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## To the Chief Executive Department for Child Protection

### Opinion

I have audited the financial report of the Department for Child Protection for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Child Protection as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Chief Financial Officer.

### Basis for opinion

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

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

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

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

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Child Protection for the financial year ended 30 June 2022.

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson  
**Auditor-General**

23 September 2022

# **Department for Child Protection**

**Financial Statements  
for the year ended  
30 June 2022**

**Department for Child Protection**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2022*

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**Certification of the financial statements**

We certify that the:

- financial statements of the Department for Child Protection:
  - are in accordance with the accounts and records of the department; and
  - comply with relevant Treasurer's instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Department for Child Protection for the financial year over its financial reporting and its preparation of financial statements have been effective.



Catherine Taylor  
Chief Executive

16 September 2022



Joanne Male  
Chief Financial Officer

16 September 2022

**Department for Child Protection**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Appropriation	2.1	692 630	601 448
Resources received free of charge	2.4	4 515	4 957
Commonwealth-sourced grants and funding	2.2	1 500	1 486
Fees and charges	2.3	1 053	1 102
Net gain from disposal of property, plant and equipment	2.6	-	575
Other income	2.5	4 020	4 549
<b>Total income</b>		<b>703 718</b>	<b>614 117</b>
<b>Expenses</b>			
Child protection services	4.2	385 920	323 905
Employee benefits expenses	3.3	254 730	239 025
Supplies and services	4.1	55 749	54 391
Depreciation and amortisation	4.4	5 086	4 466
Grants and subsidies	4.3	363	906
Borrowing costs	4.5	27	36
Cash alignment transfers to Consolidated Account		-	5 624
Other expenses	4.6	275	279
<b>Total expenses</b>		<b>702 150</b>	<b>628 632</b>
<b>Net result</b>		<b>1 568</b>	<b>(14 515)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus	5.1	1 882	1 083
<b>Total other comprehensive income</b>		<b>1 882</b>	<b>1 083</b>
<b>Total comprehensive result</b>		<b>3 450</b>	<b>(13 432)</b>

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

**Department for Child Protection**  
**Statement of Financial Position**  
*as at 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	39 954	31 341
Receivables	6.2	6 428	6 483
Non-current assets classified as held for sale	5.3	1 575	-
<b>Total current assets</b>		<b>47 957</b>	<b>37 824</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	44 882	43 796
Receivables	6.2	519	459
Intangible assets	5.2	205	394
<b>Total non-current assets</b>		<b>45 606</b>	<b>44 649</b>
<b>Total assets</b>		<b>93 563</b>	<b>82 473</b>
<b>Current liabilities</b>			
Payables	7.1	33 200	25 117
Employee benefits	3.4	29 415	29 581
Provisions	7.3	6 029	5 113
Financial liabilities	7.2	2 355	2 248
Other liabilities	7.4	112	112
<b>Total current liabilities</b>		<b>71 111</b>	<b>62 171</b>
<b>Non-current liabilities</b>			
Employee benefits	3.4	25 129	30 077
Provisions	7.3	22 850	19 551
Payables	7.1	2 433	2 846
Financial liabilities	7.2	1 397	1 472
Other liabilities	7.4	403	476
<b>Total non-current liabilities</b>		<b>52 212</b>	<b>54 422</b>
<b>Total liabilities</b>		<b>123 323</b>	<b>116 593</b>
<b>Net assets</b>		<b>(29 760)</b>	<b>(34 120)</b>
<b>Equity</b>			
Contributed capital		910	-
Retained earnings	8.1	(39 359)	(40 927)
Asset revaluation surplus	8.1	8 689	6 807
<b>Total equity</b>		<b>(29 760)</b>	<b>(34 120)</b>

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

**Department for Child Protection**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

Note	Contributed	Asset	Retained	Total
	capital	revaluation	earnings	equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>	-	5 724	(26 412)	(20 688)
<b>Net result for 2020-21</b>	-	-	(14 515)	(14 515)
Gain/loss on revaluation of leasehold improvements and land during 2020-21	5.1	1 083	-	1 083
<b>Total comprehensive result for 2020-21</b>	-	<b>1 083</b>	<b>(14 515)</b>	<b>(13 432)</b>
<b>Balance at 30 June 2021</b>	-	<b>6 807</b>	<b>(40 927)</b>	<b>(34 120)</b>
<b>Net result for 2021-22</b>	-	-	1 568	1 568
Gain on revaluation of land during 2021-22	5.1	1 882	-	1 882
<b>Total comprehensive result for 2021-22</b>	-	<b>1 882</b>	<b>1 568</b>	<b>3 450</b>
Equity contribution received	910			910
<b>Balance at 30 June 2022</b>	<b>910</b>	<b>8 689</b>	<b>(39 359)</b>	<b>(29 760)</b>

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

**Department for Child Protection**  
**Statement of Cash Flows**  
*for the year ended 30 June 2022*

	2022 \$'000 (Outflows)	2021 \$'000 (Outflows)
	Note	
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Appropriation	692 630	601 448
GST recovered from the ATO	32 128	29 826
Receipts from Commonwealth-sourced grants and funding	1 500	1 486
Fees and charges	1 074	1 112
Other income	5 950	1 219
<b>Cash generated from operations</b>	<b>733 282</b>	<b>635 091</b>
<b>Cash outflows</b>		
Payments for child protection services	(415 657)	(348 771)
Employee benefits payments	(255 457)	(229 703)
Payments for supplies and services	(44 826)	(54 261)
Payments of grants and subsidies	(391)	(906)
Cash alignment transfers to Consolidated Account	-	(5 624)
Interest paid	(27)	(36)
Other payments	(294)	(285)
<b>Cash used in operations</b>	<b>(716 652)</b>	<b>(639 586)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>8.2 16 630</b>	<b>(4 495)</b>
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Proceeds from the sale of property, plant and equipment	4	2 600
<b>Cash generated from investing activities</b>	<b>4</b>	<b>2 600</b>
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(5 680)	(2 995)
<b>Cash used in investing activities</b>	<b>(5 680)</b>	<b>(2 995)</b>
<b>Net cash used in investing activities</b>	<b>(5 676)</b>	<b>(395)</b>
<b>Cash flows from financing activities</b>		
<b>Cash inflows</b>		
Capital contributions from government	910	-
<b>Cash generated from financing activities</b>	<b>910</b>	<b>-</b>
<b>Cash outflows</b>		
Repayment of principal portion of lease liabilities	(3 251)	(2 811)
<b>Cash used in financing activities</b>	<b>(3 251)</b>	<b>(2 811)</b>
<b>Net cash used in financing activities</b>	<b>(2 341)</b>	<b>(2 811)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8 613</b>	<b>(7 701)</b>
Cash and cash equivalents at the beginning of the reporting period	31 341	39 042
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6.1 39 954</b>	<b>31 341</b>

