		(1 965)	5 850	7 815

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 The increase mainly reflects the timing of state government grant funding brought forward to assist non-government schools to manage the impacts of COVID-19.
- 2 The increase mainly reflects the timing of state government grant payments to assist non-government schools to manage the impacts of COVID-19 and additional funding for non-government schools.

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

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 \$22 million (2020: \$19 million) (A4.2)
- Education Standards Board of SA of \$4 million (2020: \$3 million) (A4.2)
- Department of Infrastructure and Transport (DIT) of \$15 million (2020: \$14 million) (A4.1 and A4.3).

A2. Income

A2.1. Appropriation

	2021	2020
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	171 543	324 776
Appropriation from Governor's Appropriation Fund	197 923	180 000
Appropriations under other Acts ¹	368	366
Total appropriation	369 834	505 142

¹ Appropriations under other Acts are recognised on an accrual basis.

A2.2. Commonwealth sourced grants and funding

	2021	2020
	\$'000	\$'000
National School Reform Agreement	880 464	1 251 763
Family Day Care Scheme*	16 984	19 144
National School Chaplaincy Program	1 645	1 686
Local Schools Community Fund	-	670
Other Commonwealth grants	3	7
Total Commonwealth sourced grants and funding	899 096	1 273 270

A2.3. Grants and transfers

	2021	2020
	\$'000	\$'000
Grants from the Department for Education	723	3 510
Grants from other SA Government departments	518	534
Contingency funding provided by the Department of Treasury and Finance	-	12
Total grants and transfers	1 241	4 056

A2.4. Other income

	2021	2020
	\$'000	\$'000
Recoveries	10	32
Assets recognised for the first time	-	42
Total other income	10	74

Department of Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A3. Board, committees and employees

A3.1. Remuneration of board and committee members

Members of the boards and committees during the 2020-21 financial year were:

Child Death and Serious Injury Review Committee

Mr Michael Ahern ²
 Ms Angela Davis
 Ms Meredith Dickson
 Mr David Everett
 Dr Mark Fuller ²
 Ms Dianne Gursansky (resigned June 2021)
 Ms Ann-Marie Hayes ¹
 Dr Deepa Jeyaseelan ² (resigned June 2021)
 Dr Margaret Kyrkou ²
 Ms Karen McAuley ¹ (appointed August 2020)
 Ms Barbara Tiffin ¹
 Dr Mohammed Usman ¹ (appointed August 2020)
 Ms Kylie Walsh ¹ (appointed August 2020)

Child Development Council

Mr Phillip Allen
 Dr Sally Brinkman
 Dr Yvonne Clark
 Ms Helen Connolly ¹
 Dr Anne Glover AO
 Ms Ann-Marie Hayes ¹
 Mr Graham Jaeschke
 Dr Barbara Spears
 Ms Vivienne St John Robb ²
 Ms Kelly Ryan
 Ms Patricia Walton
 Ms Joanne Wickes
 Dr Neil Wigg

Multicultural Education and Languages Committee

Mr Darryl Buchanan
 Ms Teresa Cimmino (appointed January 2021)
 Ms Antonietta Cocchiaro
 Ms Deb Dalwood
 Ms Kayoko Enomoto (appointed January 2021)
 Ms Meridie Howley (resigned April 2021)
 Ms Michelle Kohler
 Ms Olga Kostic
 Ms Anna Mirasgentis (resigned December 2020)
 Ms Shamsiya Mohammadi (resigned December 2020)
 Ms Panayoula Parha ¹ (resigned December 2020)
 Mr Ludgero Rego (appointed January 2021)
 Ms Samoda Silva (appointed January 2021)
 Mr Harry Savelsburg
 Associate Professor Angela Scarino
 Ms Inawantji Scales (resigned December 2020)
 Ms Deonne Smith (appointed January 2021)
 Ms Lia Tedesco ¹
 Professor John West-Sooby (resigned December 2020)
 Mr Adiredy Yara

¹ Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.

² 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:

	2021	2020
	Number of	Number of
	members	members
\$0	24	22
\$1 - \$19 999	27	35
Total number of members	51	57

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, out of hours fees, retention fees, superannuation contributions, Fringe Benefits Tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$43 000 (2020: \$52 000).

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A3.2. Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	3 512	3 424
Employment on-costs - superannuation	339	369
Annual leave	292	282
Employment on-costs - payroll tax	191	202
Long service leave	79	65
Board and committee fees	40	52
Skills and experience retention leave	9	10
Workers' compensation	2	2
Other employee related expenses	30	25
Total employee benefits expenses	4 494	4 431

Number of employees as at the reporting date

As at 30 June 2021, 34 (2020: 32) full time equivalents were employed to manage the department's administered items. Refer to note A1 for further information.

Executive remuneration

	2021	2021	2020	2020
	Number of	Number of	Number of	Number of
	Executives	Employees	Executives	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	1	1	2	2
\$294 001 to \$314 000	1	1	1	1
Total number of executives / employees	3	3	3	3

¹ 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 2021 and 30 June 2020 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 2021 and 2020.

Remuneration received or due and receivable by the above employees was \$0.8 million (2020: \$0.8 million) which is included in employee benefits expenses.

