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To the Chief Executive Department of the Premier and Cabinet

Opinion

I have audited the financial report of the Department of the Premier and Cabinet 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 of the Premier and Cabinet as at 30 June 2022, 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 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 Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Changes in Equity for the year ended 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2022
- a Schedule of Assets and Liabilities attributable to administered activities for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, Communities and Corporate.

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

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

Responsibilities of the Chief Executive for the financial report

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

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

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

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



Andrew Richardson
Auditor-General

23 September 2022

Department of the Premier and Cabinet

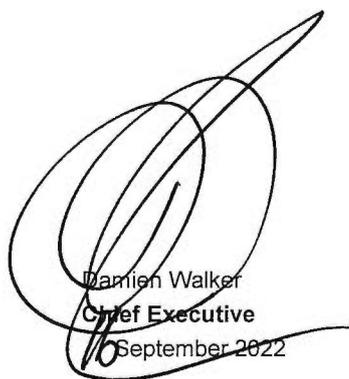
Financial Statements

For the year ended 30 June 2022

Department of the Premier and Cabinet
Certification of the Financial Statements
for the year ended 30 June 2022

We certify that the:

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



Damien Walker
Chief Executive
16 September 2022



Steven Woolhouse
Executive Director, Communities and Corporate
16 September 2022

Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	366 542	261 124
Sales of goods and services	2.2	29 055	26 790
Commonwealth-sourced grants and funding	2.3	15 912	7 146
SA Government grants, subsidies and transfers	2.4	25 946	19 548
Local government grants		342	334
Resources received free of charge	2.5	98 168	716
Other income	2.6	7 999	9 661
Total income		543 964	325 319
Expenses			
Employee benefits expenses	3.3	70 606	55 070
Supplies and services	4.1	106 916	78 986
Depreciation and amortisation	5.1, 5.4	15 859	15 631
Borrowing costs		5	8
Grants and subsidies	4.2	153 715	156 712
Net loss from the disposal of non-current assets	4.3	24	328
Cash transfer to the Consolidated Account		6 000	-
Other expenses	4.4	2 078	1 362
Resources provided free of charge	4.5	2 822	2 771
Total expenses		358 025	310 868
Net result		185 939	14 451
Total comprehensive result		185 939	14 451

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 the Premier and Cabinet
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash	6.1	128 733	63 166
Receivables	6.2	12 859	13 236
Inventories		238	96
Non-current assets classified as held for sale or transfer	5.5	208 727	635
Total current assets		350 557	77 133
Non-current assets			
Receivables	6.2	596	411
Property, plant and equipment	5.1	126 658	220 658
Intangible assets	5.4	16 615	15 022
Total non-current assets		143 869	236 091
Total assets		494 426	313 224
Current liabilities			
Payables	7.1	19 206	23 014
Employee benefits	3.4	7 117	7 606
Financial liabilities	7.2	134	118
Contract liabilities	7.3	1 794	1 444
Provisions	7.4	187	205
Total current liabilities		28 438	32 387
Non-current liabilities			
Payables	7.1	949	1 024
Employee benefits	3.4	9 860	10 909
Financial liabilities	7.2	140	238
Provisions	7.4	572	504
Total non-current liabilities		11 521	12 675
Total liabilities		39 959	45 062
Net assets		454 467	268 162
Equity			
Contributed capital		56 766	56 766
Asset revaluation surplus		33 530	33 530
Retained earnings		364 171	177 866
Total equity		454 467	268 162

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

Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Asset revaluation			Total equity
		Contributed capital	surplus	Retained earnings	
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020		56 766	40 794	164 306	261 866
Prior period adjustments	5.1	-	(7 264)	-	(7 264)
Restated balance at 1 July 2020		56 766	33 530	164 306	254 602
Net result for 2020-21		-	-	14 451	14 451
Total comprehensive result for 2020-21		-	-	14 451	14 451
Net assets transferred as a result of an administrative restructure		-	-	(891)	(891)
Balance at 30 June 2021		56 766	33 530	177 866	268 162
Prior period adjustments		-	-	366	366
Adjusted balance at 1 July 2021		56 766	33 530	178 232	268 528
Net result for 2021-22		-	-	185 939	185 939
Total comprehensive result for 2021-22		-	-	185 939	185 939
Balance at 30 June 2022		56 766	33 530	364 171	454 467

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

Department of the Premier and Cabinet
Statement of Cash Flows
for the year ended 30 June 2022

