

# Department of Treasury and Finance

Financial report  
for the year ended  
30 June 2020



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## To the Chief Executive Department of Treasury and Finance

### Opinion

I have audited the financial report of the Department of Treasury and Finance for the financial year ended 30 June 2020.

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

The financial report comprises:

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

## **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 of Treasury and Finance. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

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

## **Responsibilities of the Chief Executive for the financial report**

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

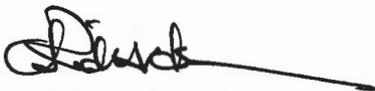
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Treasury and Finance's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

24 September 2020

**Department of Treasury and Finance  
(DTF)**

**Financial Statements**

For the year ended 30 June 2020

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## Certification of the Financial Statements

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

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

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



David Reynolds  
Chief Executive Officer

18 September 2020



Les Jones  
Director, Financial Services, Organisation and Governance

18 September 2020

**Department of Treasury and Finance**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

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	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Appropriation	2.1	149 664	150 449
Intra-government transfers	2.2	803	9 807
Revenues from fees and charges	2.3	101 554	103 538
Other income	2.4	11 211	58 060
<b>Total income</b>		<b>263 232</b>	<b>321 854</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	162 488	162 528
Supplies and services	4.1	86 072	144 114
Depreciation and amortisation	4.2	9 756	7 645
Return of cash to Consolidated Account - cash alignment policy		5 719	4 215
Borrowing costs	4.3	25	-
Other expenses	4.4	28	3 560
<b>Total expenses</b>		<b>264 088</b>	<b>322 062</b>
<b>Net result</b>		<b>(856)</b>	<b>(208)</b>
<b>Total comprehensive result</b>		<b>(856)</b>	<b>(208)</b>

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

**Department of Treasury and Finance**  
**Statement of Financial Position**  
*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	24 128	28 703
Receivables	6.2	14 330	10 698
Inventories	5.5	834	-
<b>Total current assets</b>		<b>39 292</b>	<b>39 401</b>
<b>Non-current assets</b>			
Receivables	6.2	280	236
Property, plant and equipment	5.1	25 537	19 956
Intangible assets	5.4	41 746	43 006
<b>Total non-current assets</b>		<b>67 563</b>	<b>63 198</b>
<b>Total assets</b>		<b>106 855</b>	<b>102 599</b>
<b>Current liabilities</b>			
Payables	7.1	12 919	11 228
Financial liabilities	7.2	763	-
Employee benefits	3.4	21 275	17 671
Provisions	7.3	818	741
<b>Total current liabilities</b>		<b>35 775</b>	<b>29 640</b>
<b>Non-current liabilities</b>			
Payables	7.1	3 516	3 342
Financial liabilities	7.2	462	-
Employee benefits	3.4	37 686	36 480
Provisions	7.3	8 749	7 388
<b>Total non-current liabilities</b>		<b>50 413</b>	<b>47 210</b>
<b>Total liabilities</b>		<b>86 188</b>	<b>76 850</b>
<b>Net assets</b>		<b>20 667</b>	<b>25 749</b>
<b>Equity</b>			
Contributed capital		5 344	5 344
Retained earnings		15 323	20 405
<b>Total equity</b>		<b>20 667</b>	<b>25 749</b>

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

**Department of Treasury and Finance**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2020*

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>		5 344	4 356	59 922	69 622
Net result for 2018-19		-	-	(208)	(208)
<b>Total comprehensive result for 2018-19</b>		-	-	<b>(208)</b>	<b>(208)</b>
Administrative restructure		-	-	(43 665)	(43 665)
Transfer between equity components		-	(4 356)	4 356	-
<b>Balance at 30 June 2019</b>		<b>5 344</b>	-	<b>20 405</b>	<b>25 749</b>
Net result for 2019-20		-	-	(856)	(856)
<b>Total comprehensive result for 2019-20</b>		-	-	<b>(856)</b>	<b>(856)</b>
Administrative restructure	1.4	-	-	(4 226)	(4 226)
<b>Balance at 30 June 2020</b>		<b>5 344</b>	-	<b>15 323</b>	<b>20 667</b>

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

**Department of Treasury and Finance**  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation		149 664	150 449
Intra-government transfers		803	9 807
Fees and charges		104 410	105 255
GST recovered from the Australian Taxation Office		2 819	3 713
Other receipts		6 297	58 071
Receipts for Paid Parental Leave Scheme		312	275
<b>Cash generated from operations</b>		<b>264 305</b>	<b>327 570</b>
<b>Cash outflows</b>			
Employee benefit payments		(159 142)	(157 433)
Payments for supplies and services		(95 574)	(155 835)
Payments for Paid Parental Leave Scheme		(288)	(289)
Return of cash to Consolidated Account - cash alignment policy		(5 719)	(4 215)
<b>Cash used in operations</b>		<b>(260 723)</b>	<b>(317 772)</b>
<b>Net cash provided by / (used in) operating activities</b>	8.2	<b>3 582</b>	<b>9 798</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(2 137)	(3 107)
Purchase of intangibles		(4 851)	(5 472)
<b>Cash used in investing activities</b>		<b>(6 988)</b>	<b>(8 579)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(6 988)</b>	<b>(8 579)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(1 169)	-
<b>Cash used in financing activities</b>		<b>(1 169)</b>	<b>-</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(1 169)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(4 575)</b>	<b>1 219</b>
Cash and cash equivalents at the beginning of the reporting period		28 703	27 484
<b>Cash and cash equivalents at the end of the reporting period</b>	8.2	<b>24 128</b>	<b>28 703</b>

The accompanying notes form part of these financial statements.

# Department of Treasury and Finance

## Notes to and forming part of the financial statements

### for the year ended 30 June 2020

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#### 1. About the Department of Treasury and Finance

The Department of Treasury and Finance (DTF/the department) is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

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

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

#### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared to comply with:

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

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

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

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

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

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

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

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

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## **1.2. Objectives and programs**

### **Objectives**

The department administers a range of programs and services to support the prosperity and wellbeing of all South Australians.

The department's objectives are to:

- promote sustainable state finances
- support responsible budget and financial management
- deliver timely high quality services to meet the needs of our clients
- collaborate to deliver high quality advice on economic, social and environmental issues
- improve safety in South Australian workplaces
- provide industrial relations and procurement services.

### **Programs**

In achieving its objectives, the department undertakes the following programs:

#### ***Accountability for Public Sector Resources***

The department ensures accountability for public sector resources through providing policy, economic, commercial and financial advice to the Government and coordinating resource allocations and key projects for Government programs and priorities at the whole-of-government level.

#### ***Treasury Services***

The department manages the Government's financial assets and liabilities and provision of certainty of funding to the State.

These services include:

- Administration of taxation legislation through the management of revenue and compliance systems, processes, policy advice and taxpayer education
- Provision of insurance cover to agencies and advice and management of government risks.
- Provision of fleet management services to agencies and vehicle disposal services to government.
- Administration of various public sector superannuation schemes and provision of superannuation policy and legislative advice.

#### ***Industrial Relations***

The department provides services to ensure the rights and obligations of employees and employers are protected and the relevant law applied to prevent and resolve workplace disputes.

These services include:

- Lead and manage enterprise bargaining negotiations and manage the conduct of employment-related litigation
- Provision of work health and safety and industrial relations education and compliance services to promote safe, fair, productive working lives and high standards of public safety for all South Australians
- Provision of efficient and cost-effective processes for the resolution of employment disputes.

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

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

**Government Services**

The department delivers a comprehensive range of services to various government agencies and the community.

These services include:

- Delivery of corporate services to various government agencies in the areas of accounts payable, accounts receivable, payroll, work injury services and finance
- Provision of across government contracts for goods, services and information communications technology and specialist procurement advice and assistance
- Provision of support services to members of parliament to assist them in meeting their responsibilities to the parliament and the broader community.

**General/not attributable: Certain items of the department are not allocated to activities**

The Disaggregated Disclosure Schedules present expenses, income, assets and liabilities attributed to each of the activities for the years ended 30 June 2020 and 30 June 2019.

Programs	Accountability for							
	Public Sector Resources		Treasury Services		Industrial Relations		Government Services	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>								
Appropriation	-	-	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-	-	-
Revenues from fees and charges	139	(306)	48 335	49 515	35 021	35 195	18 059	19 134
Other income	2 006	7 095	1 949	9 457	1 957	11 569	5 299	29 939
<b>Total income</b>	<b>2 145</b>	<b>6 789</b>	<b>50 284</b>	<b>58 972</b>	<b>36 978</b>	<b>46 764</b>	<b>23 358</b>	<b>49 073</b>
<b>Expenses</b>								
Employee benefits expenses	15 560	18 098	58 919	57 963	26 753	28 707	61 256	57 760
Supplies and services	8 730	18 063	33 187	43 483	12 241	24 449	31 914	58 119
Depreciation and amortisation	358	304	6 453	5 106	1 331	943	1 614	1 292
Return of cash to Consolidated Account - cash alignment policy	-	-	-	-	-	-	-	-
Borrowing Costs	1	-	14	-	7	-	3	-
Other expenses	-	141	28	2 619	-	228	-	572
<b>Total expenses</b>	<b>24 649</b>	<b>36 606</b>	<b>98 601</b>	<b>109 171</b>	<b>40 332</b>	<b>54 327</b>	<b>94 787</b>	<b>117 743</b>
<b>Net result</b>	<b>(22 504)</b>	<b>(29 817)</b>	<b>(48 317)</b>	<b>(50 199)</b>	<b>(3 354)</b>	<b>(7 563)</b>	<b>(71 429)</b>	<b>(68 670)</b>

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

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

Programs	General / Not Attributable		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>				
Appropriation	149 664	150 449	149 664	150 449
Intra-government transfers	803	9 807	803	9 807
Revenues from fees and charges	-	-	101 554	103 538
Other income	-	-	11 211	58 060
<b>Total income</b>	<b>150 467</b>	<b>160 256</b>	<b>263 232</b>	<b>321 854</b>
<b>Expenses</b>				
Employee benefits expenses	-	-	162 488	162 528
Supplies and services	-	-	86 072	144 114
Depreciation and amortisation	-	-	9 756	7 645
Return of cash to Consolidated Account - cash alignment policy	5 719	4 215	5 719	4 215
Borrowing Costs	-	-	25	-
Other expenses	-	-	28	3 560
<b>Total expenses</b>	<b>5 719</b>	<b>4 215</b>	<b>264 088</b>	<b>322 062</b>
<b>Net result</b>	<b>144 748</b>	<b>156 041</b>	<b>(856)</b>	<b>(208)</b>

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

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

Programs	Accountability for							
	Public Sector Resources		Treasury Services		Industrial Relations		Government Services	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Assets</b>								
Cash and cash equivalents	-	-	-	-	36	36	-	-
Receivables	-	-	-	-	25	17	1	-
Inventories	-	-	-	-	-	-	-	-
Property, plant and equipment	628	759	3 165	2 979	9 074	9 917	8 030	3 128
Intangible assets	466	534	37 932	40 100	1 188	823	2 140	1 423
<b>Total assets</b>	<b>1 094</b>	<b>1 293</b>	<b>41 097</b>	<b>43 079</b>	<b>10 323</b>	<b>10 793</b>	<b>10 171</b>	<b>4 551</b>
<b>Liabilities</b>								
Payables	-	(4)	(1)	198	(1)	854	1	2 004
Lease liabilities	-	-	-	-	-	-	-	-
Employee benefits	-	2 951	-	11 177	-	12 092	12	27 931
Provisions	-	1 019	-	2 453	-	1 379	-	3 278
<b>Total liabilities</b>	<b>-</b>	<b>3 966</b>	<b>(1)</b>	<b>13 828</b>	<b>(1)</b>	<b>14 325</b>	<b>13</b>	<b>33 213</b>
<b>Net assets</b>	<b>1 094</b>	<b>(2 673)</b>	<b>41 098</b>	<b>29 251</b>	<b>10 324</b>	<b>(3 532)</b>	<b>10 158</b>	<b>(28 662)</b>

Programs	General / Not Attributable		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	<b>Assets</b>			
Cash and cash equivalents	24 092	28 667	24 128	28 703
Receivables	14 584	10 917	14 610	10 934
Inventories	834	-	834	-
Property, plant and equipment	4 640	3 173	25 537	19 956
Intangible assets	20	126	41 746	43 006
<b>Total assets</b>	<b>44 170</b>	<b>42 883</b>	<b>106 855</b>	<b>102 599</b>
<b>Liabilities</b>				
Payables	16 436	11 518	16 435	14 570
Lease liabilities	1 225	-	1 225	-
Employee benefits	58 949	-	58 961	54 151
Provisions	9 567	-	9 567	8 129
<b>Total liabilities</b>	<b>86 177</b>	<b>11 518</b>	<b>86 188</b>	<b>76 850</b>
<b>Net assets</b>	<b>(42 007)</b>	<b>31 365</b>	<b>20 667</b>	<b>25 749</b>

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

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**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 note 10.4. The key impacts in 2019-20 related to:

- Enhanced office cleaning arrangements
- Flexible special leave arrangements for staff
- Sourcing ICT equipment and related services to support business continuity through increased work from home capability
- Administrative support for the government's economic stimulus initiatives.

