

Department for Trade and Investment

Financial report
for the year ended
30 June 2021



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To the Chief Executive Department for Trade and Investment

Opinion

I have audited the financial report of the Department for Trade and Investment 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 Trade and Investment as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with the 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 Certificate from the Chief Executive and the Director, Strategic Operations.

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 Trade and Investment. 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 the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's 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 Trade and Investment 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.

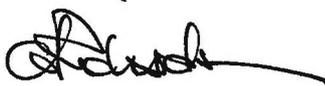
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Trade and Investment'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

28 September 2021

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**Department for Trade and Investment
(DTI)**

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

Department for Trade and Investment
for the year ended 30 June 2021

Certification of the Financial Statements

We certify that the:

- financial statements of the Department for Trade and Investment:
 - 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 Trade and Investment for the financial year over its financial reporting and its preparation of financial statements have been effective.



Leonie Muldoon
Chief Executive
27 September 2021



Sophie Adlaf
Director, Strategic Operations
27 September 2021

Department for Trade and Investment
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<u>Income</u>			
Appropriations	2.1	40 638	48 340
Commonwealth-sourced grants and funding	2.2	314	595
Resources received free of charge	2.3	473	149
SA Government grants, subsidies and transfers	2.4	8 967	13 287
Other income	2.5	208	570
Total income		50 600	62 941
<u>Expenses</u>			
Employee benefits expenses	3.3	18 048	19 739
Supplies and services	4.1	17 825	13 365
Depreciation and amortisation	5	904	465
Grants and subsidies	4.2	10 294	9 077
Borrowing costs	4.3	35	35
Cash returned to the Department of Treasury and Finance	4.4	12 439	9 094
Other Expenses	4.5	2	1
Net loss from disposal of non-current assets	4.6	10	-
Total expenses		59 557	51 776
Net result		(8 957)	11 165

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

Department for Trade and Investment
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	27 682	34 027
Receivables	6.2	729	435
Other current assets	6.3	-	4 836
Total current assets		28 411	39 298
<u>Non-current assets</u>			
Property, plant and equipment	5.1	1 509	715
Right-of-use assets	5.2	4 482	1 860
Total non-current assets		5 991	2 575
Total assets		34 402	41 873
<u>Current liabilities</u>			
Payables	7.1	5 740	6 021
Financial liabilities	7.2	1 337	314
Employee benefits	3.4	2 066	2 047
Provisions	7.3	25	461
Other current liabilities	7.4	33	13
Total current liabilities		9 201	8 856
<u>Non-current liabilities</u>			
Payables	7.1	282	320
Financial liabilities	7.2	3 184	1 563
Employee benefits	3.4	3 004	3 467
Provisions	7.3	60	39
Total non-current liabilities		6 530	5 389
Total liabilities		15 731	14 245
Net assets		18 671	27 628
<u>Equity</u>			
Retained earnings		18 671	27 628
Total equity		18 671	27 628

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

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Department for Trade and Investment
Statement of Changes in Equity
for the year ended 30 June 2021

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019	16 463	16 463
<u>Net result for 2019-20</u>	<u>11 165</u>	<u>11 165</u>
Balance at 30 June 2020	<u>27 628</u>	<u>27 628</u>
<u>Net result for 2020-21</u>	<u>(8 957)</u>	<u>(8 957)</u>
Balance at 30 June 2021	<u><u>18 671</u></u>	<u><u>18 671</u></u>

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

Department for Trade and Investment
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriations		40 638	48 340
Receipts from Commonwealth-sourced grants		403	877
SA Government grants, subsidies and transfers		8 967	13 636
Net GST recovered from ATO		1 222	1 532
Other receipts		203	964
Cash generated from operations		51 433	65 349
<i>Cash outflows</i>			
Employee benefits payments		(18 697)	(21 261)
Payments for supplies and services		(15 080)	(17 649)
Cash returned to the Department of Treasury and Finance		(12 439)	(9 094)
Payments of grants and subsidies		(9 815)	(11 208)
Borrowing costs		(35)	(35)
Other payments		-	(1)
Cash used in operations		(56 066)	(59 248)
Net cash (used in) / provided by operating activities		(4 633)	6 101
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from sale of property, plant and equipment and other assets		8	-
Cash generated from investing activities		8	-
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(973)	(101)
Purchase of industry assistance assets		-	(4 984)
Cash used in investing activities		(973)	(5 085)
Net cash used in investing activities		(965)	(5 085)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(747)	(427)
Cash used in financing activities		(747)	(427)
Net cash used in financing activities		(747)	(427)
Net (decrease) / increase in cash and cash equivalents		(6 345)	589
Cash and cash equivalents at the beginning of the period		34 027	33 438
Cash and cash equivalents at the end of the period	6.1	27 682	34 027

The accompanying notes form part of these financial statements.