		2022	2021
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		366 542	261 124
Sales of goods and services		27 025	28 886
Receipts from Commonwealth-sourced grants		16 300	7 338
SA Government grants, subsidies and transfers		25 585	19 630
Local government grants		342	334
GST recovered from the ATO		3 432	-
Other receipts		8 001	9 740
Cash generated from operations		447 227	327 052
Cash outflows			
Employee benefits payments		(71 375)	(55 700)
Payments for supplies and services		(106 766)	(80 950)
Payments of grants and subsidies		(156 489)	(155 342)
GST paid to the ATO		-	(1 501)
Cash transfer to the Consolidated Account		(6 000)	-
Other payments		(881)	(572)
Cash used in operations		(341 511)	(294 065)
Net cash provided by operating activities	8.2	105 716	32 987
Cash flows from investing activities			
Cash inflows			
Sale of financial asset		6 000	-
Cash generated from investing activities		6 000	-
Cash outflows			
Purchase of property, plant and equipment		(41 621)	(6 691)
Purchase of intangible assets		(4 379)	(8 441)
Cash used in investing activities		(46 000)	(15 132)
Net cash used in investing activities		(40 000)	(15 132)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(149)	(139)
Cash used in financing activities		(149)	(139)
Net cash used in financing activities		(149)	(139)
Net increase in cash		65 567	17 716
Cash at the beginning of the period		63 166	45 450
Cash at the end of the period	6.1	128 733	63 166
Non cash transactions	8.2		

The accompanying notes form part of these financial statements

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1 About the Department of the Premier and Cabinet

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

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

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

1.1 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance 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 have been prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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.

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.

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 of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.2 Objectives and programs

Objectives

The department delivers specialist policy advice to the Premier and Ministers and supports the Cabinet process. It also has overarching responsibility for Commonwealth-State relations and manages the Premier's National Cabinet and National Federation Reform Council agenda.

The department leads the implementation of South Australia's strategic priorities and policy commitments in the areas of economic and social development, international relationships and strengthening digital engagement between government and the community.

The department provides leadership in across government policy development on Aboriginal community support, multicultural affairs and the arts.

The department provides the following programs:

Premier and Cabinet Policy and Support

Coordination and leadership of the strategic economic and policy priorities of the state. Monitoring and supporting the delivery of the government's priorities and commitments. Support to the Premier and Cabinet through rigorous Cabinet process across government (including thorough analysis of the risks, costs and benefits of proposals), cross government policy, and communications activities.

Deliver protocol and international engagement programs promoting the state and its competitive advantages and offerings, showcasing South Australia's strategic industries, businesses, knowledge institutions, community and regions.

Support Services and Community Programs, reported separately in the 2020-21 year, was transferred into this program for the 2021-22 financial year.

Information, Data Analytics and Communication Technology Services

Provision of specialised information and communication technology (ICT), digital, data and cyber security services, and support and information to government, citizens and industry.

Aboriginal Affairs and Reconciliation

Empower Aboriginal people to have a stronger voice in decision making across government and within communities, and provide leadership in the promotion of effective governance arrangements.

Provide whole of government policy advice and leadership, support engagement with Aboriginal stakeholders through the provision of culturally appropriate advice to government, facilitate the protection and preservation of Aboriginal heritage and culture, and support the state's Aboriginal land holding authorities.

Multicultural Affairs

Supports South Australia's ethnic communities and promotes community capacity and harmony. It includes grant programs to community organisations that provide services to help families and individuals improve their quality of life and strengthen the wellbeing of culturally and linguistically diverse communities, as well as support for multicultural events and initiatives.

Arts and Cultural Policy and Support

Ensure the state recognises and capitalises on artistic, cultural and economic opportunities arising from the diverse arts and cultural organisations, practitioners, events and physical assets in the state by developing programs that build on cultural heritage and creativity, and providing financial support to the arts and cultural sector.

General / Not attributable

General / not attributable reflects internal transactions undertaken within the department.

The schedules on the following pages present expenses, income, assets and liabilities attributable to each of the programs for the years ended 30 June 2022 and 30 June 2021.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