**1.4. Changes to the Department of Treasury and Finance**

**Transferred in**

**From 1 July 2019**

As a result of administrative arrangements outlined in a Chief Executive agreement on 28 June 2019, Health Accounting and Taxation Services (HATS) became a business unit of DTF. Assets and liabilities relating to this business unit were transferred from the Department of Health and Wellbeing (DHW) to the department, effective 1 July 2019.

On transfer of HATS, the department recognised the following assets and liabilities:

	DHW \$'000
<b>Assets</b>	
<b>Total assets</b>	<u>-</u>
<b>Liabilities</b>	
Payables	339
Employee benefits	3 601
Provisions	<u>46</u>
<b>Total liabilities</b>	<u>3 986</u>
<b>Total net assets (liabilities) transferred</b>	<u><u>(3 986)</u></u>

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

**1.4. Changes to the Department of Treasury and Finance (continued)**

From 1 December 2019

As a result of administrative arrangements outlined in a Chief Executive agreement on 2 December 2019, Oracle Debt Management Receipting (ODMR) became a business unit of DTF. Assets and liabilities relating to this business unit were transferred from the Department of Health and Wellbeing (DHW) to the department, effective 1 December 2019.

On transfer of the ODMR, the department recognised the following assets and liabilities:

	DHW \$'000
<b>Assets</b>	
<b>Total assets</b>	<u>-</u>
<b>Liabilities</b>	
Payables	18
Employee benefits	216
Provisions	<u>6</u>
<b>Total liabilities</b>	<u>240</u>
<b>Total net assets (liabilities) transferred</b>	<u><u>(240)</u></u>

	DHW 1 Jul 2019 - 30 Nov 2019 \$'000	DTF 1 Dec 2019 - 30 Jun 2020 \$'000	Total \$'000
Total income and expenses attributable to the Oracle Debt Management Receipting for 2019-20 were:			
<b>Income</b>			
<b>Total income</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>			
Employee benefits expenses	313	1 303	1 616
Supplies and services	82	111	193
<b>Total expenses</b>	<u>395</u>	<u>1 414</u>	<u>1 809</u>
<b>Net result</b>	<u><u>(395)</u></u>	<u><u>(1 414)</u></u>	<u><u>(1 809)</u></u>

Net assets or liabilities transferred by the department as a result of the administrative restructure were recognised at the carrying amount. The net assets or liabilities transferred were treated as a distribution to the government as owner.

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

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**1.5. Budgetary performance**

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

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Appropriation		141 310	149 664	8 354
Intra-government transfers		383	803	420
Revenues from fees and charges		93 614	101 554	7 940
Other income	1	2 503	11 211	8 708
<b>Total income</b>		<b>237 810</b>	<b>263 232</b>	<b>25 422</b>
<b>Expenses</b>				
Employee benefits expenses	2	141 969	162 488	20 519
Supplies and services		86 101	86 072	(29)
Depreciation and amortisation		7 997	9 756	1 759
Return of cash to Consolidated Account - cash alignment policy		-	5 719	5 719
Borrowing Costs		-	25	25
Other expenses		3 329	28	(3 301)
<b>Total expenses</b>		<b>239 396</b>	<b>264 088</b>	<b>24 692</b>
<b>Net result</b>		<b>(1 586)</b>	<b>(856)</b>	<b>730</b>

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total existing projects		-	8	8
Total annual program		8 634	7 821	(813)
<b>Total investing expenditure</b>		<b>8 634</b>	<b>7 829</b>	<b>(805)</b>

**Department of Treasury and Finance**  
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**1.5. Budget performance (continued)**

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

**1 Other income**

An additional \$8.708 million of Other Income was received in 2019-20, which primarily reflects receipt of a donated asset from the Department of Planning, Transport and Infrastructure relating to the office fitout of the Port Adelaide office premises (\$4.901 million). In addition, the department received unbudgeted revenue from other agencies associated with the cost recovery of laptops transferred to agencies (\$2.5 million). These recoveries reflect the department's lead role in a whole of government initiative to secure supply of laptops in response to the COVID 19 emergency.

**2 Employee benefits expenses**

An additional \$20.519 million in Employee benefits expense is primarily due to a realignment of the department's budget profile and for specific initiatives of the department, which were processed after the original budget was published. Specifically, an additional \$6.2 million in employee expenditure budget relating to the transfer of financial accounting staff from SA Health to Shared Services SA. Further, a reallocation of the original budget allocation (\$17.2 million) from supplies and services to employee benefits was processed to reprofile the budget to required expenditure categories.

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

Significant transactions with the Government of South Australia are identifiable throughout this financial report. With the exception of one lease, all lease payments relate to accommodation supplied by Department of Planning, Transport and Infrastructure (DPTI) and cars supplied by Fleet SA.

**Department of Treasury and Finance**  
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**2. Income**

**2.1. Appropriation**

	2020	2019
	\$'000	\$'000
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	149 664	150 449
<b>Net appropriations</b>	<b>149 664</b>	<b>150 449</b>

**Appropriations**

Appropriations are recognised on receipt.

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

The total appropriations consist of \$140 368 000 for operational funding and \$9 296 000 for capital projects. The original amount was varied and addition funds of \$8 354 000 were received from Section 5 transfers. No additional funds were received from the Treasurer via the Governor's Appropriation Fund.

**2.2. Intra-government transfers**

	2020	2019
	\$'000	\$'000
Transfers from the Treasurer's Contingency Fund	803	9 807
<b>Total Intra-government transfers</b>	<b>803</b>	<b>9 807</b>

Intra-government transfers are recognised as income on receipt.

**2.3. Fees and charges**

	2020	2019
	\$'000	\$'000
Regulatory fees	26 592	28 918
South Australian Superannuation Board	26 573	28 561
Service provision	26 784	22 641
South Australian Government Financing Authority	13 031	13 000
Community Emergency Services Fund	6 695	6 262
Land Tax certificates	297	299
Other recoveries	1 582	3 857
<b>Total fees and charges</b>	<b>101 554</b>	<b>103 538</b>

**2.4. Other income**

	2020	2019
	\$'000	\$'000
Land titling fees recovery - DPTI*	-	54 951
Commissions	74	141
Donated assets	4 910	-
Laptops cost recovery	2 453	-
Other income	3 774	2 968
<b>Total other income</b>	<b>11 211</b>	<b>58 060</b>

\*Land titling fees recoveries in 2018-19 relate to outsourced service payments made pursuant to the land services commercialisation agreement.

**Department of Treasury and Finance**  
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**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the department include the Treasurer, the Chief Executive Officer and other directors/members of the Executive Leadership Group who have responsibility for the strategic direction and management of the department.

Total compensation for key management personnel was \$3 909 000 in 2019-20 and \$3 480 000 in 2018-19.

The compensation detailed below excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*.

	2020	2019
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	3 566	3 170
Post-employment benefits	343	310
Total compensation	<u>3 909</u>	<u>3 480</u>

**Transaction with Key Management Personnel and other related parties**

There were no significant related party transactions identified.

**Department of Treasury and Finance**  
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**3.2. Board and committee members**

**SAFA Advisory Board**

David Reynolds\* (Presiding Member)  
David Russell  
Kathryn Presser  
Leeann Willson (term ceased November 2019)  
Melissa Grantham  
Juliet Brown  
Mark Day  
Jamie Hollamby\* (term ceased May 2020)

**SAFA Risk and Performance Committee**

Debra Contala (Chair)  
Gianna Giannopoulos\*  
Melissa Grantham  
Mark Day (appointed October 2019)

**DTF Risk and Performance Committee**

Kathryn Presser (Independent chair)  
Stuart Hocking\*  
Mark Carey\*  
Maria Ross\*  
Tracey Scott\*  
Andrew Armour - Independent Member  
Chris Oerman

**Super SA Board**

Gregory Boulton (Presiding Member,  
appointed September 2019)  
Virginia Deegan  
Alison Kimber  
Dr Bill Griggs  
Richard Dennis

**Mining and Quarrying Occupational Health and Safety Committee**

Martin O'Malley  
Colin Fenney (resigned December 2019)  
Peter Lamps  
Carolyn Fisher  
Charlie Condo (appointed October 2019)  
Luke Brammy (appointed October 2019)  
Rebecca Knol (appointed October 2019)  
Alexandra Russell (appointed October 2019)  
Erryn Munchenberg (term ceased October 2019)  
Glenn Murray (term ceased October 2019)  
Graeme Sauer\* (term ceased October 2019)

**Super SA Member Services Committee**

Leah York  
Dr Bill Griggs  
Gregory Boulton  
Dascia Bennett\*  
Alison Kimber

**Super SA Audit, Risk and Finance Committee**

Virginia Deegan  
Richard Dennis  
Gregory Boulton  
John Wright

**Department of Treasury and Finance**  
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**3.2 Board and committee members (continued)**

<b>Industrial Relations Consultative Council</b>	<b>Construction Industry Long Service Leave Board</b>
Hon Robert Lucas* MLC (Chair)	Estha Van Der Linden
Natasha Brown	Steven Minuzzo
Monique Gillespie	Laurence Moore
Owen Webb	Derek Stapleton (appointed December 2019)
Peter Lamps	Erin Hennessy
Erma Ranieri*	John Camillo (resigned December 2019)
Jessica Rogers	Marie Boland (Presiding Member)
Estha Van Der Linden	Colin Fenney (resigned December 2019)
Charlie Condo	Peter Bauer (appointed February 2020)
Gary Coppola (resigned August 2019)	
Christopher Morey (appointed October 2019)	
William Frogley	
Angas Story	
Leah York	

\* In accordance with the Department of Premier and Cabinet Circular Number 016, Government employees did not receive any remuneration for board/committee duties during the financial year.

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

	2020	2019
\$1 - \$19 999	22	14
\$20 000 - \$39 999	5	8
\$40 000 - \$59 999	3	2
\$60 000 - \$79 999	1	-
<b>Total number of members</b>	<b>31</b>	<b>24</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$451 000 (\$437 000).

**3.3. Employee benefits expenses**

	2020	2019
	\$'000	\$'000
Salaries and wages	120 100	110 511
Targeted voluntary separation packages	758	7 111
Long service leave	2 221	6 672
Annual leave	11 206	10 239
Skills and experience retention leave	925	534
Employment on-costs - superannuation	15 127	13 782
Employment on-costs - other	7 426	7 073
Board and committee fees	618	665
Other employee related expenses	4 107	5 941
<b>Total employee benefits expenses</b>	<b>162 488</b>	<b>162 528</b>

**Department of Treasury and Finance**  
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**3.3. Employee benefits expenses (continued)**

**Employment on-costs - superannuation**

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

**Executive remuneration**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
\$151 001 - \$154 000*	N/A	2
\$154 001 - \$174 000	11	12
\$174 001 - \$194 000	7	11
\$194 001 - \$214 000	15	11
\$214 001 - \$234 000	8	9
\$234 001 - \$254 000	2	4
\$254 001 - \$274 000	1	3
\$274 001 - \$294 000	4	2
\$294 001 - \$314 000	2	-
\$314 001 - \$334 000	-	4
\$334 001 - \$354 000	4	-
\$354 001 - \$374 000	1	2
\$394 001 - \$414 000	-	1
\$414 001 - \$434 000	-	2
\$454 001 - \$474 000	-	1
\$474 001 - \$494 000	1	1
\$494 001 - \$514 000	-	1
\$554 001 - \$574 000	2	-
<b>Total</b>	<b>58</b>	<b>66</b>

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

The total remuneration received by those employees for the year was \$13 798 000 (2019: \$15 609 000)

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

**Targeted voluntary separation packages**

The number of employees who received a TVSP during the reporting period was 9 (82).