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

1. About the Department for Trade and Investment

The Department for Trade and Investment (the department) is a not-for-profit 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 department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Administered financial statements relating to administered resources are presented separately as part of this report in Note 11. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for the department's transactions.

1.1. Basis of preparation

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

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

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.

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.

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

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

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

1.2. Objectives and programs

Objectives

The objective of the department is to build the economic future of South Australia by partnering with industry to drive economic growth through trade and investment.

The program of the department is Trade and Investment which enables economic growth in South Australia, by promoting the state to key markets, attracting investment, increasing value and diversity of exports, building global reputation and removing barriers to business success. The department works with industry to help create employment opportunities, economic sustainability and an internationally competitive economy.

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:

- Departmental activities were postponed or cancelled directly attributable to COVID-19, largely related to overseas business missions, international and domestic travel, events and conferences.
- The department refocussed some programs and activities to be delivered through digital platforms.
- The department implemented working from home arrangements for staff.

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

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts and deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

			Original DTI Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000
Statement of Comprehensive Income					
Income					
Appropriations	2.1		44 811	40 638	(4 173)
Commonwealth-sourced grants and funding	2.2		362	314	(48)
Resources received free of charge	2.3		-	473	473
SA Government grants, subsidies and transfers	2.4		8 772	8 967	195
Other income	2.5		189	208	19
Total income			54 134	50 600	(3 534)
Expenses					
Employee benefits expenses	3.3		20 761	18 048	(2 713)
Supplies and services	4.1	a)	22 330	17 825	(4 505)
Depreciation and amortisation	5		1 027	904	(123)
Grants and subsidies	4.2	b)	27 046	10 294	(16 752)
Borrowing costs	4.3		64	35	(29)
Cash returned to the Department of Treasury and Finance	4.4		12 439	12 439	-
Other expenses	4.5		86	2	(84)
Net loss from disposal of non-current assets	4.6		-	10	10
Total expenses			83 753	59 557	(24 196)
Net result			(29 619)	(8 957)	20 662

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

Statement of Comprehensive Income

(a) Supplies and services is \$4.5 million favourable compared to original budget primarily due to:

- the continuing impact of COVID-19 on the delivery of the department programs, reclassification to investing expenditure for change in scope of fit-out work and timing changes in other projects.

(b) Grants and Subsidies is \$16.8 million favourable compared to original budget primarily due to:

- revised timeframes for Thomas Foods Infrastructure project (\$8.9 million), Economic Investment Fund projects (\$5.2 million), South Australian Landing Pad program (\$1.4 million) and other time limited projects (\$1.3 million).

Department for Trade and Investment
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
	Note			
Investing expenditure summary				
Total existing projects	c)	448	947	499
Total investing expenditure		448	947	499

Investing expenditure

(c) Total existing investing projects is \$0.5 million unfavourable compared to original budget primarily due to:

- change in timing and scope of fit-out work for the relocation of the department to SA Water House on Victoria Square.

1.5. Significant transactions with government related entities

Significant transactions with the SA government are identifiable throughout this financial report. Noteworthy are:

- approximately 57% of grant payments were paid to SA government entities, primarily for investment and international education programs
- accrued expenses liability includes \$1.9 million relating to reimbursements to other government departments
- costs of \$1.4 million related to accommodation and utility costs supplied by the Department of Infrastructure and Transport and SA Water.

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

2. Income

2.1. Appropriations

	2021	2020
	\$'000	\$'000
Revenues from appropriations		
Appropriations from the Consolidated Account pursuant to the Appropriation Act	40 638	48 340
Total revenues from appropriations	40 638	48 340

Appropriations

Appropriations are recognised on receipt.