The accompanying notes form part of these financial statements.

# Department for Child Protection

## Notes to and forming part of the financial statements

### for the year ended 30 June 2022

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#### 1. About the Department for Child Protection

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

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Transactions and balances relating to administered resources are presented separately and are disclosed in Note 11. Except as otherwise disclosed administered items are accounted for on the same basis as the department's transactions.

#### 1.1. Basis of preparation

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

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

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Significant accounting policies are set out throughout the notes.

The department is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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.

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 financial activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

#### 1.2. New and amended standards adopted by the department

The department has early adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the department's financial statements.

## Department for Child Protection

### Notes to and forming part of the financial statements

for the year ended 30 June 2022

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#### 1.3. Objectives and programs

##### Objectives

The department's primary objective is to work with government and non-government agencies to keep children and young people safe from abuse and neglect, and to support families, through the administration of the state's child protection statutory framework. The department is committed to placing the safety of children and young people at the centre of decision-making, and work across the child protection system to amplify their voices and the voices of their families and carers.

The department receives, assesses, refers and investigates child protection notifications, and is required to make an application to the court where it assesses that an order is required to ensure the safety of a child or young person. Where a court determines that a child or young person cannot remain safely at home, the department is responsible for the provision (either directly or indirectly) of quality care and case management and, when it is safe to do so, supporting the reunification of children and young people with their families.

The department works closely with a range of government and non-government agencies so that children and young people who have been abused or are at risk of further abuse can be directly referred, together with their families, to appropriate intensive family supports within the broader child protection service sector.

##### Programs

The department operates within the activity, *Care and protection*.

This includes:

- Assessing and responding to reports of abuse and risk of harm to children and young people, including referral and/or investigation where appropriate;
- Referring children and young people who are at risk of harm, together with their families, to appropriate intensive family supports within the broader child protection service sector and specialist services, including family group conferencing.
- Applying for care and protection orders and placing children and young people in care to ensure their safety when all other options have been explored and the child or young person remains at risk;
- Implementing the Aboriginal and Torres Strait Islander Child Placement Principle;
- Working with families to address the safety concerns that led to a child or young person entering care, so reunification can take place when it is safe and in the best interests of the child or young person;
- Supporting children and young people in care to help them to recover from their abuse and trauma and reach their full potential.
- Providing assistance and support to young people to transition from care to independent adult life.

#### 1.4. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has impacted on the operations of the department and the impacts are included under the relevant disclosure notes. In 2021-22 there was an increase in the costs associated with providing care services to children and young people in care during the pandemic. The key impacts for 2021-22 were:

- backfill of workforce due to COVID related absenteeism
- lower average utilisation rate of contracted residential care placements
- reduced growth in available family based care placements
- standing up and staffing of dedicated COVID facilities and the emergency management team
- staff training and purchase of personal protective equipment and rapid antigen tests.

The COVID-19 pandemic outlook for the department is explained in note 9.3.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**1.5. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Appropriation		647 162	692 630	45 468
Resources received free of charge	(a)	-	4 515	4 515
Commonwealth-sourced grants and funding		1 385	1 500	115
Fees and charges	(b)	56	1 053	997
Other income	(c)	2 169	4 020	1 851
<b>Total income</b>		<b>650 772</b>	<b>703 718</b>	<b>52 946</b>
<b>Expenses</b>				
Employee benefits expenses		242 337	254 730	12 393
Supplies and services		60 870	55 749	(5 121)
Child protection services	(d)	339 740	385 920	46 180
Grants and subsidies		-	363	363
Depreciation and amortisation	(e)	4 020	5 086	1 066
Borrowing costs		68	27	(41)
Other expenses		158	275	117
<b>Total expenses</b>		<b>647 193</b>	<b>702 150</b>	<b>54 957</b>
<b>Net result</b>		<b>3 579</b>	<b>1 568</b>	<b>(2 011)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in property, plant and equipment asset revaluation surplus		-	1 882	1 882
<b>Total other comprehensive income</b>		<b>-</b>	<b>1 882</b>	<b>1 882</b>
<b>Total comprehensive result</b>		<b>3 579</b>	<b>3 450</b>	<b>(129)</b>

		Original Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total leases		2 574	3 287	713
Total existing projects		6 861	2 393	(4 468)
<b>Total investing expenditure</b>		<b>9 435</b>	<b>5 680</b>	<b>(3 755)</b>

Expenditure incurred for existing projects later than originally budgeted predominantly due to prolonged lease negotiations and challenging property and construction market conditions.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**1.5. Budget performance (continued)**

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

- (a) Accounting impact of unbudgeted Shared Services SA resources received free of charge. This is offset by unbudgeted costs for a comparable amount and hence no impact to the net result.
- (b) The variance relates primarily to a MOAA with the Department for Human Services which was formalised after the budget was set.
- (c) Property held for sale as at 30 June 2022 was anticipated to be sold during 2021-22.
- (d) Predominately reflective of the increased number of children and young people in care and the costs associated with providing care services during covid-19. Opening budget does not include the mid-year budget review and 2022-23 budget measure adjustments. This variance can also be observed in Appropriation.
- (e) The variance relates to increased leasing costs and additional leasing of residential care facilities under AASB 16 than budgeted.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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

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

The department had no significant transactions with government related entities except for the appropriation funding received from the Department of Treasury and Finance (DTF) (note 2.1) and incurred expenditure with the Department of Infrastructure and Transport (DIT) of \$20.8 million (2021: \$19.8 million) (note 4.1).