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	758	7 111
Leave paid to those employees	432	3 638
Recovery from the department's Administered Items	(328)	(7 509)
<b>Net cost to the department</b>	<b>862</b>	<b>3 240</b>

**Department of Treasury and Finance**  
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**3.4. Employee benefits liability**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	3 650	3 049
Annual leave	12 909	10 633
Long service leave	3 702	3 229
Skills and experience retention leave	1 014	760
<b>Total current employee benefits</b>	<b>21 275</b>	<b>17 671</b>
<b>Non-current</b>		
Long service leave	37 686	36 480
<b>Total non-current employee benefits</b>	<b>37 686</b>	<b>36 480</b>
<b>Total employee benefits</b>	<b>58 961</b>	<b>54 151</b>

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

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

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

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

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

**Long service leave**

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

**Department of Treasury and Finance**  
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**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	2020	2019
	\$'000	\$'000
Land titling fees paid to LSSA	-	44 791
Information technology and communication charges	21 448	20 121
Accommodation	16 420	16 263
Contractors and temporary staff	16 018	17 966
Valuation fees	5 207	15 264
General administration and consumables	10 664	8 771
Legal costs	3 485	4 715
Corporate recharge expense	4 207	3 435
Consultants	1 706	1 686
Minor works, maintenance and equipment	917	1 253
Other*	6 000	9 849
<b>Total supplies and services</b>	<b>86 072</b>	<b>144 114</b>

\* Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987* were \$776 000 (2019: \$1 180 000). No other services were provided by the Auditor-General's Department.

**Accommodation**

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

**Consultants**

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

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	20	81	21	83
\$10 000 or above	31	1 625	27	1 603
<b>Total</b>	<b>51</b>	<b>1 706</b>	<b>48</b>	<b>1 686</b>

**Department of Treasury and Finance**  
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**4.2. Depreciation and amortisation**

	2020	2019
	\$'000	\$'000
Intangible assets	6 111	5 428
Building fitouts	1 775	1 492
Plant and equipment	683	573
Buildings	150	152
Right-of-use buildings	50	-
Right-of-use vehicles	987	-
<b>Total depreciation and amortisation</b>	<b>9 756</b>	<b>7 645</b>

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

**Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	5-75
Building Fitouts	1-15
Furniture	5
IT equipment	1-5
Office Equipment	3-10
Internally Developed Software	2-15
Externally Developed Software	1-10
Plant and Equipment	4-5
Right-of-use assets	Lease term

**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.

**4.3. Borrowing costs**

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	25	-
<b>Total Borrowing Costs</b>	<b>25</b>	<b>-</b>

**4.4. Other expenses**

	2020	2019
	\$'000	\$'000
Intangible write-off	-	3 270
Plant and equipment write-off	9	148
Buildings and improvements write-off	19	142
<b>Total other expenses</b>	<b>28</b>	<b>3 560</b>

**Department of Treasury and Finance**  
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**5. Non-financial assets**

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

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

	2020	2019
	\$'000	\$'000
<b>Land and buildings</b>		
Land at cost (deemed fair value)	590	590
Buildings at cost (deemed fair value)	5 553	5 553
Accumulated depreciation	(738)	(588)
<b>Total land and buildings</b>	<b>5 405</b>	<b>5 555</b>
<b>Building fitouts</b>		
Building fitouts at cost (deemed fair value)	25 206	17 669
Accumulated depreciation	(8 659)	(7 756)
<b>Total building fitouts</b>	<b>16 547</b>	<b>9 913</b>
<b>Right-of-use buildings</b>		
Right-of-use buildings at cost	51	-
Accumulated depreciation	(50)	-
<b>Total right-of-use buildings</b>	<b>1</b>	<b>-</b>
<b>Right-of-use vehicles</b>		
Right-of-use vehicles at cost	1 983	-
Accumulated depreciation	(767)	-
<b>Total right-of-use vehicles</b>	<b>1 216</b>	<b>-</b>
<b>Plant and equipment</b>		
Plant and equipment (deemed fair value)	4 806	4 135
Accumulated depreciation	(2 502)	(2 930)
<b>Total plant and equipment</b>	<b>2 304</b>	<b>1 205</b>
<b>Work in progress</b>		
Work in progress at cost	64	3 283
<b>Total work in progress</b>	<b>64</b>	<b>3 283</b>
<b>Total property, plant and equipment</b>	<b>25 537</b>	<b>19 956</b>

**Department of Treasury and Finance**  
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**5.2. Property, plant and equipment owned by the Department**

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.2.

\$1 147 000 of fully depreciated plant and equipment is still in use.

**Impairment**

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

Reconciliation 2019-20	Land and Buildings	Building fitouts	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	5 555	9 913	1 205	3 283	19 956
Additions	-	-	123	1 959	2 082
Capital transfers from WIP	-	3 518	1 668	(5 186)	-
Depreciation and amortisation	(150)	(1 775)	(683)	-	(2 608)
Disposals	-	(19)	(9)	-	(28)
Donated assets	-	4 910	-	-	4 910
Other	-	-	-	8	8
<b>Carrying amount at 30 June 2020</b>	<b>5 405</b>	<b>16 547</b>	<b>2 304</b>	<b>64</b>	<b>24 320</b>

Reconciliation 2018-19	Buildings	Building fitouts	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	-	4 073	1 155	897	6 125
Additions	-	-	33	3 157	3 190
Capital transfers from WIP	-	196	477	(673)	-
Transfer through administrative restructure	5 729	7 255	264	(98)	13 150
Depreciation and amortisation	(152)	(1 492)	(573)	-	(2 217)
Disposals	(22)	(119)	(151)	-	(292)
<b>Carrying amount at 30 June 2019</b>	<b>5 555</b>	<b>9 913</b>	<b>1 205</b>	<b>3 283</b>	<b>19 956</b>

**Department of Treasury and Finance**  
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**5.3. Property, plant and equipment leased by the department**

Property, plant and equipment leased by the department is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$896 000.

The department has 167 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears.

**Impairment**

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

**5.4. Intangible assets**

	2020	2019
	\$'000	\$'000
<b>Internally developed computer software</b>		
Internally developed computer software at cost	60 444	63 865
Accumulated amortisation	(24 899)	(23 692)
<b>Total Internally developed computer software</b>	<u>35 545</u>	<u>40 173</u>
<b>Externally acquired software</b>		
Externally acquired software at cost	4 451	3 424
Accumulated amortisation	(2 931)	(2 272)
<b>Total externally acquired software</b>	<u>1 520</u>	<u>1 152</u>
<b>Work in progress</b>		
Intangible work in progress at cost	4 681	1 681
<b>Total work in progress</b>	<u>4 681</u>	<u>1 681</u>
<b>Total intangible assets</b>	<u><u>41 746</u></u>	<u><u>43 006</u></u>

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

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

**Department of Treasury and Finance**  
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**5.4. Intangible assets (continued)**

Reconciliation of Intangible assets

	Internally developed software	Externally acquired software	Service concession assets	Work in progress	Total
<b>2019-20</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2019	40 173	1 152	-	1 681	43 006
Additions	-	1 129	-	3 722	4 851
Capital transfers from WIP	722	-	-	(722)	-
Amortisation	(5 350)	(761)	-	-	(6 111)
<b>Carrying amount at 30 June 2020</b>	<b>35 545</b>	<b>1 520</b>	<b>-</b>	<b>4 681</b>	<b>41 746</b>
<b>2018-19</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2018	25 263	834	17 062	17 205	60 364
Additions	-	1 563	-	5 623	7 186
Transfer through administrative restructure	661	17	(17 062)	526	(15 858)
Capital transfers from WIP	19 261	-	-	(19 261)	-
Disposals	(12)	(834)	-	(2 412)	(3 258)
Amortisation	(5 000)	(428)	-	-	(5 428)
<b>Carrying amount at 30 June 2019</b>	<b>40 173</b>	<b>1 152</b>	<b>-</b>	<b>1 681</b>	<b>43 006</b>

**Department of Treasury and Finance**  
**Notes to and forming part of the financial statements**  
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**5.5. Inventories**

	2020	2019
	\$'000	\$'000
<b>Current inventories</b>		
Inventories	834	-
<b>Total inventories</b>	<u>834</u>	<u>-</u>

**Reconciliation of Inventories**

2019-20	<u>Inventories</u>	<u>Total</u>
	\$'000	\$'000
<b>Carrying amount at 1 July 2019</b>	-	-
Purchases	3 446	3 446
Sales	(2 612)	(2 612)
<b>Carrying amount at 30 June 2020</b>	<u>834</u>	<u>834</u>

The department holds an inventory of laptop devices for transfer at cost to government agencies. This reflects the department's lead role in a whole of government initiative to secure supply of laptops devices to support business continuity during the COVID 19 emergency.

Inventories held for sale are measured at the lower of cost or their net realisable value.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2020	2019
	\$'000	\$'000
<b>Deposits with the Treasurer</b>		
Operating account	24 029	28 666
Accrual appropriation excess funds account	63	-
<b>Total deposits with the Treasurer</b>	<u>24 092</u>	<u>28 666</u>
Cash on hand	36	37
<b>Total cash and cash equivalents</b>	<u>24 128</u>	<u>28 703</u>

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.

**Department of Treasury and Finance**  
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**6.2. Receivables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	5 895	2 748
From non-government entities	1 018	1 124
Less impairment loss on receivables	-	(3)
<b>Total trade receivables</b>	<u>6 913</u>	<u>3 869</u>
Accrued revenues	4 239	4 261
Prepayments	2 617	1 986
Net GST receivable from the ATO	561	582
<b>Total current receivables</b>	<u>14 330</u>	<u>10 698</u>
<b>Non-current</b>		
Receivables	280	236
<b>Total non-current receivables</b>	<u>280</u>	<u>236</u>
<b>Total receivables</b>	<u><u>14 610</u></u>	<u><u>10 934</u></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. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

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

Refer to note 11.3 for further information on risk management.

**Allowance for impairment loss on receivables**

	2020	2019
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	3	3
Increase/(decrease) in the allowance recognised in profit or loss	(3)	-
<b>Carrying amount at the end of the period</b>	<u>-</u>	<u>3</u>

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

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

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

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**7. Liabilities**

**7.1. Payables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Trade payables	586	777
Accrued expenses	9 286	8 218
Employment on-costs	3 012	2 222
Paid Parental Leave Scheme payable	35	11
<b>Total current payables</b>	<u>12 919</u>	<u>11 228</u>
<b>Non-current</b>		
Employment on-costs	3 516	3 342
<b>Total non-current payables</b>	<u>3 516</u>	<u>3 342</u>
<b>Total payables</b>	<u>16 435</u>	<u>14 570</u>

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

**Employment on-costs**

Employment on-costs include payroll tax 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 superannuation schemes.

As a result of an actuarial assessment performed by the department, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42% and the average factor for the calculation of employer superannuation cost on-costs has remain unchanged from the 2019 rate (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$57 000 and employee benefits expense of \$57 000.

**Paid parental leave scheme**

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

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

**7.2. Financial liabilities**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Lease liabilities - current	763	-
<b>Total current payables</b>	<u>763</u>	<u>-</u>
<b>Non-Current</b>		
Lease liabilities - non current	462	-
<b>Total non-current payables</b>	<u>462</u>	<u>-</u>
<b>Total lease liabilities</b>	<u><u>1 225</u></u>	<u><u>-</u></u>

The department measures financial liabilities including borrowings/debt at amortised cost. All material cash outflows are reflected in the lease liabilities disclosed above.

**7.3. Provisions**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	818	741
<b>Total current provisions</b>	<u>818</u>	<u>741</u>
<b>Non-current</b>		
Provision for workers compensation	8 749	7 388
<b>Total non-current provisions</b>	<u>8 749</u>	<u>7 388</u>
<b>Total provisions</b>	<u><u>9 567</u></u>	<u><u>8 129</u></u>

**Movement in provisions**

Carrying amount at the beginning of the period	8 129	3 886
Transfers through administrative restructure	52	664
Payments/other sacrifices of future economic benefits	(1 110)	(4 703)
Additional provisions recognised	2 496	8 282
<b>Carrying amount at the end of the period</b>	<u><u>9 567</u></u>	<u><u>8 129</u></u>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for 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.