2.2. Commonwealth-sourced grants and funding

	2021	2020
	\$'000	\$'000
Grants		
TradeStart	314	358
Employment Facilitator Services for Regional Employment Trials Program	-	237
Total Commonwealth-sourced grants and funding	314	595

The department was selected by the Australian Trade and Investment Commission (Austrade) as the successful tenderer to deliver TradeStart services in South Australia for 2019-23. The contract term for the Employment Facilitator Services to Regional Employment Trials Program operated from 1 October 2018 to 30 June 2020.

Such funding is recognised in accordance with AASB 15 as over time there is an enforceable contract and the department's performance obligations are satisfied over time.

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

2.3. Resources received free of charge

	2021	2020
	\$'000	\$'000
Services received free of charge - Shared Services SA	139	149
Services received free of charge - DPC ICT	334	-
Total resources received free of charge	473	149

The services provided by Shared Services SA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. The department receives financial accounting, taxation, payroll, accounts payable and accounts receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

On 25 May 2020, the ICT and Data Board approved changes to the funding arrangements for the Department of the Premier and Cabinet's ICT and Digital Government division. As a result of this change, effective from 2021, the Department of the Premier and Cabinet is funded directly by appropriation for the services provided by the ICT and Digital Government division to general government agencies. The contribution of the services provided are disclosed as resources received free of charge because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised (refer note 4.1).

2.4. SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
Project funding	8 873	11 679
Employee separation package reimbursements	-	1 092
Other recoveries	94	516
Total SA Government grants, subsidies and transfers	8 967	13 287

SA Government grants, subsidies and transfers are recognised as income on receipt.

Project funding relates to contributions from other South Australian Government entities for specific time-limited projects led by the department.

Recoveries include funding from other government agencies for reimbursement of accommodation and salaries and contribution to department led projects including scholarships and grant programs.

2.5. Other income

	2021	2020
	\$'000	\$'000
Recoveries	37	141
Other income	171	429
Total other income	208	570

Recoveries and other income are recognised as income on receipt.

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

3. Committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive and the four members of the Executive Team. Total compensation for key management personnel was \$1.3 million in 2020-21 and \$1.2 million in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister 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 under section 6 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
<u>Compensation</u>		
Salaries and other short term employee benefits	1 168	1 110
Post-employment benefits	159	105
Total	1 327	1 215

Transactions with key management personnel and other related parties

The department had no transactions to disclose for key management personnel and other related parties.

The total compensation in 2021 includes the Chief Executive (part year in 2020), Deputy Chief Executive, Director Strategic Operations, Director International Markets (part year in 2021) and Director State Promotions (part year in 2020). The total compensation in 2020 includes the Chief Executive (from 19 August 2019), Deputy Chief Executive, Director Strategic Operations, Director International Markets and Director State Promotions (from 18 November 2019).

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

3.2. Committee members

Risk and Performance Committee

C Dunsford (Chair)

J Hill

S Adlaf*

J Cirson*

N Morris*

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

In addition, members of Parliament who are members of boards or committees did not receive any remuneration.

The Risk and Performance Committee is shared with the Department for Energy and Mining and the Department for Innovation and Skills. The committee is remunerated by the Department for Innovation and Skills and costs are recovered from the department through a service level agreement with the Department for Innovation and Skills (refer note 4.1).

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

3.3. Employee benefits expenses

Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	14 458	15 307
Targeted voluntary separation packages	124	938
Long service leave	(160)	(219)
Annual leave	1 163	1 212
Skills and experience retention leave	65	66
Employment on-costs - superannuation	1 512	1 584
Employment on-costs - other	806	853
Workers compensation	80	(2)
Total employee benefits expenses	18 048	19 739

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.

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

3.3. Employee benefits expenses (continued)

Employee remuneration

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

	2021	2020
	Number	Number
\$154 001 to \$174 000 ^A	3	5
\$174 001 to \$194 000	4	1
\$194 001 to \$214 000	1	3
\$214 001 to \$234 000 ^A	1	1
\$234 001 to \$254 000	1	-
\$254 001 to \$274 000 ^A	-	2
\$294 001 to \$314 000 ^A	-	3
\$314 001 to \$334 000	1	1
\$354 001 to \$374 000 ^A	-	1
\$374 001 to \$394 000	1	-
\$674 001 to \$694 000 ^A	-	1
Total	12	18

^A This band includes employees that have received payments for TVSP, contract termination or leave payouts including retirement in 2019-20.