The department also receives Commonwealth-sourced grants and funding, some of which are received from the Commonwealth indirectly through DTF (refer note 2.2).

**2. Income**

**2.1. Appropriation**

	2022	2021
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	647 162	601 448
Appropriation from the Governor's Appropriation Fund	45 468	-
<b>Total appropriation</b>	<b>692 630</b>	<b>601 448</b>

Appropriation is recognised on receipt.

**2.2. Commonwealth-sourced grants and funding**

	2022	2021
	\$'000	\$'000
Family allowances	839	906
Unaccompanied Humanitarian Minors	387	55
Transition to Independent Living Allowance	183	122
Family Law Information Sharing Project*	91	90
Newpin program*	-	313
<b>Total Commonwealth-sourced grants and funding</b>	<b>1 500</b>	<b>1 486</b>

\*Received from the Commonwealth indirectly through DTF.

Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

**2.3. Fees and charges**

	2022	2021
	\$'000	\$'000
Intra Government fees and charges	993	1 037
Other fees and charges	60	65
<b>Total fees and charges</b>	<b>1 053</b>	<b>1 102</b>

Intra Government fees and charges are recognised as income on receipt.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**2.4. Resources received free of charge**

	2022	2021
	\$'000	\$'000
Services received free of charge - Shared Services SA	3 758	3 647
Services received free of charge - DPC - ICT	757	739
Contributed assets	-	571
<b>Total resources received free of charge</b>	<b>4 515</b>	<b>4 957</b>

Contributed assets relates to a vacant parcel of land transferred to the department from the Minister for Education and a donated security system.

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

The department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable from Shared Services SA free of charge. ICT services are received from the Department of the Premier and Cabinet.

A corresponding expense is recognised in the financial statements (see note 4.1).

**2.5. Other income**

	2022	2021
	\$'000	\$'000
Recoveries	3 859	3 443
Child payment recoups	128	142
Contingencies transferred from DTF	-	787
Discount given on assets purchased	-	163
Other	33	14
<b>Total other income</b>	<b>4 020</b>	<b>4 549</b>

Recoveries are recognised on receipt

**2.6. Net gain from disposal of property, plant and equipment**

	2022	2021
	\$'000	\$'000
<b>Land and buildings</b>		
Net proceeds from disposal	-	2 600
Less carrying amount of assets disposed	-	(2 025)
<b>Net gain from disposal of land and buildings</b>	<b>-</b>	<b>575</b>

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the department include the Minister for Child Protection (the Minister), the Chief Executive and the other members of the executive team who have responsibility for the strategic direction and management of the department.

The compensation excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	3 566	3 459
Post-employment benefits	643	449
<b>Total compensation</b>	<b>4 209</b>	<b>3 908</b>

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

The department did not enter into transactions with key management personnel or their close family during the reporting period.

**3.2. Board and committee members**

Members during the 2021- 2022 financial year were:

**Performance and Risk Committee**

Ms Mel Bradley\* (retired December 2021)  
 Ms Kitty McClean\* (appointed December 2021)  
 Ms Tina Armiento\* (appointed March 2022)  
 Mr Michael Burton\* (retired March 2022)  
 Ms Joanne Male\*  
 Ms Fiona Ward\*  
 Ms Nerida Saunders\*  
 Ms Rosina Hislop  
 Mr Onno van der Wel  
 Ms Linda South\*

**Dame Roma Mitchell Trust Funds Board of Advice**

Ms Chelsea Hall\*  
 Ms Colleen Fitzpatrick (Chair)  
 Ms Megan Hender  
 Ms Joanna Saies  
 Mr Nick Jenkins  
 Ms Susan Richards (resigned October 2021)  
 Mr Peter Giffard (resigned November 2021)  
 Ms Brigitte Goepfert (appointed May 2022)  
 Mr Lachlan McFarlane (appointed May 2022)  
 Ms Marjorie Ellis (appointed September 2021)

\*Government employees did not receive any remuneration for board/committee duties during the financial year where the board/committee falls under the definitions of Premier and Cabinet Circular No. 016.

The department has other internal boards and committees that do not meet disclosure requirements. Paid members of internal boards and committees include:

- Procurement and Contract Management Governance Committee - Zofia Nowak
- Contract Arrangements Review Panel – Helen Kay, Ann-Marie Hayes

The total remuneration received or receivable by members was \$38 000 (2021: \$34 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

**Department for Child Protection**  
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**3.2. Board and committee members (continued)**

Board and committee remuneration	2022	2021
The number of members whose remuneration received/receivable falls within the following bands:		
	Number of members	Number of members
\$0	17	14
\$1 - \$19 999	3	2
\$20 000 - \$39 999	-	1
<b>Total number of members</b>	<b>20</b>	<b>17</b>

**3.3. Employee benefits expenses**

	2022	2021
	\$'000	\$'000
Salaries and wages	190 472	176 712
Employment on-costs - superannuation	20 637	18 616
Annual leave	17 672	16 735
Employment on-costs - other	11 235	10 355
Workers compensation	12 171	15 713
Skills and experience retention leave	602	601
Targeted voluntary separation packages	2 013	259
Board and committee fees	38	34
Long service leave	(1 320)	(1 052)
Other employee related expenses	1 210	1 052
<b>Total employee benefits expenses</b>	<b>254 730</b>	<b>239 025</b>

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees. The DTF centrally recognises the superannuation liability in the whole of government financial statements.