A3.3. Employee benefits liabilities

	2021	2020
	\$'000	\$'000
Current		
Annual leave	282	258
Long service leave	34	46
Accrued salaries and wages	77	31
Skills and experience retention leave	6	7
Total current employee benefits	399	342
Non-current		
Long service leave	455	377
Total non-current employee benefits	455	377
Total employee benefits	854	719

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A4. Expenses

A4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Accommodation	199	205
Program development	85	164
Contractors and other outsourced services	52	78
Consultants	-	20
Advertising, publicity and promotion expenses	57	96
Vehicle and travelling expenses	41	77
Printing, postage and consumables	135	74
Minor works, maintenance and equipment	68	50
Sponsorship	67	26
Cleaning	30	25
Catering	23	18
Training and development	10	17
Conference expenses	5	17
Management fees and charges	7	11
Information technology and communication	32	10
Shared Services SA charges	8	8
Other supplies and services	78	86
Total supplies and services	897	982

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:

	2021	2021	2020	2020
	Number	\$'000	Number	\$'000
Above \$10 000	-	-	1	20
Total paid / payable to the consultants engaged	-	-	1	20

A4.2. Transfer payments

	2021	2020
	\$'000	\$'000
Non-government schools	1 161 510	1 684 663
SACE Board of South Australia	21 543	18 735
Early Education Board of South Australia	4 199	3 445
Arts entities	8 204	7 340
Total transfer payments	1 195 456	1 714 183

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.

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A4.3. Grants and subsidies

	2021	2020
	\$'000	\$'000
Non-government schools	23 113	14 741
Family Day Care subsidies	16 990	19 160
Transport concessions	14 807	13 885
Non-government preschools	5 113	4 961
Other organisations	4 230	2 365
Arts entities	2 680	2 496
Multicultural grants	2 048	2 194
Other SA Government entities	643	403
Total grants and subsidies	69 624	60 205

A4.4. Depreciation

	2021	2020
	\$'000	\$'000
Depreciation		
Buildings and improvements	139	142
Leasehold improvements	82	82
Computing, furniture and equipment	11	4
Other assets	3	30
Total depreciation	235	258

A5. Non-financial assets

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

	2021	2020
	\$'000	\$'000
Land		
Land	9 985	10 105
Total land	9 985	10 105
Buildings and improvements		
Buildings and improvements	33 688	12 779
Accumulated depreciation	(23 990)	(9 431)
Total buildings and improvements	9 698	3 348
Leasehold improvements		
Leasehold improvements	822	822
Accumulated depreciation	(199)	(117)
Total leasehold improvements	623	705
Computing, furniture and equipment		
Computing, furniture and equipment	87	87
Accumulated depreciation	(24)	(13)
Total computing, furniture and equipment	63	74
Other assets		
Other assets	2 132	2 132
Accumulated depreciation	(2 132)	(2 129)
Total other assets	-	3
Total property, plant and equipment	20 369	14 235

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A5.2. Property, plant and equipment

Reconciliation

2020 - 2021	Land	Buildings and Improvements	Leasehold improvements	Computing, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	10 105	3 348	705	74	3	14 235
Revaluation increment/(decrement)	(120)	6 489	-	-	-	6 369
Depreciation	-	(139)	(82)	(11)	(3)	(235)
Carrying amount at 30 June 2021	9 985	9 698	623	63	-	20 369

2019 - 2020	Land	Buildings and Improvements	Leasehold improvements	Computing, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
Carrying amount at 30 June 2020	10 105	3 348	705	74	3	14 235

Department for Education
Notes to and forming part of the administered financial statements
for the year ended 30 June 2021

A6. Liabilities

A6.1. Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	269	906
Employment on-costs	61	50
Accrued expenses	15	14
Total current payables	<u>345</u>	<u>970</u>
Non-current		
Employment on-costs	54	44
Total non-current payables	<u>54</u>	<u>44</u>
Total payables	<u>399</u>	<u>1 014</u>

A7. Other disclosures

A7.1. Cash flow

Cash flow reconciliation

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	21 179	41 018
Balance as per the Statement of Administered Cash Flows	<u>21 179</u>	<u>41 018</u>
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(19 839)	3 190
Add / (less) non-cash items		
Depreciation	(235)	(258)
Assets recognised for the first time	-	42
Movement in assets and liabilities		
(Increase)/decrease in payables	615	(625)
Increase/(decrease) in receivables	19 075	125
(Increase)/decrease in employee benefits	(135)	15
Net result	<u>(519)</u>	<u>2 489</u>

Department of Education
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A8. Outlook

A8.1. Unrecognised contractual commitments

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

Expenditure commitments	2021	2020
	\$'000	\$'000
Within one year	209	199
Later than one year but not longer than five years	899	873
Later than five years	493	728
Total operating lease commitments	1 601	1 800

The expenditure commitments relate to the memoranda of administrative arrangements with the Department of Infrastructure and Transport and for accommodation.

A9. Measurement and risk

A9.1. 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 10.1.

A9.2. Fair value

For further information on fair value measurement and recognition, refer to note 10.2.

In 2020 and 2021 all land was classified as level 2 and all buildings, improvements, computing, furniture and equipment were classified as level 3. All recurring fair value measurements are the same as in note A5.1. There are no significant unobservable inputs for level 3 property, plant and equipment.

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A9.3. Financial instruments

Financial risk management

Risk management is managed by the department and departmental risk management policies are in accordance with the *SA Government Risk Management Guidelines* 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 within the departments controlled financial statements.

Classification of financial instruments

The department measures all financial instruments at amortised cost. All financial assets and liabilities have a contractual maturity within one year.