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

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**8. Other disclosures**

**8.1. Equity**

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

**8.2. Cash flow reconciliation**

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.

	2020	2019
	\$'000	\$'000
<b>Leases</b>		
Buildings	(49)	-
Vehicles	(1 120)	-
<b>Total cash outflow for leases</b>	<b>(1 169)</b>	<b>-</b>
	2020	2019
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	24 128	28 703
<b>Balance as per the Statement of Cash Flows</b>	<b>24 128</b>	<b>28 703</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	3 582	9 798
<b>Add/(less) non-cash items</b>		
Depreciation and amortisation	(9 756)	(7 645)
Donated assets	4 910	-
Other expenses - write off	(28)	(3 560)
Borrowing Costs	(25)	-
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	3 676	9 153
(Increase)/decrease in inventories	834	-
(Increase)/decrease in payables	(1 668)	(5 866)
(Increase)/decrease in employee benefits	(995)	2 155
(Increase)/decrease in provisions	(1 386)	(4 243)
<b>Net result</b>	<b>(856)</b>	<b>(208)</b>

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

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**9. Changes in accounting policy**

**9.1. AASB 16 Leases**

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

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

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

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$61.376 million under AASB 117.

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

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$1.834m under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019

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

**Accounting policies on transition**

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

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining leases' payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 2.09%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

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

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**9.1. AASB 16 Leases (continued)**

**Ongoing accounting policies**

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

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

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

**9.2. AASB 1058 Income of Not-for-Profit Entities**

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

**Accounting policies on transition**

On transition, there was no impact on retained earnings.

**9.3. Presentation of Financial Statements**

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

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

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

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**10. Outlook**

**10.1. Unrecognised contractual commitments**

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

**Operating lease commitments**

*The department as Lessee*

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

Office accommodation is leased from the DPTI. The leases are non-cancellable with original terms ranging up to 6 years with some having right of renewal. Rental is payable in arrears.

Motor vehicles are leased from SAFA through their agent LeasePlan, these leases are non-cancellable with terms of 3-5 years.

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

	2020	2019
	\$'000	\$'000
Not later than one year	-	1 192
Later than one year but not later than five years	-	642
<b>Total non-cancellable operating lease commitments</b>	<b>-</b>	<b>1 834</b>

Operating lease commitments are provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee. The comparative amount does not include commitments for Memoranda of Administrative Arrangements with the Department of Planning, Transport and Infrastructure for accommodation. This has been included under expenditure commitments.

**Expenditure commitments**

	2020	2019
	\$'000	\$'000
No later than one year	11 870	8 932
Later than one year but not later than five years	41 446	21 396
Later than five years	49 885	31 048
<b>Total Expenditure commitments</b>	<b>103 201</b>	<b>61 376</b>

The department's expenditure commitments are for the Memoranda of Administrative Arrangements with the Department of Planning, Transport and Infrastructure for accommodation.

**Other commitments**

The department's other commitments are primarily agreements for software licenses, software development.

	2020	2019
	\$'000	\$'000
Not later than one year	16 522	18 609
Later than one year and not later than five years	29 418	40 799
Later than five years	528	1 081
<b>Total other commitments</b>	<b>46 468</b>	<b>60 489</b>

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

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**10.2. Contingent assets and liabilities**

Contingent assets and 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.

*Legal proceedings (SafeWork SA)*

The department is involved in prosecuting breaches under the *Occupational Health, Safety and Welfare Act 1986*, *Fair Work Act 1994*, *Explosives Act 1936* and *Dangerous Substances Act 1979*. At balance date there were 10 matters before the Industrial Relations Court that are yet to be resolved. In the event decisions are not awarded in favour of the department, the contingent liability is estimated to be \$500 000 for the court and prosecution costs.

**10.3. Impact of standards and statements not yet effective**

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

**AASB 1059 Service Concession Arrangements: Grantors**

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The department does not anticipate any of its arrangements will be within the scope of AASB 1059.

**10.4. COVID-19 pandemic outlook for the Department**

The COVID-19 pandemic will continue to impact the operations of the department in 2020-21. This is expected to relate to a continuation of those impacts identified at note 1.3 namely:

- Enhanced office cleaning arrangements
- Flexible special leave arrangements for staff
- Sourcing ICT equipment and related services to support business continuity through increased work from home capability
- Administrative support for the government's economic stimulus initiatives

**10.5. Events after the reporting period**

The department is not aware of any events after the reporting period that would impact on the financial statements.

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

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**11. Measurement and risk**

**11.1. Long service leave liability – measurement**

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

The actuarial assessment performed by the department 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 the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (0.75%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$3 084 000 and employee benefits expense of \$3 084 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the department has decreased the salary inflation rate from 4% to 2.5% for long service leave liability.

**11.2. Fair value**

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

**Initial recognition**

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

Where assets are acquired at no value, or minimal value, they are recorded at 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 (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

**Revaluation**

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

Revaluation is undertaken on a regular cycle. 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.

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

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**11.2. Fair Value (continued)**

**Fair value hierarchy**

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

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

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

During 2020, the department had no valuations categorised into level 1 and 2; there were no transfers of assets out of level 3 fair value hierarchy and there were no changes in valuation technique.

**Fair value classification – non-financial assets at 30 June 2020 and 30 June 2019.**

All non-financial assets as at 30 June 2020 and 30 June 2019 were categorised in level 3.

**11.3. Financial instruments**

**Financial risk management**

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

The department is exposed to financial risk - credit risk, liquidity risk and market risk. There have been no changes in risk exposure since the last reporting period.

**Liquidity risk**

The department is funded principally from appropriation by the Government of South Australia. The department determines the cash flows associated with its Government approved program of work and to ensure funding is provided through the Government of South Australia budgetary processes to meet the expected cash flows.

Refer to notes 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.

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

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**11.3. Financial instruments (continued)**

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) 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 overall expected credit loss for non-government debtors is immaterial for the department.

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.

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.

All of the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Impairment losses on the department's receivables arising from the department's contracts with customers were as follows. No impairment losses were recognised in relation to contract assets during the year.

**Market risk**

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

**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.

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

**11.3. Financial instruments (continued)**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	6.1	24 128	24 128	-	-
<b>Financial assets at amortised cost</b>					
Receivables	6.2	11 432	11 152	280	-
<b>Total financial assets</b>		<b>35 560</b>	<b>35 280</b>	<b>280</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	7.1	11 965	10 394	1 571	-
Leases liabilities	7.2	1 225	763	462	-
<b>Total financial liabilities</b>		<b>13 190</b>	<b>11 157</b>	<b>2 033</b>	<b>-</b>

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	6.1	28 703	28 703	-	-
<b>Loans and receivables</b>					
Receivables	6.2	3 872	3 872	-	-
<b>Total financial assets</b>		<b>32 575</b>	<b>32 575</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	7.1	8 159	8 159	-	-
<b>Total financial liabilities</b>		<b>8 159</b>	<b>8 159</b>	<b>-</b>	<b>-</b>

**Receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Auditor-General's department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

# **Department of Treasury and Finance**

## **Administered Financial Statements**

for the year ended 30 June 2020

**Department of Treasury and Finance**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered income</b>			
Appropriation	13.1	2 477 965	1 648 764
Taxation	13.2	3 891 725	3 947 155
Commonwealth revenues	13.3	9 431 338	10 242 074
Dividends	13.4	276 410	255 582
Interest revenues	13.5	60 053	101 798
Grants and contributions	13.6	197 487	183 185
Revenues from fees and charges	13.7	146 326	157 651
Net gain from the disposal of non-current assets	13.8	126	-
Other revenues	13.9	607 984	291 510
<b>Total administered income</b>		<b>17 089 414</b>	<b>16 827 719</b>
<b>Administered expenses</b>			
Employee benefits expenses	14.1	473 423	427 654
Supplies and services	15.1	52 711	48 491
Borrowing costs	15.2	273 546	293 408
Grants, subsidies and transfers	15.3	4 205 169	3 547 208
Depreciation and amortisation	15.5	485	203
Payments to SA Government	15.4	11 284 657	11 791 729
Other expenses	15.6	41 461	62 311
<b>Total administered expenses</b>		<b>16 331 452</b>	<b>16 171 004</b>
<b>Net result</b>		<b>757 962</b>	<b>656 715</b>
<b>Other comprehensive income</b>			
Changes in property, plant and equipment asset revaluation surplus		-	2 157
<b>Total other comprehensive income</b>		<b>-</b>	<b>2 157</b>
<b>Total comprehensive result</b>		<b>757 962</b>	<b>658 872</b>

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

**Department of Treasury and Finance**  
**Statement of Administered Financial Position**  
*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	17.1	1 916 918	1 690 711
Receivables	17.2	94 612	10 635
Other financial assets	17.3	2 421	4 189
<b>Total current assets</b>		<b>2 013 951</b>	<b>1 705 535</b>
<b>Administered non-current assets</b>			
Receivables	17.2	3	1
Other financial assets	17.3	235 293	17 537
Property, plant and equipment	16.1	4 051	4 364
Intangible assets	16.3	325	325
<b>Total non-current assets</b>		<b>239 672</b>	<b>22 227</b>
<b>Total assets</b>		<b>2 253 623</b>	<b>1 727 762</b>
<b>Administered current liabilities</b>			
Payables	18.1	661 673	640 564
Employee benefits	14.2	2 499	1 905
Provisions	18.2	1 952	1 950
Other liabilities	18.3	25	25
<b>Total current liabilities</b>		<b>666 149</b>	<b>644 444</b>
<b>Administered non-current liabilities</b>			
Payables	18.1	31 628	111 701
Employee benefits	14.2	2 687	3 096
Provisions	18.2	101	71
Other liabilities	18.3	692 411	580
<b>Total non-current liabilities</b>		<b>726 827</b>	<b>115 448</b>
<b>Total liabilities</b>		<b>1 392 976</b>	<b>759 892</b>
<b>Net assets</b>		<b>860 647</b>	<b>967 870</b>
<b>Administered equity</b>			
Accumulated surplus		857 855	965 078
Asset revaluation surplus		2 792	2 792
<b>Total equity</b>		<b>860 647</b>	<b>967 870</b>

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

**Department of Treasury and Finance**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Taxation received		3 891 725	3 947 155
Receipts from Commonwealth		9 118 838	10 242 074
Dividends		276 410	255 582
Interest received		60 053	101 798
Appropriation		2 477 965	1 648 764
Grants and contributions		197 487	183 185
Fees and charges		147 860	154 331
GST recovered from Australian Taxation Office		2 122	2 306
Receipts for Paid Parental Leave Scheme		35	26
Other receipts		364 739	272 587
<b>Cash generated from operations</b>		<b>16 537 234</b>	<b>16 807 808</b>
<b>Cash outflows</b>			
Payments to SA Government		(11 266 025)	(11 968 776)
Employee benefit payments		(473 392)	(424 336)
Payments for supplies and services		(54 073)	(75 670)
Interest payments		(273 546)	(293 408)
Grants, subsidies and transfers		(4 205 751)	(3 549 618)
Payments for Paid Parental Leave Scheme		(39)	(25)
Other payments		(39 315)	(52 132)
<b>Cash used in operations</b>		<b>(16 312 141)</b>	<b>(16 363 965)</b>
<b>Net cash provided by / (used in) operating activities</b>	19.2	<b>225 093</b>	<b>443 843</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		557	-
<b>Cash generated from investing activities</b>		<b>557</b>	<b>-</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(655)	(346)
<b>Cash used in investing activities</b>		<b>(655)</b>	<b>(346)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(98)</b>	<b>(346)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Proceeds from other financial assets		4 048	8 413
<b>Cash generated from financing activities</b>		<b>4 048</b>	<b>8 413</b>
<b>Cash outflows</b>			
Other financial assets granted		(2 836)	(6 319)
<b>Cash used in financing activities</b>		<b>(2 836)</b>	<b>(6 319)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>1 212</b>	<b>2 094</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>226 207</b>	<b>445 591</b>
Cash and cash equivalents at the beginning of the reporting period		1 690 711	1 245 120
<b>Cash and cash equivalents at the end of the reporting period</b>	19.2	<b>1 916 918</b>	<b>1 690 711</b>