**Department for Child Protection**  
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**3.3. Employee benefits expenses (continued)**

*Employee remuneration*

	2022	2021
The number of employees whose remuneration received or receivable falls within the following bands:	<b>No</b>	<b>No</b>
\$154 000 to \$157 000*	N/A	5
\$157 001 to \$177 000	24	10
\$177 001 to \$197 000	4	6
\$197 001 to \$217 000	5	2
\$217 001 to \$237 000	3	1
\$237 001 to \$257 000	1	3
\$257 001 to \$277 000	1	1
\$277 001 to \$297 000	1	1
\$297 001 to \$317 000	1	-
\$337 001 to \$357 000	-	1
\$357 001 to \$377 000	-	1
\$377 001 to \$397 000	-	1
\$397 001 to \$417 000	1	-
\$417 001 to \$437 000	1	-
<b>Total</b>	<b>42</b>	<b>32</b>

The total remuneration received by these employees for the year was \$8.3 million (2021: \$6.5 million).

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

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, overtime, penalties, attraction allowance, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid or payable. Award classifications included in the above bands include SAES, MAS, ASO, AHP, LE, OPX and MIN.

***Targeted voluntary separation packages (TVSP)***

The number of employees who received a TVSP during the reporting period was 2 (2021: 2).

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	169	259
Workforce rejuvenation scheme	1 844	-
Leave paid to separated employees	114	130
<b>Total amount paid</b>	<b>2 127</b>	<b>389</b>
<b>Net cost to the department</b>	<b>2 127</b>	<b>389</b>

During the year, the SA Government offered employees the opportunity to participate in the South Australian Public Sector Workforce Rejuvenation Scheme. The above table includes 43 employees who accepted the offer under the scheme.

**Department for Child Protection**  
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**3.4. Employee benefits liability**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	19 180	18 135
Long service leave	4 403	4 240
Accrued salaries and wages	5 036	6 349
Skills and experience retention leave	796	857
<b>Total current employee benefits</b>	<b>29 415</b>	<b>29 581</b>
<b>Non-current</b>		
Long service leave	25 129	30 077
<b>Total non-current employee benefits</b>	<b>25 129</b>	<b>30 077</b>
<b>Total employee benefits</b>	<b>54 544</b>	<b>59 658</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 and experience retention leave (SERL) and sick leave***

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

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

Salary inflation rate for annual leave, skills, experience and retention leave liability reduced to 1.5% from 2.0% in 2021.

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.

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

The actuarial assessment performed by DTF 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 increased to 3.5% (2021: 1.25%).

The actuarial assessment performed by DTF did not change the salary inflation rate (2021: 2.5%) for long service leave liability.

The net financial effect of the changes in the actuarial assumptions and methodology is a decrease in the long service leave liability of \$5.2 million.

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

**Department for Child Protection**  
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**4. Expenses**

**4.1. Supplies and services**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	12 148	12 474
Information technology and communications	10 094	9 616
Minor works, maintenance and equipment	7 793	8 603
Shared Services SA charges	4 580	4 412
Vehicle and travelling expenses	4 487	4 012
Employee related costs	3 333	2 575
Office administration	2 183	2 261
Contractors – Agency staff	1 973	979
Contractors	1 723	1 531
Rental and leases accommodation	1 479	1 641
Utilities	1 290	1 189
Intra government charges	1 198	1 951
Cleaning	959	838
Legal costs	980	701
Insurance	872	816
Security	358	306
Consultants	69	267
Advertising expenses	1	36
Other supplies and services	229	183
<b>Total supplies and services</b>	<b>55 749</b>	<b>54 391</b>

**Accommodation**

Most of the department's accommodation is provided by DIT under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed and disclosed under accommodation. Information about accommodation incentives relating to this arrangement is shown at note 7.4.

**Consultants**

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

	<b>No</b>	<b>2022</b>	<b>No</b>	<b>2021</b>
		<b>\$'000</b>		<b>\$'000</b>
Below \$10 000	-	-	1	6
\$10 000 or above	2	69	1	261
<b>Total</b>	<b>2</b>	<b>69</b>	<b>2</b>	<b>267</b>

**Department for Child Protection**  
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**4.2. Child protection services**

	2022	2021
	\$'000	\$'000
Contracted Out-of-Home care services <sup>1</sup>	267 782	217 292
Carer payments and client related costs <sup>2</sup>	107 871	97 136
Family support services	6 863	6 449
Advocacy and support services	3 404	3 028
<b>Total child protection services</b>	<b>385 920</b>	<b>323 905</b>

<sup>1</sup> incorporates residential based care, family based care, other supported placement services and immediate response services.

<sup>2</sup> incorporates all carer payments and other client related costs associated with having a child in a placement.

**4.3. Grants and subsidies**

	2022	2021
	\$'000	\$'000
Child and Family Welfare	282	290
Connecting Foster Carers SA	41	-
NAIDOC SA Inc	25	25
Care Leavers Australia Network	15	15
Australian Centre for Child Protection	-	500
Create Foundation South Australia	-	65
University of Adelaide	-	8
Flinders Foundation	-	3
<b>Total grants and subsidies</b>	<b>363</b>	<b>906</b>

**4.4. Depreciation and amortisation**

	2022	2021
	\$'000	\$'000
Right-of-use vehicles	1 911	1 958
Right-of-use buildings	1 334	850
Leasehold improvements	833	688
Residential accommodation housing	733	728
Computer software	189	214
Computing, communications, furniture and equipment	86	28
<b>Total depreciation and amortisation</b>	<b>5 086</b>	<b>4 466</b>

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

**Useful life**

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

<u>Class of asset</u>	<u>Useful life (years)</u>
Residential accommodation housing	30-50
Leasehold improvements	1-20
Computing, communications, furniture and equipment	5-10
Computer Software	3-10
Right-of-use vehicles and buildings	1-5

**Department for Child Protection**  
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**4.4. Depreciation and amortisation (Continued)**