Income and expenses by program

	Information, Data Analytics							
	Premier and Cabinet Policy and Support		and Communication Technology Services		Aboriginal Affairs and Reconciliation		Multicultural Affairs	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income								
Appropriation	366 542	261 124	-	-	-	-	-	-
Sales of goods and services	7 913	2 762	15 047	18 905	800	356	534	198
Commonwealth-sourced grants and funding	1 712	1 646	12 200	-	-	-	-	-
SA Government grants, subsidies and transfers	14 635	3 870	5 245	424	633	739	41	8
Local government grants	342	334	-	-	-	-	-	-
Resources received free of charge	235	236	271	215	46	57	17	29
Other income	422	543	94	3	125	1	172	231
Total income	391 801	270 515	32 857	19 547	1 604	1 153	764	466
Expenses								
Employee benefits expenses	30 584	20 097	24 247	14 297	5 493	4 657	2 306	1 845
Supplies and services	22 714	15 664	69 875	49 530	2 541	2 241	802	657
Depreciation and amortisation	1 021	1 105	6 562	6 065	233	253	56	81
Borrowing costs	2	2	2	3	-	1	-	-
Grants and subsidies	11 046	18 437	2 502	295	5 641	4 478	5 827	2 789
Net loss from the disposal of non-current assets	16	17	-	292	-	4	-	2
Cash transfer to the Consolidated Account	-	-	-	-	-	-	-	-
Other expenses	478	444	1 504	697	32	30	12	15
Resources provided free of charge	-	12	-	12	-	3	-	2
Total expenses	65 861	55 778	104 692	71 191	13 940	11 667	9 003	5 391
Net result	325 940	214 737	(71 835)	(51 644)	(12 336)	(10 514)	(8 239)	(4 925)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

	Arts and Cultural Policy and Support		Support Services and Community Programs		General / Not attributable		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income								
Appropriation	-	-	-	-	-	-	366 542	261 124
Sales of goods and services	5 748	5 054	-	452	(987)	(937)	29 055	26 790
Commonwealth-sourced grants and funding	2 000	5 500	-	-	-	-	15 912	7 146
SA Government grants, subsidies and transfers	5 392	11 062	-	3 445	-	-	25 946	19 548
Local government grants	-	-	-	-	-	-	342	334
Resources received free of charge	97 599	86	-	93	-	-	98 168	716
Other income	7 186	8 832	-	51	-	-	7 999	9 661
Total income	117 925	30 534	-	4 041	(987)	(937)	543 964	325 319
Expenses								
Employee benefits expenses	7 976	7 112	-	7 062	-	-	70 606	55 070
Supplies and services	11 871	8 457	-	3 374	(887)	(937)	106 916	78 986
Depreciation and amortisation	7 987	7 851	-	276	-	-	15 859	15 631
Borrowing costs	1	1	-	1	-	-	5	8
Grants and subsidies	128 799	130 642	-	71	(100)	-	153 715	156 712
Net loss from the disposal of non-current assets	8	6	-	7	-	-	24	328
Cash transfer to the Consolidated Account	6 000	-	-	-	-	-	6 000	-
Other expenses	52	127	-	49	-	-	2 078	1 362
Resources provided free of charge	2 822	2 737	-	5	-	-	2 822	2 771
Total expenses	165 516	156 933	-	10 845	(987)	(937)	358 025	310 868
Net result	(47 591)	(126 399)	-	(6 804)	-	-	185 939	14 451

Appropriation shown under Premier and Cabinet Policy and Support for the comparative year were shown under the Support Services and Community Programs program in the prior year financial statements.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

Assets and liabilities by program

	Information, Data Analytics							
	Premier and Cabinet Policy and Support		and Communication Technology Services		Aboriginal Affairs and Reconciliation		Multicultural Affairs	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets								
Cash	128 733	63 166	-	-	-	-	-	-
Receivables	9 477	166	3 448	2 580	88	-	14	-
Inventories	-	-	238	96	-	-	-	-
Non-current assets classified as held for sale or transfer	-	-	-	-	-	-	-	-
Property, plant and equipment	8 525	357	15 881	16 713	502	540	-	-
Intangible assets	381	1 090	16 077	13 234	-	44	-	-
Total assets	147 116	64 779	35 644	32 623	590	584	14	-
Liabilities								
Payables	14 915	46	421	340	281	121	101	65
Employee benefits	9 941	436	3 800	3 250	1 099	1 101	851	587
Financial liabilities	261	-	-	-	13	31	-	-
Contract liabilities	1 749	1 419	42	27	-	-	-	-
Provisions	590	-	-	-	62	-	-	-
Total liabilities	27 456	1 901	4 263	3 617	1 455	1 253	952	652
Net assets	119 660	62 878	31 381	29 006	(865)	(669)	(938)	(652)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