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

	Administered Items on behalf of the Consolidated Account		Industrial Tribunal Payments into Court		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Appropriation	50 269	44 564	-	-	-	-
Taxation	3 572 540	3 640 574	-	-	-	-
Commonwealth revenues	6 768 270	7 190 290	-	-	25 495	28 397
Dividends	274 661	255 582	-	-	-	-
Interest revenues	55 266	100 186	2	3	-	-
Grants and contributions	-	-	-	-	-	-
Revenues from fees and charges	141 093	157 152	-	40	-	-
Net gain from the disposal of non-current assets	557	-	-	-	-	-
Other revenues	307 201	287 441	-	-	-	-
<b>Total administered income</b>	<b>11 169 857</b>	<b>11 675 789</b>	<b>2</b>	<b>43</b>	<b>25 495</b>	<b>28 397</b>
<b>Expenses</b>						
Employee benefits expenses	3 710	3 380	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	47 387	42 767	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	11 118 442	11 630 202	-	-	-	-
Other expenses	16	-	340	35	25 495	28 397
<b>Total administered expenses</b>	<b>11 169 555</b>	<b>11 676 349</b>	<b>340</b>	<b>35</b>	<b>25 495</b>	<b>28 397</b>
<b>Net result</b>	<b>302</b>	<b>(560)</b>	<b>(338)</b>	<b>8</b>	<b>-</b>	<b>-</b>

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

	Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme Account	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	150 629	143 002	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	10	88	(138)	482
Grants and contributions	20 000	20 000	129 259	128 895	-	-
Revenues from fees and charges	-	-	185	459	-	-
Net gain from the disposal of non-current assets	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total administered income</b>	<b>20 000</b>	<b>20 000</b>	<b>280 083</b>	<b>272 444</b>	<b>(138)</b>	<b>482</b>
<b>Expenses</b>						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	20 000	20 000	280 145	272 589	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>20 000</b>	<b>20 000</b>	<b>280 145</b>	<b>272 589</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>(62)</b>	<b>(145)</b>	<b>(138)</b>	<b>482</b>

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

	Land Services		Hospitals Fund		Intergovernmental Agreement on Federal Financial Relations	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	166 215	161 527	-	-
Commonwealth revenues	-	-	-	-	2 548 673	3 023 387
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Revenues from fees and charges	-	-	-	-	-	-
Net gain from the disposal of non-current assets	-	-	-	-	-	-
Other revenues	80 000	-	-	-	-	-
<b>Total administered income</b>	<b>80 000</b>	<b>-</b>	<b>166 215</b>	<b>161 527</b>	<b>2 548 673</b>	<b>3 023 387</b>
<b>Expenses</b>						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	-	-	-	-	2 360 049	2 269 023
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	166 215	161 527	-	-
Other expenses	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>166 215</b>	<b>161 527</b>	<b>2 360 049</b>	<b>2 269 023</b>
<b>Net result</b>	<b>80 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188 624</b>	<b>754 364</b>

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

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	Industry Financial		Local Government		Local Government Taxation	
	Assistance Account (IFAA)		Disaster Fund		Equivalents Fund	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	2 341	2 052
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	768	529	36	421	(7)	17
Grants and contributions	17 508	9 693	-	-	-	-
Revenues from fees and charges	-	-	-	-	-	-
Net gain from the disposal of non-current assets	-	-	-	-	-	-
Other revenues	489	285	-	-	429	794
<b>Total administered income</b>	<b>18 765</b>	<b>10 507</b>	<b>36</b>	<b>421</b>	<b>2 763</b>	<b>2 863</b>
<b>Expenses</b>						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	21	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	15 265	2 197	3 231	3 918	2 777	2 851
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	1 597	7 158	-	-	-	-
<b>Total administered expenses</b>	<b>16 883</b>	<b>9 355</b>	<b>3 231</b>	<b>3 918</b>	<b>2 777</b>	<b>2 851</b>
<b>Net result</b>	<b>1 882</b>	<b>1 152</b>	<b>(3 195)</b>	<b>(3 497)</b>	<b>(14)</b>	<b>12</b>

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

	Support Services to Parliamentarians		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Appropriation	-	-	2 427 696	1 604 200	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	88 900	-	-	-
Dividends	-	-	1 749	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	24 734	24 597	30	-	5 956	-
Revenues from fees and charges	-	-	5 048	-	-	-
Net gain from the disposal of non-current assets	-	-	(483)	-	-	-
Other revenues	66	19	(589)	-	25	25
<b>Total administered income</b>	<b>24 800</b>	<b>24 616</b>	<b>2 522 351</b>	<b>1 604 200</b>	<b>5 981</b>	<b>25</b>
<b>Expenses</b>						
Employee benefits expenses	18 506	17 959	451 207	406 315	-	-
Supplies and services	7 491	6 629	45 145	41 832	48	24
Borrowing costs	-	-	269 472	293 408	-	-
Grants, subsidies and transfers	1	1	1 476 314	933 862	-	-
Depreciation and amortisation	360	161	11	11	114	31
Payments to SA Government	-	-	-	-	-	-
Other expenses	-	11	12 798	23 764	-	-
<b>Total administered expenses</b>	<b>26 358</b>	<b>24 761</b>	<b>2 254 947</b>	<b>1 699 192</b>	<b>162</b>	<b>55</b>
<b>Net result</b>	<b>(1 558)</b>	<b>(145)</b>	<b>267 404</b>	<b>(94 992)</b>	<b>5 819</b>	<b>(30)</b>

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

	Treasury Working Account		Treasury Asset Management Account		Commonwealth Funding for National Partnerships	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	(21)	72	4 137	-
Grants and contributions	-	-	-	-	-	-
Revenues from fees and charges	-	-	-	-	-	-
Net gain from the disposal of non-current assets	-	-	-	-	-	-
Other revenues	1 215	2 946	-	-	-	-
<b>Total administered income</b>	<b>1 215</b>	<b>2 946</b>	<b>(21)</b>	<b>72</b>	<b>4 137</b>	<b>-</b>
<b>Expenses</b>						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	6	6	-	-
Borrowing costs	-	-	-	-	4 074	-
Grants, subsidies and transfers	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	1 215	2 946	-	-	-	-
<b>Total administered expenses</b>	<b>1 215</b>	<b>2 946</b>	<b>6</b>	<b>6</b>	<b>4 074</b>	<b>-</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>(27)</b>	<b>66</b>	<b>63</b>	<b>-</b>

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

	State Owned Generator					
	Affordable Housing Fund		Leasing Co		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	-	-	-	-	2 477 965	1 648 764
Taxation	-	-	-	-	3 891 725	3 947 155
Commonwealth revenues	-	-	-	-	9 431 338	10 242 074
Dividends	-	-	-	-	276 410	255 582
Interest revenues	-	-	-	-	60 053	101 798
Grants and contributions	-	-	-	-	197 487	183 185
Revenues from fees and charges	-	-	-	-	146 326	157 651
Net gain from the disposal of non-current assets	-	-	52	-	126	-
Other revenues	2 000	-	217 148	-	607 984	291 510
<b>Total administered income</b>	<b>2 000</b>	<b>-</b>	<b>217 200</b>	<b>-</b>	<b>17 089 414</b>	<b>16 827 719</b>
<b>Expenses</b>						
Employee benefits expenses	-	-	-	-	473 423	427 654
Supplies and services	-	-	-	-	52 711	48 491
Borrowing costs	-	-	-	-	273 546	293 408
Grants, subsidies and transfers	-	-	-	-	4 205 169	3 547 208
Depreciation and amortisation	-	-	-	-	485	203
Payments to SA Government	-	-	-	-	11 284 657	11 791 729
Other expenses	-	-	-	-	41 461	62 311
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 331 452</b>	<b>16 171 004</b>
<b>Net result</b>	<b>2 000</b>	<b>-</b>	<b>217 200</b>	<b>-</b>	<b>757 962</b>	<b>656 715</b>

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

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
*for the year end 30 June 2020*

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**12. About the department's Administered Items**

The basis of preparation of the administered financial statement is the same as the basis outlined in 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.

**12.1. Overview of Administered financial statements**

The Administered financial statements include the revenues, expenses, assets and liabilities which the department administers on behalf of the SA Government but does not control. All administered activities and the transactions for the special deposit accounts established under section 8 of the *PFAA* and deposit accounts established under section 21 of the *PFAA* that are administered by the department are listed below:

***Administered Items on behalf of the Consolidated Account***

The purpose of the account is to record a number of revenue and expense transactions on behalf of the South Australian Government for the Consolidated Account. Such transactions include the collection of revenues from taxation, revenues from the Commonwealth Government, dividends and interest. The expense transactions include transfers to agencies for employee entitlements and supplies and services; grants and subsidies to public sector agencies; the private sector and the community; and the transfer of revenues to the Consolidated Account. The associated Statement of Financial Position items for the Consolidated Account such as loans and borrowings are recognised in the whole-of-government general purpose financial report.

***Affordable Housing Fund***

The purpose of the fund is to record all financial transactions of the Fund, including the receipt of revenue, granting and payment of loans to HomeStart as well as the specific accounting disclosures required for concessional loan agreements.

***Commonwealth Funding for National Partnerships***

The purpose of the fund is to record activities associated with funding provided by the Commonwealth for National Partnership projects.

***Commonwealth Mirror Taxes on Commonwealth Places Revenue Account***

The purpose of the account is to receive amounts that are levied pursuant to the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth and *Commonwealth Places (Mirror Taxes Administration) Act 1999* of the State.

***Community Development Fund***

The purpose of the fund is to administer annual payments under the *Gaming Machines Act 1992*. Payments are made in accordance with the directions of the Governor towards financial assistance for non-government welfare agencies, financial assistance for community development and the provision of government health, welfare or education services, as well as towards programs of benefit to the live music industry.

***Community Emergency Services Fund***

The purpose of the fund is to record all fixed property revenue from the Emergency Services Levy collected by RevenueSA and transferred to the Community Emergency Services Fund administered by the South Australian Fire and Emergency Services Commission.

***Country Equalisation Scheme Account***

The purpose of the account is to record injections of funds provided from the Consolidated Account, and to make 'refund payments' to electricity retailers in accordance with the Country Equalisation Scheme.

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
*for the year end 30 June 2020*

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**12.1. Overview of Administered financial statements (continued)**

***ETSA Sales / Lease Proceeds Account***

The purpose of the account is to receive proceeds of a sale/lease agreement, sale or lease under the *Electricity Corporations (Restructuring and Disposal) Act 1999* and other funds as approved by the Treasurer.

***Hospitals Fund***

The purpose of the fund is to record and transfer monies received from SA Lotteries Commission operations and stamp duty on insurance policies relating to motor vehicles to the Consolidated Account to be used for the provision, maintenance, development and improvement of public hospitals.

***Housing Loans Redemption Fund***

The purpose of the fund is to provide low cost mortgage protection insurance to mortgage holders. It no longer accepts new customers of issue new policies with an amendment in 1992 to *Housing Loans Redemption Fund Act 1962*, as commercial insurers commenced offering similar products to mortgage holders.

***Intergovernmental Agreement on Federal Financial Relations***

The purpose of the account is to receive monies from the Commonwealth Government and disburse the monies to agencies pursuant to the Intergovernmental Agreement on Federal Financial Relations for the National Specific Purpose Program (SPP) purposes listed in Schedule F of that Agreement and for the National Partnership Payments (NPP) for the purposes listed in Schedule G of that Agreement.

***Industrial Tribunal Payments into Court***

This is to record payments and receipts relating to South Australian Employment Tribunal judgements.

***Industry Financial Assistance Account (IFAA)***

The account was established to assist with the accounting for the industry assistance contracts written in the name of the Treasurer. The South Australian Government Financing Authority (SAFA) is responsible for administering the IFAA on behalf of the Treasurer.

***Local Government Disaster Fund***

The purpose of the fund is to record the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. Assistance may be of an investigative, preventative, remedial, insurance, compensatory or other nature and may include funding of insurance or other commercial schemes.

***Local Government Taxation Equivalents Fund***

The account was established to record receipts of tax equivalents from the Local Government Finance Authority (LGFA) and payments to the Local Government Association of South Australia as stipulated under the *Local Government Finance Authority Act 1983*.