The total remuneration received by those employees for the year was \$2.6 million (\$4.6 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, TVSPs / early terminations, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax paid.

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 1 (2020:9).

	2021	2020
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	124	938
Leave paid to separated employees	27	353
Recovery from the Department of Treasury and Finance	-	(938)
Net cost to the department	151	353

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

3.4. Employee benefits liability

	2021	2020
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	560	425
Annual leave	1 292	1 410
Long service leave	118	109
Skills and experience retention leave	96	103
Total current employee benefits	2 066	2 047
<u>Non-current</u>		
Long service leave	3 004	3 467
Total non-current employee benefits	3 004	3 467
Total employee benefits	5 070	5 514

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 their nominal amounts.

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided at note 10.1.

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

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1 Supplies and services

	2021 \$'000	2020 \$'000
Accommodation	390	427
Accommodation incentive amortisation	-	(100)
Accounting and audit fees	77	81
Consultants	234	291
Contractors	4 163	2 143
Information technology and communication charges	1 041	636
Marketing	788	586
Office administration expenses	622	1 592
Overseas trade representation	3 028	1 718
Service level agreements ⁽¹⁾ ⁽²⁾	632	2 652
Short term leases	1 197	2 298
Staff related expenses	543	331
Transfer of industry assistance assets to other agencies	4 836	148
Travel and related expenses	274	562
Total supplies and services	17 825	13 365

(1) Represents payments to the Department for Innovation and Skills and Shared Services SA for the provision of corporate, ICT, financial and payroll support.

(2) Resources provided free of charge by the Department of the Premier and Cabinet ICT and Digital Government division and Shared Services SA were expensed at fair value (refer to note 2.3).

Accommodation

The department's accommodation for the Minister's Office is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed.

Accounting and audit fees

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$77 000 (2020: \$79 900). No other services were provided by the Auditor-General's Department.

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

4.2. Grants and subsidies

	2021	2020
	\$'000	\$'000
Class of assistance:		
Investment	4 448	1 812
International Education	2 644	2 900
Trade	3 154	2 139
Tourism	-	2 176
Other	48	50
Total grants and subsidies	10 294	9 077

The timing of payments for Investment grants vary between financial years, predominantly as per Economic Investment Fund commitments. Tourism grants transferred to the Department of the Premier and Cabinet effective from 1 July 2021.

4.3. Borrowing costs

	2021	2020
	\$'000	\$'000
Borrowing costs	35	35
Total borrowing costs	35	35

The department does not capitalise borrowing costs.

4.4. Cash returned to the Department of Treasury and Finance

	2021	2020
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	12 439	9 094
Total cash alignment transfer	12 439	9 094

4.5. Other expenses

	2021	2020
	\$'000	\$'000
Bad and doubtful debts	2	-
Other	-	1
Total other expenses	2	1

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

4.6. Net loss from disposal of non-current assets

	2021	2020
	\$'000	\$'000
<u>Heritage (Artwork)</u>		
Proceeds from disposal	8	-
Less net book value of assets disposed	(18)	-
Net loss from disposal of Heritage (Artwork)	(10)	-
<u>Total assets</u>		
Proceeds from disposal	8	-
Less net book value of assets disposed	(18)	-
Total loss from disposal of non-current and other assets	(10)	-

4.7. Overseas representative offices

The following table provides a summary of the financial transactions for the reporting period for overseas offices, where the department funds their operations. The transactions relating to operating expenses and operating revenues have been included in the financial statements.

The costs relating to overseas representation provided through Austrade are not included in the table below. These costs are shown in note 4.1 (refer Overseas trade representation).

	Jinan	London	2021
	\$'000	\$'000	\$'000
Operating expenses	233	1 512	1 745
Operating revenues	-	351	351
Funds advanced to overseas offices towards operating expenses	100	1 298	1 398
	Jinan	London	2020
	\$'000	\$'000	\$'000
Operating expenses	276	1 882	2 158
Operating revenues	3	575	578
Funds advanced to overseas offices towards operating expenses	240	1 443	1 683

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5. Non-financial assets

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets.

5.1. Property, plant and equipment owned by the department

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed with the exception of works of art. Works of art are capitalised irrespective of their value. 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.