	Arts and Cultural Policy and Support		Support Services and Community Programs		General / Not attributable		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets								
Cash	-	-	-	-	-	-	128 733	63 166
Receivables	430	539	-	10 373	(2)	(11)	13 455	13 647
Inventories	-	-	-	-	-	-	238	96
Non-current assets classified as held for sale or transfer	208 727	635	-	-	-	-	208 727	635
Property, plant and equipment	101 750	193 373	-	9 675	-	-	126 658	220 658
Intangible assets	157	333	-	321	-	-	16 615	15 022
Total assets	311 064	194 880	-	20 369	(2)	(11)	494 426	313 224
Liabilities								
Payables	4 439	1 589	-	21 877	(2)	-	20 155	24 038
Employee benefits	1 286	1 570	-	11 571	-	-	16 977	18 515
Financial liabilities	-	-	-	325	-	-	274	356
Contract liabilities	3	9	-	-	-	(11)	1 794	1 444
Provisions	107	287	-	422	-	-	759	709
Total liabilities	5 835	3 455	-	34 195	(2)	(11)	39 959	45 062
Net assets	305 229	191 425	-	(13 826)	-	-	454 467	268 162

All assets and liabilities for other activities that are not disclosed separately are included in Premier and Cabinet Policy Support in the current year and Support Services and Community Programs in the comparative year. Cash shown under Premier and Cabinet Policy and Support for the comparative year were shown under the Support Services and Community Programs program in the prior year financial statements.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.3 Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has had no material impact on the operations of the department during 2021-22.

1.4 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.

Statement of Comprehensive Income	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Income				
Appropriation		345 674	366 542	20 868
Sales of goods and services		15 788	29 055	13 267
Commonwealth-sourced grants and funding		10 669	15 912	5 243
SA Government grants, subsidies and transfers	a	4 060	25 946	21 886
Local government grants		842	342	(500)
Resources received free of charge	b	-	98 168	98 168
Other income		7 165	7 999	834
Total income		384 198	543 964	159 766
Expenses				
Employee benefits expenses		64 430	70 606	6 176
Supplies and services	c	70 426	106 916	36 490
Depreciation and amortisation		17 676	15 859	(1 817)
Borrowing costs		14	5	(9)
Grants and subsidies		141 752	153 715	11 963
Net loss from the disposal of non-current assets		-	24	24
Cash transfer to the Consolidated Account		-	6 000	6 000
Other expenses		767	2 078	1 311
Resources provided free of charge		-	2 822	2 822
Total expenses		295 065	358 025	62 960
Net result		89 133	185 939	96 806

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.

- a) The favourable variance is primarily due to additional income relating to the population growth strategy (\$4.6 million), the Arts Recovery Fund (\$4.0 million), contributions from agencies towards public information activities (\$3.4 million), the small business support package (\$2.5 million), COVID-19 response resourcing (\$1.5 million), COVID-19 assistance package for the Adelaide City Council (\$1.5 million), digital government services strategic business case (\$1.0 million), and the transfer from Renewal SA for Lot Fourteen marketing and communications resources (\$1.0 million).
- b) The favourable variance is primarily due to the Adelaide Festival Plaza Public Realm improvement asset transferred from the Department for Infrastructure and Transport (DIT) (\$91.524 million).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.4 Budget performance (continued)

- c) The unfavourable variance is primarily due to additional expenditure related to digital projects in the Office for Digital Government including the development of COVID-19 mobile applications (\$21.6 million), labour hire partially offset by employee vacancies and investing underspends (\$6.1 million), and public information activities (\$3.9 million).

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	d	14 708	7 273	(7 435)
Total existing projects	e	75 638	30 993	(44 645)
Total annual program	f	9 436	3 217	(6 219)
Total leases		-	63	63
Total investing expenditure		99 782	41 546	(58 236)

- d) The favourable variance is primarily due to the timing of project expenditure for which carryover of budget to 2022-23 will be sought with the Department of Treasury and Finance.
- e) The favourable variance is primarily due to actual expenditure being of an operating nature and the timing of project expenditure for which carryover of budget to 2022-23 will be sought with the Department of Treasury and Finance.
- f) The favourable variance is primarily due to the timing of project expenditure (\$2.9 million), the resourcing costs for various ICT infrastructure projects not meeting the requirements for capitalisation offset by employee costs and labour hire (\$1.7 million), a reclassification of budget to the Adelaide Festival Centre Redevelopment project (\$0.8 million), and a reclassification of budget to the Cultural Institutions Storage Facility project (\$0.8 million).

1.5 Significant transactions with government related entities

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

- donated assets received from DIT – refer to note 2.5;
- accommodation supplied by DIT is included in supplies and services – refer to note 4.1;
- grants payments to Major Arts entities – refer to Grants and subsidies note 4.2;
- accommodation leases supplied by Renewal SA and leased motor vehicles supplied by the South Australian Government Financing Authority (SAFA) – refer to note 7.2.