***Market Projects Unit\****

The purpose of the account is to receive deposits from the sale of government assets.

***Support Services to Parliamentarians***

The purpose of the account is to record the financial transactions related to the administration of Support Services to Parliamentarians.

***SuperSA Select\****

The purpose of the account is to administer receipts and payments for the Commonwealth Low Income Superannuation Contribution.

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
*for the year end 30 June 2020*

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**12.1. Overview of Administered financial statements (continued)**

***State Owned Generator Leasing Co. Pty. Ltd. (SOGLC)***

The purpose of the fund is to manage the transfer of the State's emergency electricity generator assets from the Department for Energy and Mining.

***Treasury and Finance Administered Items Account***

The purpose of the account is to receive administered items appropriation for the department pursuant to the annual Appropriation Act and to disburse the associated payments.

***Treasurer's Interest in the National Wine Centre Account***

The purpose of account is to record all of the financial transactions associated with the management of the *National Wine Centre (Restructuring and Leasing Arrangements) Act 2002* including injections of funds from the Consolidated Account.

***Treasury Working Account***

The purpose of the account is to record receipts and payments for small lotteries, receipts and payments arising from various superannuation arrangements, interest receipts and payments, to effect accounting adjustments and transfers and to hold amounts in suspense pending determination of appropriate treatment. This account is also used to process certain transactions of a whole of government nature or relating to the activities of the Treasurer.

***Treasury Asset Management Account***

The purpose of the account is to manage and administer the unclaimed customer deposits of the former State Bank of South Australia as well as other residual activities (dividends receipts).

\*Deposit account and special deposit accounts with no transactions in the Statement of Comprehensive Income are not included in the disaggregated disclosure schedule.

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

The key impacts of the COVID-19 pandemic in 2019-20 relate to a range of measures the Government introduced in 2019-20 to help the South Australian community manage the economic effects of the pandemic comprising:

- A series of taxation deferral measures
- A broad range of initiatives through the Business and Community Jobs Support financial packages.

Furthermore, the department administered the payment aspect of the private hospital viability initiative pursuant to the National Partnership on COVID 19 Response agreement (NPA) with the Commonwealth.

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
*for the year end 30 June 2020*

**12.3. Budget performance**

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

Statement of Administered Comprehensive Income	Note	Original	Actual	Variance
		budget	2020	
		2020	2020	
		\$'000	\$'000	\$'000
<b>Income</b>				
Appropriation		2 099 023	2 477 965	378 942
Taxation		3 934 700	3 891 725	(42 975)
Commonwealth revenues	1	6 972 153	9 431 338	2 459 185
Dividends		237 954	276 410	38 456
Interest revenues		106 148	60 053	(46 095)
Grants and contributions		-	197 487	197 487
Revenues from fees and charges		144 355	146 326	1 971
Net gain from the disposal of non-current assets		-	126	126
Other revenues		100 604	607 984	507 380
<b>Total income</b>		<b>13 594 937</b>	<b>17 089 414</b>	<b>3 494 477</b>
<b>Expenses</b>				
Employee benefits expenses		456 312	473 423	(17 111)
Supplies and services		44 860	52 711	(7 851)
Borrowing costs		317 303	273 546	43 757
Grants, subsidies and transfers	2	3 044 149	4 205 169	(1 161 020)
Depreciation and amortisation		-	485	(485)
Payments to SA Government		11 231 122	11 284 657	(53 535)
Other expenses		-	41 461	(41 461)
<b>Total expenses</b>		<b>15 093 746</b>	<b>16 331 452</b>	<b>(1 237 706)</b>
<b>Net result</b>		<b>(1 498 809)</b>	<b>757 962</b>	<b>2 256 771</b>
<b>Total comprehensive result</b>		<b>(1 498 809)</b>	<b>757 962</b>	<b>2 256 771</b>

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

**Department of Treasury and Finance**  
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**12.3 Budget performance (continued)**

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

**1 Commonwealth revenues**

The favourable \$2.459 billion variance against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$2.204 billion) being recorded in the Statement of Administered Comprehensive Income while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

**2 Grants, subsidies and transfers**

The unfavourable \$1.161 billion variance against original budget is primarily due to payments to agencies (\$2.360 billion) in relation to the Intergovernmental Agreement on Federal Financial Relations being recorded in the Statement of Administered Comprehensive Income while the associated budgets are disclosed as part of the Statement of Cashflows for Other Accounts which does not form part of the Statement of Comprehensive income original budget amount. This variance is offset by the grants, subsidies and transfers original budget including a budget amount for the repayment of advances (\$0.640 billion) while the actual transactions are treated as income in the Statement of Administered Comprehensive Income.

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

Significant transactions with the SA Government are identifiable throughout this financial report, all lease payments relate to accommodation supplied by Department of Planning, Transport and Infrastructure (DPTI) and cars supplied by Fleet SA.

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**13. Income**

**13.1. Appropriation**

	2020	2019
	\$'000	\$'000
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 427 696	1 604 200
Appropriations under other Acts	50 269	44 564
<b>Total appropriation</b>	<b>2 477 965</b>	<b>1 648 764</b>

Appropriations are recognised on receipt.

The original amount appropriated to the department under the Appropriation Act was not varied but additional funds of \$369 523 000 were received from the Treasurer via the Governor's Appropriation Fund.

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

**13.2. Taxation**

	2020	2019
	\$'000	\$'000
Stamp Duties - conveyances on sale of property	797 034	760 603
Stamp Duties - general insurance	191 932	183 001
Stamp Duties - motor vehicles registrations	171 648	168 230
Stamp Duties - other	335 049	330 012
Commonwealth Places Mirror - Stamp Duties	263	263
Payroll Tax	1 442 627	1 518 152
Commonwealth Places Mirror - Payroll Tax	25 232	26 544
Land Tax	511 317	522 762
Commonwealth Places Mirror - Land Tax	1 689	1 590
Emergency Services Levy	150 629	143 002
Local Government rate equivalents	4 064	3 983
Income tax equivalents	120 667	150 476
Contributions from Lotteries Commission of South Australia	93 194	87 656
Betting Operations Tax	34 400	35 209
Hindmarsh Island Bridge Levy	-	10
Casino Duty	11 980	15 662
<b>Total taxation</b>	<b>3 891 725</b>	<b>3 947 155</b>

**Department of Treasury and Finance**  
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**13.2 Taxation (continued)**

Taxation revenue includes payroll tax, property taxes (land tax, stamp duty and emergency services levy), income tax equivalents and contributions from the Lotteries Commission of South Australia. All taxes are collected on behalf of the State government and recognised on receipt. All taxation revenues are reported net of any taxation refunds.

Payroll tax is payable pursuant to the *Payroll Tax Act 2009*.

Stamp duty is a charge on certain documents and transactions. Stamp duty is charged at either a flat rate or an ad valorem rate (based on the value of the transaction) depending on the particular document or transaction. Stamp duties apply to a range of transactions including conveyances, mortgages, insurance and rental transactions. Stamp Duties are levied under the authority of the *Stamp Duties Act 1923*, which is supported by the *Stamp Duties Regulations 2002*.

Land tax is charged on land ownership and calculated according to the site value of the land. The land owner is exempt from land tax where the land constitutes the owner's principal place of residence (other exemptions also apply).

As a result of changes to the *Casino Act 1997* and Casino Agreements the Commissioner of State Taxation commenced administration and collection of the Casino Duty from 1 January 2014. This includes all duty from gaming tables and gaming machines within the Adelaide Casino.

The department also collects the fixed property component of emergency services levy payable under the *Emergency Services Funding Act 1998*.

Income tax equivalents are collected from applicable public authorities or business units in accordance with *Treasurer's Instruction 22 'Tax Equivalent Payments'*. Tax equivalent payments are calculated and paid on the basis of the Accounting Profits Method at the companies' income tax rate under the *Commonwealth's Income Tax Assessment Act 1997*.

Contributions from the Lotteries Commission of South Australia include distributions to the Hospitals Fund received in accordance with the *State Lotteries Act 1966*.

Betting operations tax is effective from 1 July 2017. It is a consumption tax of 15% on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia.

**13.3. Commonwealth revenues**

	2020	2019
	\$'000	\$'000
<b>Commonwealth general purpose grants</b>		
GST revenue grants	6 545 864	6 684 427
Commonwealth Places Mirror taxes	25 495	28 397
<b>Total Commonwealth general purpose grants</b>	<u>6 571 359</u>	<u>6 712 824</u>
<b>Commonwealth specific purpose grants</b>		
Council of Australian Governments Funding arrangements	222 406	505 863
Intergovernmental Agreement on Federal Financial Relations - Recurrent	2 218 090	1 730 918
Intergovernmental Agreement on Federal Financial Relations - Capital	419 483	1 292 469
<b>Total Commonwealth specific purpose grants</b>	<u>2 859 979</u>	<u>3 529 250</u>
<b>Total Commonwealth revenues</b>	<u><u>9 431 338</u></u>	<u><u>10 242 074</u></u>

Commonwealth revenue includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the IGAFRR.

**Department of Treasury and Finance**  
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**13.4. Dividends**

	2020	2019
	\$'000	\$'000
Adelaide Venue Management	1 600	1 600
Homestart Finance	22 344	14 819
Renewal SA	1 749	10 945
Public Trustee Office	-	99
SA Water	228 087	179 360
Motor Accident Commission	18 530	-
South Australian Government Financing Authority	4 100	48 759
<b>Total dividends</b>	<b>276 410</b>	<b>255 582</b>

Dividends represent distributions from applicable for-profit government agencies and include returns of accumulated capital. Dividend amounts are approved by the Treasurer before reporting date and recognised on receipt. Dividends are passed on to the Consolidated Account.

**13.5. Interest revenues**

	2020	2019
	\$'000	\$'000
Interest	60 053	101 798
<b>Total interest revenues</b>	<b>60 053</b>	<b>101 798</b>

Interest revenues principally relate to the income received/receivable on the Treasurer's deposit with the South Australian Government Financing Authority (SAFA). This interest is received/receivable on a monthly basis at prevailing market rates.

**13.6. Grants and contributions**

	2020	2019
	\$'000	\$'000
Grants and contributions	197 487	183 185
<b>Total grants and contributions</b>	<b>197 487</b>	<b>183 185</b>

Grants and Contributions mainly represent Emergency Services Levy general remissions collected by RevenueSA as well as Intra-government transfers received for Administered Funds.

**Department of Treasury and Finance**  
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**13.7. Fees and charges**

	2020	2019
	\$'000	\$'000
Guarantee fees	141 093	157 152
Other recoveries	5 233	499
<b>Total revenues from fees and charges</b>	<b>146 326</b>	<b>157 651</b>

Fees and charges include guarantee fees which represent a price for the funding cost advantage the government guarantee gives to an agency and encompasses other advantages afforded by the government's financing frameworks and mechanisms.

Guarantee fees are collected pursuant to Section 20 of the *Public Finance and Audit Act 1987*.

**13.8. Net gain from the disposal of non-current assets**

	2020	2019
	\$'000	\$'000
<b>Land and buildings</b>		
Proceeds from disposal	557	-
Carrying amount of assets disposed	(483)	-
<b>Net gain / (loss) from disposal of land and buildings</b>	<b>74</b>	<b>-</b>
<b>Plant and equipment</b>		
Proceeds from disposal	52	-
Carrying value of assets disposed	-	-
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>52</b>	<b>-</b>
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>126</b>	<b>-</b>

**Department of Treasury and Finance**  
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**13.9. Other revenues**

	2020	2019
	\$'000	\$'000
Return of cash to Consolidated Account - cash alignment policy	260 726	198 772
Donated assets*	217 148	-
Land Services SA**	80 000	-
Recoveries DPTI - Indentured Ports	16 501	17 498
Essential Services Commission of SA	14 030	13 691
Repayment of advances	7 246	10 578
Support Services to Parliamentarians	14	-
Return of Deposit Account Balances-Superannuation	-	36 000
Other income	12 319	14 971
<b>Total other revenues</b>	<b>607 984</b>	<b>291 510</b>

\*On 30 June 2020 the State's emergency electricity generator assets were transferred by proclamation for no consideration from the Department for Energy and Mining to the Treasurer at their carrying value of \$217.148 million.

\*\*Reflects the write off of a payable associated with the Land Services SA commercialisation agreement. Refer to the disclosure at note 18.1 for further detail.