Impairment

The department does not own any property, plant and equipment, with the exception of minor artworks, which would require regular revaluation.

Depreciation

All non-current assets not held for sale with a limited useful life are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

Works of art controlled by the department have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. Consequently, no depreciation has been recognised.

Useful life

Depreciation 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)
Plant and equipment	5
Leasehold improvements	Life of lease
Right-of-use buildings	Life of lease
Right-of use vehicles	Life of lease

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

Reconciliation 2020-21

	Plant and equipment	Buildings and leasehold improvements	Works of art	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	19	523	53	120	715
Additions	-	-	-	947	947
Disposals	-	-	(18)	-	(18)
Transfers between asset class	-	827	-	(827)	-
Depreciation and amortisation	(17)	(118)	-	-	(135)
Carrying amount at 30 June 2021	2	1 232	35	240	1 509
Gross carrying amount					
Gross carrying amount	86	1 915	35	240	2 276
Accumulated depreciation	(84)	(683)	-	-	(767)
Carrying amount at 30 June 2021	2	1 232	35	240	1 509

Reconciliation 2019-20

	Plant and equipment	Buildings and leasehold improvements	Works of art	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	36	616	53	-	705
Additions	-	-	-	120	120
Depreciation and amortisation	(17)	(93)	-	-	(110)
Carrying amount at 30 June 2020	19	523	53	120	715
Gross carrying amount					
Gross carrying amount	113	4 567	53	120	4 853
Accumulated depreciation	(94)	(4 044)	-	-	(4 138)
Carrying amount at 30 June 2020	19	523	53	120	715

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5.2. Property, plant and equipment leased by the department

<i>Reconciliation 2020-21</i>	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	1 802	58	1 860
Additions	3 350	49	3 399
Disposals	-	(8)	(8)
Depreciation and amortisation	(721)	(48)	(769)
Carrying amount at 30 June 2021	4 431	51	4 482

Gross carrying amount			
Gross carrying amount	4 706	112	4 818
Accumulated depreciation	(275)	(61)	(336)
Carrying amount at 30 June 2021	4 431	51	4 482

<i>Reconciliation 2019-20</i>	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	-	-	-
Additions	-	38	38
Disposals	-	(22)	(22)
Recognition on change in accounting standards	2 078	121	2 199
Depreciation and amortisation	(276)	(79)	(355)
Carrying amount at 30 June 2020	1 802	58	1 860

Gross carrying amount			
Gross carrying amount	2 078	123	2 201
Accumulated depreciation	(276)	(65)	(341)
Carrying amount at 30 June 2020	1 802	58	1 860

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost and there was no indication of impairment.

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

The department has a limited number of leases:

- Right-of-use buildings leases relate to overseas representative offices disclosed in note 4.7 and an agreement with SA Water for the Victoria Square office which commenced in February 2021.
- The department has 9 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

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 interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.1.

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6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer – Operating Account	25 068	31 236
Deposits with the Treasurer – Accrual Appropriation	2 238	2 286
Deposits at call - overseas offices	376	505
Total cash and cash equivalents	27 682	34 027

Deposits with the Treasurer

The department has two deposit accounts with the Treasurer:

- a general operating account;
- an Accrual Appropriation Excess Funds Account.

Although the department controls the money 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.

The office has two overseas deposit accounts in China and the United Kingdom. The carrying amount of cash and cash equivalents represents nominal value in Australian dollars.

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6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	91	25
From non-government entities	60	33
Less allowance for doubtful debts	(2)	(7)
Total trade receivables	<u>149</u>	<u>51</u>
GST input tax recoverable	247	145
Prepayments	280	141
Accrued revenue	47	94
Other receivables	6	4
Total current receivables	<u>729</u>	<u>435</u>
Total receivables	<u>729</u>	<u>435</u>

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

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.

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	7	8
Amounts written off	(7)	-
Movement in allowance	2	(1)
Carrying amount at the end of the period	<u>2</u>	<u>7</u>

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

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

6.3. Other current assets

	2021	2020
	\$'000	\$'000
Other current assets		
Industry assistance assets transferred to other agencies	-	4 836
Total other current assets	<u>-</u>	<u>4 836</u>

Department for Trade and Investment
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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2021	2020
	\$'000	\$'000
<u>Current</u>		
Trade payables	115	12
Accrued expenses	5 237	5 458
Employment on-costs	388	551
Total current payables	5 740	6 021
<u>Non-current</u>		
Employment on-costs	282	320
Total non-current payables	282	320
Total payables	6 022	6 341

Payables are measured at nominal amounts.