*Review of accounting estimates*

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

**4.5. Borrowing costs**

	2022	2021
	\$'000	\$'000
Interest expense on lease liabilities	27	36
<b>Total borrowing costs</b>	<b>27</b>	<b>36</b>

**4.6. Other expenses**

	Note	2022	2021
		\$'000	\$'000
Audit fees *		264	240
Impairment (gain)/loss on receivables	6.2	6	(3)
Asset disposals/derecognised	5.1	-	33
Interest		2	6
Other expenses		3	3
<b>Total other expenses</b>		<b>275</b>	<b>279</b>

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

**Department for Child Protection**  
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**5. Non-financial assets**

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

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

	2022	2021
	\$'000	\$'000
<b>Land</b>		
Land at fair value	20 512	19 730
<b>Total land</b>	<u>20 512</u>	<u>19 730</u>
<b>Residential accommodation housing</b>		
Residential accommodation housing at fair value	31 238	30 147
Accumulated depreciation at the end of the period	(16 010)	(16 105)
<b>Total residential accommodation housing</b>	<u>15 228</u>	<u>14 042</u>
<b>Construction work in progress</b>		
Construction work in progress at cost	863	1 770
<b>Total construction work in progress</b>	<u>863</u>	<u>1 770</u>
<b>Right-of-use buildings</b>		
Right-of-use buildings at cost (deemed fair value)	3 704	2 163
Accumulated depreciation	(2 375)	(1 041)
<b>Total right-of-use buildings</b>	<u>1 329</u>	<u>1 122</u>
<b>Right-of-use vehicles</b>		
Right-of-use vehicles at cost (deemed fair value)	5 021	4 894
Accumulated depreciation	(2 604)	(2 308)
<b>Total right-of-use vehicles</b>	<u>2 417</u>	<u>2 586</u>
<b>Leasehold improvements</b>		
Leasehold improvements at fair value	13 811	13 080
Accumulated depreciation at the end of the period	(9 791)	(8 958)
<b>Total leasehold improvements</b>	<u>4 020</u>	<u>4 122</u>
<b>Computing, communications, furniture and equipment</b>		
Computing, communications, furniture and equipment at cost (deemed fair value)	649	475
Accumulated depreciation at the end of the period	(136)	(51)
<b>Total computing, communications, furniture and equipment</b>	<u>513</u>	<u>424</u>
<b>Total property, plant and equipment</b>	<u><u>44 882</u></u>	<u><u>43 796</u></u>

Property, plant and equipment with a value equal to or in excess of \$15 000 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 10.1.

**Department for Child Protection**  
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**5.1 Property, plant and equipment by asset class (continued)**

Property, plant and equipment owned

**Impairment**

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

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. 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.

**Reconciliation 2021-22**

	Land	Residential accommodation housing	Construction work in progress	Leasehold improvements	Computing, communications, furniture and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	19 730	14 042	1 770	4 122	424	40 088
Additions	-	-	2 218	-	175	2 393
Assets reclassified to assets held for sale	(1 100)	(475)	-	-	-	(1 575)
Transfers to/(from) work in progress	-	2 394	(3 125)	731	-	-
Asset revaluation increment/(decrement)	1 882	-	-	-	-	1 882
Depreciation and amortisation	-	(733)	-	(833)	(86)	(1 652)
<b>Carrying amount at 30 June 2022</b>	<b>20 512</b>	<b>15 228</b>	<b>863</b>	<b>4 020</b>	<b>513</b>	<b>41 136</b>
<b>Gross carrying amount</b>						
Gross carrying amount	20 512	31 238	863	13 811	649	67 073
Accumulated depreciation	-	(16 010)	-	(9 791)	(136)	(25 937)
<b>Carrying amount at the end of the period</b>	<b>20 512</b>	<b>15 228</b>	<b>863</b>	<b>4 020</b>	<b>513</b>	<b>41 136</b>

**Department for Child Protection**  
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**5.1. Property, plant and equipment by asset class (continued)**

*Reconciliation 2020-21*

	Land \$'000	Residential accommodation housing \$'000	Construction work in progress \$'000	Leasehold improvements \$'000	Computing, communications, furniture and equipment \$'000	Total \$'000
Carrying amount at 1 July 2020	19 542	15 370	981	3 735	137	39 765
Additions	-	-	2 623	-	116	2 739
Disposals	(1 425)	(600)	-	-	-	(2 025)
Assets derecognised	-	-	-	-	(33)	(33)
Transfers to/(from) work in progress	-	-	(1 834)	1 075	191	(568)
Asset revaluation increment/(decrement)	1 083	-	-	-	-	1 083
Depreciation and amortisation	-	(728)	-	(688)	(28)	(1 444)
Contributed assets	530	-	-	-	41	571
<b>Carrying amount at 30 June 2021</b>	<b>19 730</b>	<b>14 042</b>	<b>1 770</b>	<b>4 122</b>	<b>424</b>	<b>40 088</b>
<b>Gross carrying amount</b>						
Gross carrying amount	19 730	30 147	1 770	13 080	475	65 202
Accumulated depreciation	-	(16 105)	-	(8 958)	(51)	(25 114)
<b>Carrying amount at the end of the period</b>	<b>19 730</b>	<b>14 042</b>	<b>1 770</b>	<b>4 122</b>	<b>424</b>	<b>40 088</b>

**Department for Child Protection**  
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**5.1 Property, plant and equipment by asset class (continued)**

**Property, plant and equipment leased**

Right-of-use assets are recorded at cost.

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

The department has a limited number of leases:

- 705 motor vehicle leases with the South Australian Government Financing Authority (SAFA) to support a fleet of approximately 450 vehicles. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms range from 3 years (60,000km) to 5 years (100,000km).
- 52 residential accommodation properties leased with private landlords that are non-cancellable. Residential accommodation lease terms range from 1 year to 3 years.