Other revenues mainly represent the receipt of cash from agencies which is passed on to the Consolidated Account in accordance with the government's relevant policy directive. Revenue received in this manner and subsequently transferred to the Consolidated Account includes repayment of capital and advances, return of cash pursuant to the government's cash alignment policy and return of deposit account balances.

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**14. Board, committees and employees**

**14.1. Employee benefits expenses**

	2020	2019
	\$'000	\$'000
Superannuation contributions to various schemes*	451 207	406 315
Salaries and wages	17 389	15 843
Long service leave	(9)	1 064
Annual leave	1 200	945
Skills and experience retention leave	17	16
Employment on-costs - superannuation	2 068	1 941
Employment on-costs - other	1 015	974
Minister's salary, electorate and expense allowance	420	410
Other employee related expenses	116	146
<b>Total employee benefits expenses</b>	<b>473 423</b>	<b>427 654</b>

\*These payments were made to support funding of the defined benefit superannuation liability for the Police Superannuation Scheme and the South Australia Superannuation Fund as part of the government's commitment to have all superannuation liabilities fully funded by 2034.

**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.

**Remuneration of employees**

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

	2020	2019
	Number	Number
\$154 001 to \$174 000	2	1
\$174 001 to \$194 000	1	-
\$334 001 to \$354 000	-	2
\$354 001 to \$374 000	1	-
\$394 001 to \$414 000	-	2
\$414 001 to \$434 000	-	1
\$434 001 to \$454 000	-	1
\$454 001 to \$474 000	2	-
\$554 001 to \$574 000	3	-
\$594 001 to \$614 000	1	-
<b>Total number of employees</b>	<b>10</b>	<b>7</b>

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

The total remuneration received by those employees for the year was \$4 099 000 (2019: \$2 552 000).

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**14.2. Employee benefits liability**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	543	355
Annual leave	1 280	962
Long service leave	646	563
Skills and experience retention leave	30	25
<b>Total current employee benefits</b>	<b>2 499</b>	<b>1 905</b>
<b>Non-current</b>		
Long service leave	2 687	3 096
<b>Total non-current employee benefits</b>	<b>2 687</b>	<b>3 096</b>
<b>Total employee benefits</b>	<b>5 186</b>	<b>5 001</b>

**15. Expenses**

Employee benefits expenses are disclosed in note 14.1.

**15.1. Supplies and services**

	2020	2019
	\$'000	\$'000
State's share of GST administration	44 400	41 467
Accommodation	3 736	3 225
General administration and consumables	2 677	2 462
Minor works, maintenance and equipment	675	558
Unclaimed monies	743	359
Information technology and communication expenses	273	230
Consultants*	35	38
Other	172	152
<b>Total supplies and services</b>	<b>52 711</b>	<b>48 491</b>

**Accommodation**

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

**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:

	No	2020	No	2019
		\$'000		\$'000
Below \$10 000	4	6	1	2
\$10 000 or above	1	29	2	36
<b>Total paid / payable to the consultants engaged</b>	<b>5</b>	<b>35</b>	<b>3</b>	<b>38</b>

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**15.2. Borrowing costs**

	2020	2019
	\$'000	\$'000
Interest on borrowings	256 412	258 704
Interest paid on deposit accounts and other monies	17 134	34 704
<b>Total borrowing costs</b>	<b>273 546</b>	<b>293 408</b>

The department pays interest on borrowings on behalf of the Treasurer but the debt is not recorded in the Statement of Administered Financial Position. It is disclosed in Statement J of the Treasurer's Statements as well as the Consolidated financial report for government.

Borrowing costs include annual interest charges on the Treasurer's borrowings from SAFA and interest paid by the Treasurer on agency deposit and special deposit accounts.

Interest is paid from the Treasury and Finance Administered Items special deposit account using funds appropriated for that purpose. While the department administers these payments on behalf of the Treasurer, the underlying loan arrangements are administered by SAFA and are therefore not included in the Statement of Administered Financial Position.

Further information on borrowings undertaken by the Treasurer for the SA Government and other government financial assets and liabilities can be found in the SAFA annual report and the Consolidated Financial Report for the Government of South Australia prepared under *AASB 1049 Whole of Government and Government Sector Financial Reporting*.

**15.3. Grants, subsidies and transfers**

	2020	2019
	\$'000	\$'000
Recurrent grants, subsidies and transfers	3 608 336	2 851 389
Capital grants, subsidies and transfers	284 755	695 819
Water relief grants	49	-
Hospital viability payments	88 860	-
Business and jobs support	196 281	-
Community and jobs support	26 888	-
<b>Total grants, subsidies and transfers</b>	<b>4 205 169</b>	<b>3 547 208</b>

Grants, subsidies and transfers mainly represent the transfer of Commonwealth funding received pursuant to the Intergovernmental Agreement on Federal Financial Relations (IGAFFR) to relevant government agencies. It also includes the payment of grants and other contributions approved by the Treasurer using appropriation funding provided to the Treasury and Finance administered items account. Grants, subsidies and transfers are recognised when paid.

The following table lists recipient departments including their administered items which received more than \$100 000 000 pursuant to the IGAFFR:

	2020	2019
	\$'000	\$'000
Department for Education	1 862 203	1 512 085
Department of Planning, Transport and Infrastructure	285 087	550 073
<b>Total</b>	<b>2 147 290</b>	<b>2 062 158</b>

**Department of Treasury and Finance**  
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**15.4. Payments to SA Government**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Transfer of revenue received on behalf of the Consolidated Account	11 118 442	11 630 202
Other payments to the Consolidated Account	166 215	161 527
<b>Total payments to SA Government</b>	<b>11 284 657</b>	<b>11 791 729</b>

**15.5. Depreciation and amortisation**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Building fit-outs	360	161
Buildings	125	42
<b>Total depreciation and amortisation</b>	<b>485</b>	<b>203</b>

Land and water licences are not amortised/depreciated.

**15.6. Other expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to Commonwealth Government	25 495	28 397
Refunds and remissions	11 543	14 531
Repayment of borrowings	-	4 401
Doubtful debts	859	7 033
Loans forgiven	-	515
Other	3 564	7 434
<b>Total other expenses</b>	<b>41 461</b>	<b>62 311</b>

Other expenses include loans forgiven. Loans forgiven are the loans provided by the Treasurer to recipients on the basis that the Treasurer will forgive these loans if the recipient duly performs specified obligations defined under the loan agreement. The Treasurer forgives these loans on being satisfied that the recipient has duly performed these obligations.

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**16. Non-financial assets**

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

Property, plant and equipment comprises owned assets that do not meet the definition of investment property.

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
Buildings at fair value	2 739	3 151
Accumulated depreciation	(114)	(63)
<b>Total buildings</b>	<u>2 625</u>	<u>3 088</u>
<b>Building fitouts</b>		
Building fitouts at cost (deemed fair value)	3 019	2 355
Accumulated amortisation	(2 194)	(2 002)
<b>Total building fitouts</b>	<u>825</u>	<u>353</u>
<b>Land</b>		
Land at fair value	581	726
<b>Total land</b>	<u>581</u>	<u>726</u>
<b>Work in progress</b>		
Work in progress at cost	20	197
<b>Total work in progress</b>	<u>20</u>	<u>197</u>
<b>Total property, plant and equipment</b>	<u><u>4 051</u></u>	<u><u>4 364</u></u>

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**16.2. Property, plant and equipment owned by the department**

**Valuation of non-current assets**

A valuation of the land and buildings for the National Wine Centre was performed by an independent Certified Practising Valuer as at 30 June 2019. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the 40 year lease arrangement with Adelaide University. A revaluation surplus of \$2 750 000 is held for the revalued land and building. The next revaluation is scheduled for 30 June 2025.

On 30 June 2020 the State's emergency electricity generator assets were transferred by proclamation from the Department for Energy and Mining to the Treasurer at their carrying value of \$217.148 million. Also by proclamation effective 30 June 2020, the Treasurer transferred the generator assets to the State Owned Generator Leasing Co Pty Ltd for \$217.200 million in exchange for 108 600 000 fully paid ordinary shares.

**Reconciliation**

2019-20	Land	Buildings	Building fitouts	Work in progress	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	726	3 088	353	197	-	4 364
Additions	-	-	-	655	-	655
Transfer in	-	-	-	-	217 148	217 148
Depreciation and amortisation	-	(125)	(360)	-	-	(485)
Capital transfers from WIP	-	-	832	(832)	-	-
Disposal	(145)	(338)	-	-	(217 148)	(217 631)
<b>Carrying amount at the end of the period</b>	<b>581</b>	<b>2 625</b>	<b>825</b>	<b>20</b>	<b>-</b>	<b>4 051</b>

2018-19	Land	Buildings	Building fitouts	Work in progress	Plant equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	203	1 175	206	154	-	1 738
Additions	-	364	-	351	-	715
Capital transfers from WIP	-	-	308	(308)	-	-
Depreciation and amortisation	-	(42)	(161)	-	-	(203)
Revaluation increment / (decrement)	523	1 591	-	-	-	2 114
<b>Carrying amount at the end of the period</b>	<b>726</b>	<b>3 088</b>	<b>353</b>	<b>197</b>	<b>-</b>	<b>4 364</b>

**Department of Treasury and Finance**  
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**16.3. Intangible assets**

	2020	2019
	\$'000	\$'000
Water licences		
At cost	325	325
<b>Total water licences</b>	<b>325</b>	<b>325</b>
<b>Total intangible assets</b>	<b>325</b>	<b>325</b>

Water licences transferred to the Treasurer as part of the forward sale of the State's Green Triangle Forest Plantations in 2012. These water licences were retained by the Treasurer after finalising the lease arrangements with OneFortyOne Plantations Pty Ltd.

**Reconciliation of intangible assets**

There has been no movement in intangibles.

**17. Financial assets**

**17.1. Cash and cash equivalents**

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	1 908 920	1 665 720
Promissory notes	7 998	12 521
DTF Loans Administration Account	-	12 470
<b>Total cash and cash equivalents</b>	<b>1 916 918</b>	<b>1 690 711</b>

**Promissory notes**

The Treasurer holds Promissory notes on behalf of the Local Government Disaster Fund where the cash balance of the fund is not immediately required to fund Local Government costs relating to disasters. It is invested with the LGFA of South Australia for periods of three months. Promissory notes earn interest at their respective promissory note rates.

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**17.2. Receivables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	85 250	175
From non-government entities	-	23
<b>Total trade receivables</b>	<u>85 250</u>	<u>198</u>
Accrued revenues	8 890	10 235
GST input tax recoverable	472	202
<b>Total current receivables</b>	<u>94 612</u>	<u>10 635</u>
<b>Non-current</b>		
Receivables	3	1
<b>Total non-current receivables</b>	<u>3</u>	<u>1</u>
<b>Total receivables</b>	<u><u>94 615</u></u>	<u><u>10 636</u></u>

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. There is no provision recognised at 30 June 2020.

Current trade receivables from government entities mainly comprises Commonwealth funding for capital projects for DPTI resulting from the adoption of *AASB 1058 Income of Not-for-Profit Entities*.

Refer to note 22.3 for further information on risk management.

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**17.3. Other financial assets**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Loans for financial assistance	5 920	7 545
Less Provision for doubtful debts	(3 499)	(3 356)
<b>Total current other financial assets</b>	<u>2 421</u>	<u>4 189</u>
<b>Non-current</b>		
Loans for financial assistance	33 326	32 054
Less Provision for doubtful debts	(22 176)	(21 460)
Contributed capital in subsidiary company SOGLC	217 200	-
Contributed capital in subsidiary company Scope Global	6 943	6 943
<b>Total non-current other financial assets</b>	<u>235 293</u>	<u>17 537</u>
<b>Total other financial assets</b>	<u><u>237 714</u></u>	<u><u>21 726</u></u>

**State Owned Generator Leasing Co Pty Ltd**

On 30 June 2020 the Treasurer transferred by proclamation the State's emergency electricity generator assets to the State Owned Generator Leasing Co Pty Ltd in exchange for 108 600 000 full paid ordinary shares in the company valued at \$217.200 million.

**Scope Global Pty Ltd**

In 2018-19 Cabinet approved the transfer of responsibility for Scope Global Pty Ltd from the Minister for Trade, Tourism and Investment to the Treasurer in accordance with the recommendations of the Honourable Steven Joyce review. The company's principal activity is to secure international contracts for work in vocational education and training.