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

Statutory payables do not arise from contracts.

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 are discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged from 2020 at 42% and the average factor for the calculation of employer superannuation on-costs has changed to 10.1% (2020: 9.8%). These rates are used in the employment on-cost calculation. The impact on 2021 is immaterial.

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7.2. Financial liabilities

	2021	2020
	\$'000	\$'000
Current		
Lease liability	1 337	314
Total current financial liabilities	1 337	314
Non-current		
Lease liability	3 184	1 563
Total non-current financial liabilities	3 184	1 563
Total financial liabilities	4 521	1 877

The department measures financial liabilities at amortised cost.

7.3. Provisions

	2021	2020
	\$'000	\$'000
Current		
Provision for workers compensation	25	20
Accommodation make good provision	-	441
Total current provisions	25	461
Non-current		
Provision for workers compensation	60	39
Total non-current provisions	60	39
Total provisions	85	500
Carrying amount at the beginning of the period	500	505
Increase in provisions recognised	80	-
Reductions arising from payments / other sacrifice of future economic benefits	(495)	(5)
Carrying amount at the end of the period	85	500

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 Public Sector Employment. 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.

7.4. Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Unearned revenue	33	13
Total current other liabilities	33	13
Total other liabilities	33	13

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8. Other disclosures

8.1. Cash flow

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

Total cash outflows for leases was \$747 000 (2020: \$427 000).

Cash flow reconciliation

	2021	2020
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	27 682	34 027
Balance as per the Statement of Cash Flows	<u>27 682</u>	<u>34 027</u>
<u>Reconciliation of net cash (used in) / provided by operating activities to net result</u>		
Net cash (used in) / provided by operating activities	(4 633)	6 101
<u>Add / (less) non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(904)	(465)
Amortisation of lease incentive	-	(100)
Bad and doubtful debts expense	(2)	-
Resources received free of charge	473	149
Assets transferred to other agencies	(4 836)	(148)
Resources provided free of charge	(473)	(149)
Loss from disposal and write down of non-current and other assets	(10)	-
<u>Movement in assets and liabilities</u>		
Increase / (decrease) in receivables	296	(487)
Decrease in payables	293	4 650
(Increase) / decrease in other liabilities	(20)	208
Decrease in provisions	415	5
Decrease in employee benefits	444	1 401
Net result	<u>(8 957)</u>	<u>11 165</u>

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9. Outlook

9.1. Unrecognised commitments

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

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	27 068	27 655
Later than one year but not longer than five years	4 567	12 220
Total expenditure commitments	31 635	39 875

Amounts disclosed include commitments arising from agreements with contractors, service contracts, consultants, ICT contracts and grant recipients.

9.2. Contingent assets and liabilities

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

The department is not aware of any contingent liabilities.

Contingent assets

Where specific conditions relating to a financial assistance grant are not met, the department may request the amount granted be repaid by the grantee.

There are no known contingent assets arising from these present obligations as at 30 June 2021.

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9.3. Impact of standards and statements not yet effective

The department has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2021 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the department, this amending standard is not expected to have an impact on the department's general purpose financial statements. The department will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The department continues to assess liabilities e.g. LSL and whether or not the department has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.4. COVID-19 pandemic outlook for the department

The COVID-19 pandemic will continue to impact the operations of the department in 2021-22. The key expected impact is:

- the delivery of departmental programs and activities will continue to be refocussed to largely be through digital engagement.

The department is not expecting there to be any significant credit losses, impairment of assets, grant agreements that cannot be satisfied, contingent assets / liabilities or any significant increase of risks in the internal control environment due to the impact COVID-19.

9.5. Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2021 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2021.

Note disclosure is made about events between 30 June 2021 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2021 and which may have a material impact on the results of subsequent years as set out below.

There are no known events after the reporting period.

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10. Measurement and risk

10.1. Long service leave liability – measurement

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

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

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$0.4 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 actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% (2020: 2.5%) for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

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 the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, is subsequently measured at fair value after allowing for depreciation.