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

**Impairment**

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

**Reconciliation 2021-22**

	Right-Of-Use Buildings	Right-Of-Use Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	1 122	2 586	3 708
Additions	1 541	1 746	3 287
Disposals	-	(4)	(4)
Depreciation and amortisation	(1 334)	(1 911)	(3 245)
<b>Carrying amount at 30 June 2022</b>	<b>1 329</b>	<b>2 417</b>	<b>3 746</b>

**Reconciliation 2020-21**

	Right Of Use Buildings	Right Of Use Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	649	2 637	3 286
Additions	1 375	1 920	3 295
Disposals	(52)	(13)	(65)
Depreciation and amortisation	(850)	(1 958)	(2 808)
<b>Carrying amount at 30 June 2021</b>	<b>1 122</b>	<b>2 586</b>	<b>3 708</b>

**Department for Child Protection**  
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**5.2. Intangible assets**

	2022	2021
	\$'000	\$'000
<b>Computer software</b>		
Internally developed computer software	8 882	8 882
Accumulated amortisation	(8 677)	(8 488)
<b>Total computer software</b>	<u>205</u>	<u>394</u>
<b>Total intangible assets</b>	<u>205</u>	<u>394</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 any accumulated amortisation and any accumulated impairment losses.

The acquisition of computer software is capitalised only when the expenditure meets the definition criteria (identifiable control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$15 000.

The computer software relates to the department's Connected Client and Case Management System (C3MS) for case management of children.

*Reconciliation 2021-22*

	Computer software	Total
	\$'000	\$'000
Carrying amount at 1 July 2021	394	394
Amortisation	(189)	(189)
<b>Total as at 30 June 2022</b>	<u>205</u>	<u>205</u>

*Reconciliation 2020-21*

	Computer software	Total
	\$'000	\$'000
Carrying amount at 1 July 2020	40	40
Transfers from WIP	568	568
Amortisation	(214)	(214)
<b>Total as at 30 June 2021</b>	<u>394</u>	<u>394</u>

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

	2022	2021
	\$'000	\$'000
Land	1 100	-
Building	475	-
<b>Total non-current assets classified as held for sale</b>	<u>1 575</u>	<u>-</u>

**Department for Child Protection**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	39 556	24 073
Deposits with the Treasurer (AAEFA)	1	6 875
Imprest account/cash on hand	397	393
<b>Total cash and cash equivalents</b>	<b>39 954</b>	<b>31 341</b>

***Deposits with the Treasurer***

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

The department has two deposit accounts with the Treasurer:

- a general operating account; and
- an Accrual Appropriation Excess Funds Account (AAEFA).

Although the department controls the money in AAEFA, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

Cash is measured at nominal amount.

**Department for Child Protection**  
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**6.2. Receivables**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Trade receivables		
From government entities	389	1 598
From non-government entities	1 159	1 317
Less impairment loss on receivables	(54)	(50)
<b>Total trade receivables</b>	<u>1 494</u>	<u>2 865</u>
GST input tax recoverable	2 738	2 059
Prepayments	2 123	1 037
Accrued revenues	28	490
Workers compensation recoveries	45	32
<b>Total current receivables</b>	<u>6 428</u>	<u>6 483</u>
<b>Non-current</b>		
Workers compensation recoveries	519	459
<b>Total non-current receivables</b>	<u>519</u>	<u>459</u>
<b>Total receivables</b>	<u><u>6 947</u></u>	<u><u>6 942</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. Trade receivables, prepayments and accrued revenues are non-interest bearing. Trade receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

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

*Allowance for Impairment loss on receivables*

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	(50)	(56)
(Increase)/decrease in the allowance recognised in profit and loss	(6)	3
Amounts written off	2	3
<b>Carrying amount at the end of the period</b>	<u>(54)</u>	<u>(50)</u>

Impairment losses relate to contracts with customers external to SA Government.

Refer to note 10.2 for details regarding credit risk, the methodology for determining impairment and information on risk management.

**Department for Child Protection**  
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**7. Liabilities**

**7.1. Payables**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Accrued expenses	24 964	19 407
Employment on-costs	5 522	5 222
Trade payables	2 666	431
Paid Parental Leave Scheme payable	48	57
<b>Total current payables</b>	<u>33 200</u>	<u>25 117</u>
<b>Non-current</b>		
Employment on-costs	2 433	2 846
<b>Total non-current payables</b>	<u>2 433</u>	<u>2 846</u>
<b>Total payables</b>	<u><u>35 633</u></u>	<u><u>27 963</u></u>

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

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

***Employment on-costs***

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

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has not changed from the 2021 rate of 42% and the average factor for the calculation of employer superannuation on-costs has changed to 10.6% (2021: 10.1%). 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 \$0.34 million and employee benefits expense of \$5.2 million, respectively.

**Department for Child Protection**  
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**7.2. Financial liabilities**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	2 355	2 248
<b>Total current financial liabilities</b>	<b>2 355</b>	<b>2 248</b>
<b>Non-current</b>		
Lease liabilities	1 397	1 472
<b>Total non-current financial liabilities</b>	<b>1 397</b>	<b>1 472</b>
<b>Total financial liabilities</b>	<b>3 752</b>	<b>3 720</b>

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

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2022	2021
	\$'000	\$'000
<b>Lease liabilities</b>		
Up to 1 year	2 412	2 371
1 to 5 years	1 519	1 508
	<b>3 931</b>	<b>3 879</b>

**7.3. Provisions**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	6 009	5 038
Provision for legal claims	10	70
Provision for additional compensation	10	5
<b>Total current provisions</b>	<b>6 029</b>	<b>5 113</b>
<b>Non-current</b>		
Provision for workers compensation	22 167	19 083
Provision for legal claims	180	110
Provision for additional compensation	503	358
<b>Total non-current provisions</b>	<b>22 850</b>	<b>19 551</b>
<b>Total provisions</b>	<b>28 879</b>	<b>24 664</b>

***Movement in provisions for workers compensation***

	2022	2021
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	24 121	14 434
Additional provision recognised	8 892	15 726
Reductions arising from payments/other sacrifice of future economic benefits	(4 837)	(6 039)
<b>Carrying amount at the end of the period</b>	<b>28 176</b>	<b>24 121</b>

**Department for Child Protection**  
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**7.3 Provisions (continued)**

*Movement in provisions for legal claims*

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	180	160
Reductions resulting from re-measurement or settlement without cost	(100)	(50)
Reductions arising from payments	(10)	(10)
Additional provision recognised	120	80
<b>Carrying amount at the end of the period</b>	<b>190</b>	<b>180</b>

A liability has been reported to reflect unsettled legal claims. The legal claims provision includes various claims relating to professional indemnity, public liability and property damage.