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**18. Liabilities**

**18.1. Payables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Creditors - revenue received on behalf of the Consolidated Account	623 316	604 684
Creditors - other	479	881
Accrued expenses	37 100	34 106
Employment on-costs	778	889
Paid parental leave scheme payable	-	4
<b>Total current payables</b>	<b>661 673</b>	<b>640 564</b>
<b>Non-current</b>		
Creditors - electricity entities lease proceeds	28 274	28 274
Employment on-costs	353	426
Creditors - other	2 501	2 501
Super SA Select Loan	500	500
Land Services SA*	-	80 000
<b>Total non-current payables</b>	<b>31 628</b>	<b>111 701</b>
<b>Total payables</b>	<b>693 301</b>	<b>752 265</b>

\*As part of the overall proceeds received from the commercialisation of the land services group, the State received \$80 million for the exclusive right to negotiate (ERN) for any other registry managed by the State. The \$80 million was reflected in 2018-19 as a payable as the State was liable to repay this amount if further decisions around other State registries were not taken or the State did not exercise an option to extend the term of the Land Services SA commercialisation agreement. On 16 December 2019 the Government decided not to proceed with proposed further commercialisation of State registries and opted to extend the term of the land services commercialisation agreement by seven (7) years. Consequently, the \$80 million ERN fee was no longer payable and has been written off and recorded as other revenue refer note 13.9.

**Employment on-costs**

As a result of an actuarial assessment performed by the department, the proportion of long service leave taken as leave has been assessed as 42% (2019: 41%) and the average factor for the calculation of employer superannuation on-costs has been assessed as 9.8% (2019: 9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$2 000 and employee benefits expense of \$2 000.

**Department of Treasury and Finance**  
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**18.2. Provisions**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	52	50
Provision for financial guarantee	1 900	1 900
<b>Total current provisions</b>	<u>1 952</u>	<u>1 950</u>
<b>Non-current</b>		
Provision for workers compensation	101	71
<b>Total non-current provisions</b>	<u>101</u>	<u>71</u>
<b>Total provisions</b>	<u><u>2 053</u></u>	<u><u>2 021</u></u>
Reconciliation of workers compensation provisions	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	121	127
Additional provisions recognised	94	(69)
Reductions arising from payments/other sacrifices of future economic benefits	(62)	63
<b>Carrying amount at the end of the period</b>	<u><u>153</u></u>	<u><u>121</u></u>

**18.3. Other liabilities**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Unearned revenue	25	25
<b>Total current other liabilities</b>	<u>25</u>	<u>25</u>
<b>Non-current</b>		
Unearned revenue	692 411	580
<b>Total non-current other liabilities</b>	<u>692 411</u>	<u>580</u>
<b>Total other liabilities</b>	<u><u>692 436</u></u>	<u><u>605</u></u>

Current unearned revenue relates to pre-paid lease income for the agreement entered by Treasurer with the University of Adelaide to lease the land and buildings previously owned by the National Wine Centre over a 40 year period, for an upfront consideration of \$1 000 000 which has been recorded as unearned revenue and is being apportioned over the life of the lease.

Non-current unearned revenue relates to:

- income resulting from the adoption of *AASB 1058 Income of Not-for-Profit Entities*, where funding was received from the Commonwealth for capital projects for the Department of Planning, Transport and Infrastructure and the Department for Health and Wellbeing
- the novation of the Urban Renewal Authority loans to the Treasurer as part of the TAFE buy-back transaction.

**Department of Treasury and Finance**  
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**19. Other disclosures**

**19.1. Equity**

Refer to note 8.1.

**19.2. Cash flow reconciliation**

	2020	2019
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	1 916 918	1 690 711
Balance as per the Statement of Cash Flows	<u>1 916 918</u>	<u>1 690 711</u>
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	225 093	443 843
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(485)	(203)
Doubtful debts expenses	(859)	(7 033)
Discounted cash flow valuations for financial assistance loans - other income	489	285
Donated assets	217 148	-
Land Services SA payable write-off	80 000	-
Net loss from disposal of non-current assets	126	-
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	83 979	1 503
(Increase)/decrease in payables	(21 036)	239 373
(Increase)/decrease in employee benefits	(185)	(2 680)
(Increase)/decrease in provisions	(32)	(1 894)
(Increase)/decrease in other liabilities	<u>173 724</u>	<u>(16 479)</u>
<b>Net result</b>	<u><u>757 962</u></u>	<u><u>656 715</u></u>

**Department of Treasury and Finance**  
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**20. Changes in accounting policy**

Refer to note 9.

**20.1. AASB 1058 Income of Not-for-Profit Entities**

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

**Accounting policies on transition**

On transition, the impact on retained earnings is \$865.185 million.

**20.2. Effects on financial statements from AASB 1058**

The following tables show the effect of adopting AASB 1058 on the department's financial statements for the year ending 30 June 2020.

**Statement of Comprehensive Income**

	As Reported \$'000	Adjustments AASB 1058 \$'000	Balances without adoption of AASB 1058 \$'000
<b>Income</b>			
Commonwealth revenues - Intergovernmental agreement on federal financial relations - capital	419 483	312 525	106 958
<b>Total income</b>	<b>419 483</b>	<b>312 525</b>	<b>106 958</b>
<b>Net result</b>	<b>419 483</b>	<b>312 525</b>	<b>106 958</b>

**Statement of Financial Position**

	As Reported \$'000	Adjustments AASB 1058 \$'000	Balances without adoption of AASB 1058 \$'000
Receivables	94 615	85 243	9 372
<b>Total assets</b>	<b>94 615</b>	<b>85 243</b>	<b>9 372</b>
Unearned revenue	692 436	637 903	54 533
<b>Total liabilities</b>	<b>692 436</b>	<b>637 903</b>	<b>54 533</b>

**Department of Treasury and Finance**  
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**20.3. Presentation of Financial Statements**

*Treasurer's Instructions (Accounting Policy Statements)* issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government. Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this revised format.

**21. Outlook**

**21.1. Unrecognised contractual commitments**

**Expenditure commitments**

	2020	2019
	\$'000	\$'000
Not later than one year	1 734	1 937
Later than one year but not later than five years	2 688	4 597
Later than five years	64	108
<b>Total expenditure commitments</b>	<b>4 486</b>	<b>6 642</b>

The department's expenditure commitments are for arrangements for Memorandum of Administrative Arrangements with the Department of Planning, Transport and Infrastructure for accommodation.

**Other commitments**

The department's other commitments primarily relate to distribution of Commonwealth funds to agencies in accordance with Schedule G of the Intergovernmental Agreement on Federal Financial Relations and Industry Assistance grants.

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

	2020	2019
	\$'000	\$'000
Not later than one year	532 900	536 713
Later than one year but not later than five years	234 841	383 802
Later than five years	96 000	-
<b>Total other commitments</b>	<b>863 741</b>	<b>920 515</b>

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
*for the year end 30 June 2020*

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**21.2. Contingent assets and liabilities**

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

Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.

On 26 November 2012, the State appointed Tatts Lotteries SA Pty Ltd (Tatts) as its exclusive Master Agent to operate SA Lotteries' brands and products for a term of 40 years, starting 11 December 2012. Under this arrangement the Lotteries Commission of South Australia is required to pay the Master Agent a master agency fee (payment obligation). The Treasurer has unconditionally and irrevocably guaranteed the performance by Lotteries Commission of South Australia of the payment obligation. The Treasurer has also indemnified the Master Agent against any cost, expense, loss or damage that the Master Agent may incur as a direct result of non-compliance by Lotteries Commission of South Australia with the payment obligation. The Treasurer's maximum aggregate liability to the Master Agent under this agreement is limited to an amount equal to the total quantum of Lotteries Commission of South Australia's liability to the Master Agent for the payment obligation.

The Treasurer guarantees the annual lease obligations and a proportion of outgoings of the Ice Factor Foundation for the Thebarton Ice Arena up to \$4 million.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2020 was \$861.3 million (2019: \$803.1 million).

The Treasurer unconditionally and irrevocably guarantees to each beneficiary the due and punctual payment and performance by the Adelaide Venue Management Corporation of the Corporation's obligations to that beneficiary.

The Treasurer has indemnified the fund of the Local Government Association (LGA) Mutual Liability Scheme for any admitted claim in the nature of a general liability that the LGA in respect of the Mutual Liability Scheme becomes legally liable to pay. For liability risks not covered under the State Government's liability reinsurance program, the indemnity is capped at \$50 million for any one such admitted claim. Any losses that exceed the State Government's liability reinsurance program limits and the \$50 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the State Government.

The Treasurer has indemnified SAFA against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. This policy resulted in a payable from the Treasurer of \$4.8 million for the year 2019-20 (2019: \$21 million payable from the Treasurer).

The Government of South Australia established the Future Jobs Fund to support the development of globally competitive industries and industrial capabilities that will create the jobs of the future. The Fund provides grants and loans to non-government entities to create ongoing jobs in industry sectors that include defence, renewable energy, mining, and health and biomedical research. The Fund is now closed to new applicants. Provision of loans and grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans and grants from the Fund as at 30 June 2020 was \$17.98 million (2019: \$35.30 million).

The Government of South Australia has established an Economic Investment Fund to support new investment in South Australia that delivers significant strategic and economic benefits for the State through the attraction of projects in key target industries that demonstrate a transformational impact. Provision of loans from the Fund is contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans from the Fund at 30 June 2020 was \$28.57 million (2019: \$30.96 million).

**Department of Treasury and Finance**  
**Notes to and forming part of the Administered financial statements**  
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**21.2 Contingent assets and liabilities (continued)**

The Government of South Australia has established the Economic and Business Growth Fund to promote economic growth in South Australia by encouraging growth of existing industries, developing new industries, building international connections, and attracting foreign and national direct investment. Provision of grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. For commitments entered into up to 30 June 2020, the amount of undrawn grants from the Fund as at 30 June 2020 was \$1.9 million (2019: \$3.1 million)

Under Section 15 of the *Government Financing Authority Act 1982*, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the state of South Australia.

**21.3. Impact of standards and statements not yet effective**

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

***AASB 1059 Service Concession Arrangements: Grantors***

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The department does not anticipate any of its arrangements will be within the scope of AASB 1059.

**21.4. COVID-19 pandemic outlook for the Department**

The COVID-19 pandemic will continue to impact the operations of the department in 2020-21. The Government introduced a series of taxation deferral and financial support measures in 2019-20 to help the South Australian community manage the economic effects of the COVID 19 pandemic. The pandemic continues to create uncertainty. Consequently, the future financial impact of these measures cannot yet be reliably estimated.

**21.5. Events after the end of the reporting period**

The department is not aware of any events after the reporting period that would impact on the administered financial statements.

**22. Measurement and risk**

**22.1. Long service leave liability – measurement**

Refer to note 11.1.

The net financial effect of the changes in the financial year is a decrease in the long service leave liability of \$190 000 (2019: \$231 000) and employee benefits expense of \$190 000 (2019: \$231 000). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

**22.2. Fair value measurement**

Refer to note 11.2.

The department had no valuations categorised into level 1 and 2 for both 2019 and 2020.

**Department of Treasury and Finance**  
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**22.3. Financial instruments**

Refer to note 11.3.

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

Categorisation of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	17.1	1 916 918	1 916 918	-	-
Receivables	17.2	94 143	94 140	3	-
Other financial assets	17.3	237 714	2 421	235 293	-
<b>Total financial assets</b>		<b>2 248 775</b>	<b>2 013 479</b>	<b>235 296</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables	18.1	692 613	661 628	30 985	-
<b>Total financial liabilities</b>		<b>692 613</b>	<b>661 628</b>	<b>30 985</b>	<b>-</b>

Categorisation of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	17.1	1 690 711	1 690 711	-	-
Receivables	17.2	10 635	10 635	-	-
Other financial assets	17.3	21 726	4 189	17 537	-
<b>Total financial assets</b>		<b>1 723 072</b>	<b>1 705 535</b>	<b>17 537</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables	18.1	633 839	605 565	-	28 274
<b>Total financial liabilities</b>		<b>633 839</b>	<b>605 565</b>	<b>-</b>	<b>28 274</b>

**Receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Auditor-General's department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).