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

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10.2. Fair value (continued)

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.

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

Fair value hierarchy

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly), and
- 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 and 2020, the department had no valuations categorised into level 1 and level 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

All assets are classified at level 3 and movement schedules are in note 5.1.

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10.3. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section. Departmental risk management policies are in accordance with the *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 SA Government budgetary processes to meet the expected cash flows.

Refer to notes 7.1 for further information.

Credit risk

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

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

Impairment of financial assets

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

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

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

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

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

The following table provides information about the exposure to credit risk and expected credit losses for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	43	2.10%	1
1 - 30 days past due	3	5.70%	-
31 - 60 days past due	6	9.78%	1
61 - 90 days past due	-	9.90%	-
More than 90 days past due	-	90.00%	-
Loss allowance	52		2

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10.3. Financial Instruments (continued)

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

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

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 90 days past due.

Receivables with a contractual amount of \$7 000 written off during the year are still subject to enforcement activity.

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

Market risk

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

The department has minor exposure to foreign currency gain / loss due to overseas transactions including the department's overseas representation offices. The net gain in 2021 was \$92 000 (net loss in 2020: \$74 000).

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

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Department for Trade and Investment
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10.3. Financial Instruments (continued)

Maturity analysis of financial instruments

Category of financial asset and financial liability	Note	2021 Contractual maturities*			
		Carrying amount / fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	6.1	27 682	27 682	-	-
Financial assets at amortised cost					
Receivables	6.2	202	202	-	-
Total financial assets		27 884	27 884	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	5 275	5 275	-	-
Financial liabilities	7.2	4 521	1 337	3 184	-
Total financial liabilities		9 796	6 612	3 184	-

Category of financial asset and financial liability	Note	2020 Contractual maturities*			
		Carrying amount / fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	6.1	34 027	34 027	-	-
Financial assets at amortised cost					
Receivables	6.2	149	149	-	-
Total financial assets		34 176	34 176	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	5 393	5 393	-	-
Financial liabilities	7.2	1 877	314	1 563	-
Total financial liabilities		7 270	5 707	1 563	-

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount / fair value of the financial instrument.

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10.3. Financial Instruments (continued)

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 amortised cost.

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11. Disclosure of Administered Items

11.1. Disclosure of administered items as at 30 June 2021

The department disburses salaries and allowances pursuant to the *Agent-General Act 1901* and the *Parliamentary Remuneration Act 1990* on behalf of the State Government.

	2021 \$'000	2020 \$'000
<u>Administered Income</u>		
Appropriations	612	374
SA Government grants, subsidies and transfers	181	185
Total administered income	793	559
<u>Administered Expenses</u>		
Employee benefits expenses	548	548
Total administered expenses	548	548
Net result	245	11
<u>Administered Current Assets</u>		
Cash and cash equivalents	228	(18)
Receivables	15	16
Total current assets	243	(2)
<u>Administered Equity</u>		
Accumulated surplus	243	(2)
Total equity	243	(2)

Budget performance

		Actual 2021 \$'000	Variance 2021 \$'000
Statement of Administered Comprehensive Income	Note		
		Original DTI Administered Budget ⁽¹⁾ \$'000	
<u>Administered Income</u>			
Appropriations	a)	369	612
SA Government grants, subsidies and transfers	b)	388	181
Total administered income		757	793
<u>Administered Expenses</u>			
Employee benefits expenses	c)	757	548
Total administered expenses		757	548
Net result		-	245

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

11.1. Disclosure of administered items as at 30 June 2021 (continued)

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

⁽¹⁾ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2020-21 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures / machinery of government changes.

The following are brief explanations of variances between original budget and actual amounts:

- (a) Appropriations is \$243 000 favourable compared to original budget predominantly due to:
 - provision of working capital to cover the timing between payment of salaries and reimbursements of salaries.
- (b) SA Government grants, subsidies and transfers is \$207 000 unfavourable compared to original budget due to:
 - lower than budgeted revenue arising from the Agent-General working part time but budgeted as full time.
- (c) Employee benefit expenses is \$209 000 favourable compared to original budget primarily due to:
 - lower than budgeted expenditure arising from the Agent-General working part time but budgeted as full time (\$207 000).