Department of the Premier and Cabinet
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For the year ended 30 June 2022

2. Income

2.1 Appropriation

	2022	2021
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	344 924	260 579
Appropriation from the Governor's Appropriation Fund	21 618	545
Total appropriation	366 542	261 124

Appropriation is recognised on receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) consists of \$261.6 million (2021: \$225.7 million) for operational funding and \$104.9 million (2021: \$35.4 million) for capital projects. Appropriation comprises money issued and applied to the department as per Schedule 1 of the Act. Money appropriated for purposes other than the department's purposes and issued to special deposit accounts or deposit accounts of other public authorities is not reflected here.

2.2 Sales of goods and services

	2022	2021
	\$'000	\$'000
Service provision	20 325	18 259
Other	8 730	8 531
Total sales of goods and services	29 055	26 790

Service provision is the provision of specialised information and communication technology, digital and cyber security services, support and information to government and industry.

Other are sundry recoveries including salary on-charges.

2.3 Commonwealth-sourced grants and funding

	2022	2021
	\$'000	\$'000
Grants - special purpose	12 812	646
Specific Purpose Funding - Adelaide City Deal	3 100	6 500
Total Commonwealth-sourced grants and funding	15 912	7 146

The Commonwealth has provided funding to the State which has been recognised as revenue as agreed milestones / service obligations have been achieved for the following purposes:

- Development of a Home Quarantine Application for COVID-19 home quarantine trials (\$12.2 million).
- Adelaide City Deal Agreement – funding to support growth in South Australia's innovation and tourism including Lot Fourteen and Tarrkarri – Centre for First Nations Cultures (\$3.1 million).

The Commonwealth has provided funding to the State for The Circle - First Nations Entrepreneur Hub at Lot Fourteen. The department uses direct costs incurred to measure the completion of performance obligations.

Department of the Premier and Cabinet
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2.4 SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
Grants, subsidies and transfers provided by SA Government entities	19 858	13 622
Contingency funding provided by the Department of Treasury and Finance	3 526	3 419
Recoveries from Administered Items	2 162	2 107
Community Development Fund	400	400
Total SA Government grants, subsidies and transfers	25 946	19 548

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

Grants, subsidies and transfers includes funding for the Arts Recovery Fund grant program, the population growth strategy, the small business support package, COVID-19 response resourcing and a COVID-19 assistance package for the Adelaide City Council.

2.5 Resources received free of charge

	2022	2021
	\$'000	\$'000
Donated assets	97 608	31
Shared Services SA	560	685
Total resources received free of charge	98 168	716

Contribution 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 Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

Donated assets received in 2021-22 included Adelaide Festival Plaza Public Realm improvement transferred from DIT (\$91.524 million), the Adelaide Festival Centre Carpark financial asset transferred from DIT on completion of construction (\$6.0 million) and donated ICT and telecommunication devices (\$0.084 million).

Donated assets received in 2020-21 were ICT and telecommunication devices.

2.6 Other income

	2022	2021
	\$'000	\$'000
Rental income	5 679	5 529
Sponsorship	1 440	3 300
Refunds	867	826
Other	13	6
Total other income	7 999	9 661

Rental income relates to rent charged to various arts entities including the Adelaide Festival Centre Trust, where arts and cultural buildings are provided by the department.

Sponsorship revenue received in 2020-21 related to the Art Gallery of South Australia's Tarnanthi – Contemporary Aboriginal and Torres Strait Islander Art Festival and was recognised upon receipt.

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3. Employees and committees

3.1 Key management personnel

Key management personnel of the department includes the Premier, the Minister for Multicultural Affairs, the Minister for Arts and the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

The compensation disclosed in this note excludes salaries and other benefits received by the Premier, the Minister for Multicultural Affairs and the Minister for Arts. The Premier's and 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 of the *Parliamentary Remuneration Act 1990*.

Refer to the department's Administered Financial Statements for disclosure of the remuneration paid to the Premier and Minister for Multicultural Affairs and recovered from the Consolidated Account. The remuneration received by the Minister for Arts is reported by the Attorney-General's Department.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	2 836	2 880
Post-employment benefits	347	269
Termination benefits	938	-
Total compensation	4 121	3 149

Transactions with key management personnel and other related parties

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

3.2 Committee members

Members during the 2021-22 financial year were:

Risk and Performance Committee

Virginia Hickey (Chair)
 Colin Dunsford
 Debra Contala
 Eva Balan-Vnuk*
 Alison Lloyd-Wright*
 Steven Woolhouse*

South Australian Multicultural and Ethnic Affairs Commission (all members expired December 2021)