*Movement in provision for additional compensation*

	2022	2021
	\$'000	\$'000
<b><u>Movement in provisions</u></b>		
Carrying amount at the beginning of the period	363	377
Reductions resulting from re-measurement or settlement without cost		(14)
Additional provision recognised	150	-
<b>Carrying amount at the end of the period</b>	<b>513</b>	<b>363</b>

The department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

Measurement of the provision for worker's compensation as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the provision for workers compensation across government.

Legislation to reform the Return to Work Act 2014 was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government will be considered when measuring the provision as at 30 June 2023.

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

**Department for Child Protection**  
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**7.3 Provisions (continued)**

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

**7.4. Other liabilities**

	2022 \$'000	2021 \$'000
<b><u>Current</u></b>		
Deposits held - purchased leave	29	14
Unclaimed monies	3	2
Unearned revenue	7	23
Accommodation incentive	73	73
<b>Total current other liabilities</b>	<b>112</b>	<b>112</b>
<b><u>Non-current</u></b>		
Accommodation incentive	403	476
<b>Total non-current other liabilities</b>	<b>403</b>	<b>476</b>
<b>Total other liabilities</b>	<b>515</b>	<b>588</b>

Accommodation incentives relate to arrangements with DIT for the Minister's office.

**8. Other disclosures**

**8.1. Equity**

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

**Department for Child Protection**  
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**8.2. Cash flow**

	2022 \$'000	2021 \$'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	39 954	31 341
<b>Balance as per Statement of Cash Flows</b>	<u>39 954</u>	<u>31 341</u>
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by / (used in) operating activities	16 630	(4 495)
<b>Add / (less) non-cash items</b>		
Discount given on assets purchased	-	163
Net gain from disposal of property, plant and equipment	-	575
Resources received free of charge - goods	4 515	4 386
Depreciation and amortisation	(5 086)	(4 466)
Contributed assets	-	571
Shared Services SA charges	(4 580)	(4 412)
Non-current assets written off	-	(33)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	5	2 819
(Increase)/decrease in employee benefits	5 114	1 059
(Increase)/decrease in payables	(10 856)	(611)
(Increase)/decrease in provisions	(4 215)	(9 693)
(Increase)/decrease in financial liabilities	(32)	(419)
(Increase)/decrease in other liabilities	73	41
<b>Net result</b>	<u><u>1 568</u></u>	<u><u>(14 515)</u></u>

Total cash outflow for leases was \$3.3 million (\$2.8 million)

**Department for Child Protection**  
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**9. Outlook**

**9.1. Unrecognised contractual commitments**

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

***Capital commitments***

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

	2022	2021
	\$'000	\$'000
Within one year	2 125	583
<b>Total capital commitments</b>	<b>2 125</b>	<b>583</b>

The department's capital commitments relate to the upgrade and refurbishment of two Community Housing Facilities at Lochiel Park Campbelltown.

***Expenditure commitments***

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

	2022	2021
	\$'000	\$'000
Within one year	295 277	260 427
Later than one year but not longer than five years	538 729	541 031
Later than five years	94 059	115 239
<b>Total expenditure commitments</b>	<b>928 065</b>	<b>916 697</b>

The department's expenditure commitments are for contracted service agreements for out of home care, family support services and the non-lease components of SAFA vehicle rentals.

**Department for Child Protection**  
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**9.1. Unrecognised contractual commitments (continued)**

*Accommodation expenditure commitments*

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	11 152	8 495
Later than one year but not longer than five years	22 697	25 510
Later than five years	6 745	6 907
<b>Total accommodation expenditure commitments</b>	<b>40 594</b>	<b>40 912</b>

The department's expenditure commitments are for MoAAs with DIT for office accommodation and facilities.

**9.2. Contingent assets and liabilities**

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

Claims for unspecified damages have been lodged against the department during the year. The Crown Solicitor's Office is negotiating with the claimants, on instruction from SAFA. A reliable estimate for the expenditure required to settle these claims or whether they will be successful cannot be reasonably determined. The department is also currently processing a TVSP agreement with an employee which will be finalised in 2022-23.

**9.3. COVID-19 pandemic outlook for the department**

The COVID-19 pandemic will continue to impact the operations of the department in 2022-23.

The key expected impacts to the department will depend on the relative risk within the South Australian community. The department is expected to continue to incur costs of personal protective equipment, rapid antigen tests and supply of cleaning products into the future. Staffing costs are likely to increase if the number of cases in South Australia rises through 2022-23.

The department is monitoring the effects of the COVID-19 pandemic on children and young people in care, including the anticipated impacts on mental health and wellbeing and associated levels of service need.

The department is monitoring the potential growth in demand in terms of both reports of abuse and risk of harm and placement numbers connected to increasing economic hardship and unemployment rates in South Australia.

**9.4. Events after the reporting period**

No events after reporting date to report.

**Department for Child Protection**  
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**10. Measurement and risk**

**10.1. 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 principle 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.

***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.

The department revalues its land annually. The department revalues its residential housing and leasehold improvements every six years via an independent certified practising valuer.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

***Fair value hierarchy***

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

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

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

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

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

During 2021 and 2022, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

The department measures all assets at level 3 with the exception of land which is a level 2.