Adriana Christopoulos (appointed Chair July 2021)
 Anna Cheung* (appointed July 2021)
 George Chin
 Bruce Djite (appointed July 2021)
 Carmen Anne Garcia (appointed July 2021)
 Manju Khadka* (appointed July 2021)
 Maria Maglieri (expired December 2021)
 Rajendra Pandey* (appointed July 2021)
 Shaza Ravaji (appointed July 2021)
 Hussain Razaiat (appointed July 2021)
 Reinhard Struve* (appointed July 2021)
 Khuyen (Quin) Tran (appointed July 2021)
 Eugenia Tsoulis (appointed July 2021)
 Denis Yengi* (appointed July 2021)
 Ahmad Zarikah (appointed July 2021)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
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3.2 Committee members (continued)

South Australian Multicultural Commission (all members appointed December 2021)

Adriana Christopoulos (Chair)

Anna Cheung*

George Chin

Bruce Djite

Carmen Anne Garcia

Manju Khadka*

Maria Maglieri

Rajendra Pandey*

Shaza Ravaji

Hussain Razaiat

Reinhard Struve*

Khuyen (Quin) Tran

Eugenia Tsoulis

Denis Yengi*

Ahmad Zarikah

South Australian Aboriginal Advisory Council

Sharron Williams (Chair)

Joel Bayliss*

Rick Callaghan

Glenise Coulthard*

Arrin Hazelbane* (expired December 2021)

Tracy Rigney*

Aileen Shannon

Dean Walker*

State Aboriginal Heritage Committee

Mark Koolmatrie (Chair) (resigned June 2022)

Fiona Singer (Vice Chair)

Yvonne Agius

Robyn Campbell (resigned June 2022)

Suzanne Haseldine

Joshua Haynes (appointed July 2021)

Kenneth Jones (appointed July 2021)

Cheryl Saunders

Glen Wingfield

Loralee Wright

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
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3.2 Committee members (continued)

Aboriginal Art and Cultures Centre Aboriginal Reference Group Committee

David Rathman (Chair)
 Cara Kirkwood
 Mickey O'Brien* (appointed July 2021)
 Jessica Davies-Huynh
 Lorraine Merrick (appointed July 2021)
 Ali Baker (appointed September 2021)
 Craig Ritchie*
 Keith Thomas
 Diane Dixon*
 Karl Telfer (expired Jul 2021)
 Jeremy Sibbald* (appointed April 2022)
 Kirstie Parker* (expired Aug 2021)

Cultural Institutions Storage Facility Aboriginal Reference Group (all members appointed March 2022)

Wayne Hunter* (Chair)
 Fiona Singer
 Christopher Wilson
 Lorraine Merrick (resigned June 2022)
 Les Wanganeen
 Madge Wanganeen
 Mark Koolmatrie (resigned March 2022)

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

Committee remuneration

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

	2022	2021
\$0 - \$19 999	57	45
\$20 000 - \$39 999	-	2
\$40 000 - \$59 999	1	-
Total number of members	58	47

The total remuneration received or receivable by members was \$144 000 (2021: \$169 000). Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related FBT paid.

Department of the Premier and Cabinet
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3.3 Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	49 806	42 359
Employment on-costs - superannuation	6 968	5 608
Annual leave	5 669	4 151
Employment on-costs - other	3 246	2 669
Long service leave	536	203
Skills and experience retention leave	265	278
Workers compensation	279	(1 019)
Targeted voluntary separation packages	472	262
Committee fees	135	154
Other employee related expenses	3 230	405
Total employee benefits expenses	70 606	55 070

Employment on-costs - superannuation

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

Employee remuneration

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

	2022	2021
	Number	Number
\$157 001 - \$177 000	7	5
\$177 001 - \$197 000	5	5
\$197 001 - \$217 000 #	8	6
\$217 001 - \$237 000 #	7	6
\$237 001 - \$257 000 #	4	3
\$257 001 - \$277 000 #**	5	3
\$277 001 - \$297 000 #	6	1
\$297 001 - \$317 000	-	3
\$317 001 - \$337 000 ^	1	1
\$337 001 - \$357 000	1	4
\$357 001 - \$377 000	2	-
\$397 001 - \$417 000	1	-
\$417 001 - \$437 000 #	1	-
\$437 001 - \$457 000	-	1
\$1 477 001 - \$1 497 000 #	1	-
Total	49	38

** The table above includes a targeted voluntary separation payment for an employee who left the department during the previous financial year.

The table above includes an eligible termination payment for an employee who left the department during the current financial year.

^ The table above includes an eligible termination payment for an employee who left the department during the previous financial year.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3 Employee benefits expenses (continued)

The table includes all employees whose normal remuneration was 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, superannuation contributions, salary sacrifice benefits, fringe benefits and any FBT paid or payable in respect of those benefits as well as any termination benefits for employees who have left the department.

The total remuneration received by employees for the year, listed above, was \$12.9 million (2021: \$9.2 million).

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 9 (2021: 3).

	2022	2021
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	472	262
Leave paid to separated employees	344	117
Net cost to the department	816	379

Targeted voluntary separation packages include payments made under the Public Sector Workforce Rejuvenation Scheme.

3.4 Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	5 393	4 533
Long service leave	1 116	1 077
Accrued salaries and wages	206	1 594
Skills and experience retention leave	402	402
Total current employee benefits	7 117	7 606
Non-current		
Long service leave	9 860	10 909
Total non-current employee benefits	9 860	10 909
Total employee benefits	16 977	18 515

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 reporting date.

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

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

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3.4 Employee benefits liability (continued)

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 has changed from 1.25% (2021) to 3.5% (2022).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$1.8 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by DTF has left the salary inflation rate of 2.5% for long service leave liability.

The current portion of long service leave reflects the department's 3-year average experience of long service leave which is expected to continue in the future.

Department of the Premier and Cabinet
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4. Expenses

4.1 Supplies and services

	2022	2021
	\$'000	\$'000
Information technology and communication charges	37 618	26 336
Contractors	16 712	6 652
Accommodation	8 890	7 960
Public information activities	8 528	3 832
Temporary staff	6 090	3 288
Managed network services	5 149	5 153
General administration and consumables	4 040	2 991
Microsoft licence and support	3 201	8 825
Intra government transfers	6 582	2 047
Repairs, maintenance and minor equipment purchases	2 981	2 543
Staff development and recruitment	1 298	917
Consultants	1 745	2 692
Sponsorships and external contributions	60	740
Shared Services SA	560	685
Other supplies and services	3 462	4 325
Total supplies and services	106 916	78 986

Accommodation

A part of the department's accommodation is provided by DIT under Memoranda of Administrative Arrangements issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are expensed.

Consultants

The number of consultancies and the dollar amount paid/payable to consultants that fell within the following bands:

	No	2022	No	2021
		\$'000		\$'000
Below \$10 000	7	24	10	54
\$10 000 or above	16	1 721	33	2 638
Total	23	1 745	43	2 692

Contractors

The increase in contractors is primarily due to ICT infrastructure projects, improvements to digital government services and the development of COVID-19 mobile applications.

Department of the Premier and Cabinet
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4.2 Grants and subsidies

	2022	2021
	\$'000	\$'000
Libraries Board of South Australia operating and capital funding	34 876	35 771
Adelaide Festival Centre Trust operating and capital funding	31 116	21 180
Museum Board operating and capital funding	11 052	12 156
Art Gallery Board operating and capital funding	10 494	12 489
Adelaide Festival Corporation operating funding	9 075	8 867
Multicultural grants	5 559	2 767
Minor Arts Organisations operating funding	5 021	4 619
Aboriginal Affairs and Reconciliation grants	5 191	4 434
Country Arts SA operating and capital funding	4 592	6 983
Convention Bid Fund	4 182	2 741
Local Economic Recovery	3 831	8 320
Arts Recovery Fund	3 931	10 200
Adelaide Symphony Orchestra operating funding	2 582	2 586
State Theatre Company of South Australia operating funding	2 469	2 472
Adelaide Fringe operating funding	2 333	2 276
Arts grants for Individuals Groups & Organisations	2 674	2 681
State Opera of South Australia operating funding	1 535	1 537
Billion Dollar Benefit	1 250	1 250
Australian Dance Theatre operating funding	1 231	1 200
Adelaide City Deal - Smart City	1 100	1 000
Carrick Hill Trust operating and capital funding	1 135	2 546
Tandanya operating funding	770	825
Ageing Well Initiative	-	2 582
Other arts and cultural grants	3 182	2 189
Other grants and subsidies	4 534	3 041
Total grants and subsidies	153 715	156 712

The Arts Recovery Fund has been provided to create jobs and fast-track recovery in South Australia's arts and culture sector.

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4.3 Net loss from the disposal of property, plant and equipment

	2022	2021
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(8)	(224)
Net loss from disposal of plant and equipment	<u>(8)</u>	<u>(224)</u>
ICT infrastructure		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(71)
Net loss from disposal of ICT infrastructure	<u>-</u>	<u>(71)</u>
Intangible assets		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(16)	(33)
Net loss from disposal of intangible assets	<u>(16)</u>	<u>(33)</u>
Total property, plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(24)	(328)
Total net loss from disposal of non-current assets	<u>(24)</u>	<u>(328)</u>

4.4 Other expenses

	2022	2021
	\$'000	\$'000
Impairment losses on non-financial assets	848	-
Audit fees	440	407
Donations	313	245
Returned grant funds	98	-
Impairment loss on receivables (note 6.2)	39	21
Derecognition of assets	339	688
Other	1	1
Total other expenses	<u>2 078</u>	<u>1 362</u>

Derecognition of assets include ICT infrastructure, licences and equipment assets which no longer satisfy the definition of an asset.