**Department for Child Protection**  
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**10.1. Fair value (Continued)**

*Fair value classification – non-financial assets at 30 June 2022*

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b><u>Recurring fair value measurements</u></b>				
Land	5.1	20 512	-	20 512
Residential accommodation housing	5.1	-	15 228	15 228
Leasehold improvements	5.1	-	4 020	4 020
Computing, communications, furniture and equipment	5.1	-	513	513
<b>Total recurring fair value measurements</b>		<b>20 512</b>	<b>19 761</b>	<b>40 273</b>
<b><u>Non- recurring fair value measurements</u></b>				
Land held for sale		1 100	-	1 100
Buildings held for sale		-	475	475
<b>Total non-recurring fair value measurements</b>		<b>1 100</b>	<b>475</b>	<b>1 575</b>
<b>Total fair value measurements</b>		<b>21 612</b>	<b>20 236</b>	<b>41 848</b>

*Fair value classification – non-financial assets at 30 June 2021*

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b><u>Recurring fair value measurements</u></b>				
Land	5.1	19 730	-	19 730
Residential accommodation housing	5.1	-	14 042	14 042
Leasehold improvements	5.1	-	4 122	4 122
Computing, communications, furniture and equipment	5.1	-	424	424
<b>Total recurring fair value measurements</b>		<b>19 730</b>	<b>18 588</b>	<b>38 318</b>
<b>Total fair value measurements</b>		<b>19 730</b>	<b>18 588</b>	<b>38 318</b>

**Department for Child Protection**  
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**10.1. Fair value (continued)**

***Land***

An independent valuation of land was performed by the Valuer-General as at 30 June 2022.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, the valuation was determined using an adjustment were applied to reflect the restriction.

***Residential accommodation housing***

An independent valuation of residential accommodation housing was performed as at 30 June 2018 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd.

The valuation was performed by reference to a cost approach basis and utilising comparable sales evidence, zoning and permitted use.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides / internal records such as recent tender documents, construction invoices etc and the estimated useful life due to age and condition of the building.

***Leasehold Improvements***

The independent valuation of leasehold improvements was performed by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd as at 30 June 2020. The valuer adopted depreciated replacement cost when valuing the assets as quoted prices in an active liquid market was not available.

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

All items of computing, communications, furniture and equipment had a fair value at the time of acquisition less than \$1.5 million. Computing, communications, furniture and equipment has not been revalued in accordance with APS 116.D.

The carrying value of these items are deemed to approximate fair value.

**Department for Child Protection**  
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**10.1. Fair value (continued)**

*Reconciliation of level 3 recurring fair value measurements as at 30 June 2022*

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

	Residential accommodation housing	Leasehold improvements	Computing, communications, furniture and equipment
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	14 042	4 122	424
Additions	-	-	175
Transfers (to) / from WIP	2 394	731	-
<b><u>Gains/(losses) for the period recognised in net result:</u></b>			
Depreciation and amortisation	(733)	(833)	(86)
<b>Total losses recognised in net result</b>	<b>(733)</b>	<b>(833)</b>	<b>(86)</b>
<b>Carrying balance at the end of the period</b>	<b>15 703</b>	<b>4 020</b>	<b>513</b>

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

	Residential accommodation housing	Leasehold improvements	Computing, communications, furniture and equipment
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	15 370	3 735	137
Additions	-	-	116
Disposals	(600)	-	-
Assets derecognised	-	-	(33)
Transfers (to) / from WIP	-	1 075	191
Contributed assets	-	-	41
<b><u>Gains/(losses) for the period recognised in net result:</u></b>			
Depreciation and amortisation	(728)	(688)	(28)
<b>Total losses recognised in net result</b>	<b>(728)</b>	<b>(688)</b>	<b>(28)</b>
<b>Carrying balance at the end of the period</b>	<b>14 042</b>	<b>4 122</b>	<b>424</b>

**Department for Child Protection**  
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**10.2. Financial instruments**

***Financial risk management***

Risk management is managed by the department's legal services directorate. Departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian *Standard Risk Management Principles and Guidelines*.

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

***Liquidity risk***

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

Refer to note 7.2 for further information.

***Credit risk***

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

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

***Impairment of financial assets***

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

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

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

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected \$'000
<b>Current (not past due)</b>	1 062	0%	-
1 – 30 days past due	138	0%	-
31 – 60 days past due	1	0%	-
61 – 90 days past due	3	0%	-
More than 90 days past due	131	41%	54
<b>Loss allowance</b>	<b>1 335</b>		<b>54</b>

**Department for Child Protection**  
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**10.2. Financial instruments (continued)**

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

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

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

The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

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

***Cash and cash equivalents***

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

***Market risk***

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

There is no exposure to foreign currency or other price risks.

***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.

All financial liabilities are measured at amortised cost with the exception of lease liabilities for right of use assets. Lease liabilities for right of use assets are measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasurer's incremental borrowing rate.

**Department for Child Protection**  
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**11. Administered items**

***Minister's salary and allowances***

*Administered items are for the Minister's salary and allowances pursuant to Parliamentary Remuneration Act 1990.*

*Appropriation in administered items is reported on an accrual basis.*

	2022 \$'000	2021 \$'000
<b><u>Administered Income</u></b>		
Appropriation	441	369
<b>Total administered income</b>	<b>441</b>	<b>369</b>
<b><u>Administered Expenses</u></b>		
Employee benefits	355	369
Separation Payment	46	-
<b>Total administered expenses</b>	<b>401</b>	<b>369</b>
<b>Net result</b>	<b>(40)</b>	<b>-</b>

	2022 \$'000	2021 \$'000
<b><u>Administered Assets</u></b>		
Accrued revenue	40	-
<b>Total administered assets</b>	<b>40</b>	<b>-</b>
<b>Net result</b>	<b>(40)</b>	<b>-</b>