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

Department of the Premier and Cabinet
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4.5 Resources provided free of charge

	2022	2021
	\$'000	\$'000
Artlab conservation services	2 766	2 290
Donated assets	56	442
Other donated services	-	39
Total resources provided free of charge	2 822	2 771

Artlab provides expert conservation services for the state's cultural collections.

A Safe Access System was donated to the SA Museum Board during 2021-22. Donated assets in 2020-21 included a boiler and science centre lift donated to the SA Museum Board.

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5. Non-Financial assets

5.1 Property, plant and equipment

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

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation 2021-22							
Carrying amount at the beginning of the period	184 416	19 720	12 030	4 145	279	68	220 658
Acquisitions	4 200	-	30 939	-	61	7	35 207
Assets reclassified to assets held for sale or transfer	(106 242)	(4 537)	(1 676)	(4 113)	-	-	(116 568)
Transfers between asset classes	18 591	1 888	(20 479)	-	-	-	-
Disposals	-	(8)	-	-	-	-	(8)
Donated assets	(56)	-	-	-	-	-	(56)
Other movements	-	-	2	-	-	-	2
Subtotal	100 909	17 063	20 816	32	340	75	139 235
Losses for the period recognised in net result:							
Depreciation	(8 508)	(3 918)	-	-	(107)	(44)	(12 577)
Subtotal	(8 508)	(3 918)	-	-	(107)	(44)	(12 577)
Carrying amount at the end of the period	92 401	13 145	20 816	32	233	31	126 658
Gross carrying amount							
Gross carrying amount	184 662	48 483	20 816	32	437	122	254 552
Accumulated depreciation	(92 261)	(35 338)	-	-	(204)	(91)	(127 894)
Carrying amount at the end of the period	92 401	13 145	20 816	32	233	31	126 658

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$38.225 million (classified as level 2), works of art valued at \$32 000 (classified as level 2) and capital works in progress (not classified). Refer to note 5.5 for details about assets held for sale or transfer. Refer to note 7.2 for details about the lease liability for right-of-use assets.

Department of the Premier and Cabinet
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5.1 Property, plant and equipment (continued)

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation 2020-21							
Carrying amount at the beginning of the period	192 514	18 040	15 063	4 145	364	115	230 241
Prior year adjustment	-	-	(7 264)	-	-	-	(7 264)
Restated carrying amount at the beginning of the period	192 514	18 040	7 799	4 145	364	115	222 977
Acquisitions	-	54	11 406	-	-	31	11 491
Transfers between asset classes	704	6 018	(6 722)	-	-	-	-
Disposals	(442)	(295)	-	-	-	(9)	(746)
Other movements	2	2	(453)	-	(9)	-	(458)
Subtotal	192 778	23 819	12 030	4 145	355	137	233 264
Losses for the period recognised in net result:							
Depreciation	(8 362)	(4 099)	-	-	(76)	(69)	(12 606)
Subtotal	(8 362)	(4 099)	-	-	(76)	(69)	(12 606)
Carrying amount at the end of the period	184 416	19 720	12 030	4 145	279	68	220 658
Gross carrying amount							
Gross carrying amount	421 455	63 335	12 030	4 145	376	140	501 481
Accumulated depreciation	(237 039)	(43 615)	-	-	(97)	(72)	(280 823)
Carrying amount at the end of the period	184 416	19 720	12 030	4 145	279	68	220 658

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$93.625 million (classified as level 2), works of art valued at \$4.145 million (classified as level 2) and capital works in progress (not classified). Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.1 Property, plant and equipment (continued)

Depreciation

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

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

Useful life

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

Class of asset	Useful life (years)
Buildings and Improvements	1-100
Plant and equipment	1-40
Computer software	3-6
Other intangibles	3-25
Right-of-use buildings	4
Right-of-use motor vehicles	1-3

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

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

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.

Correction of prior year WIP overstatement

During 2021-22 a review of the Adelaide Festival Centre Redevelopment work in progress and capitalised assets identified work conducted prior to 1 July 2018 which failed to meet asset recognition requirements. The land and building asset revaluation as at 30 June 2020 has been adjusted to include the additional decrement of \$7.264 million for the impact of this work.

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5.2 Property, plant and equipment owned by the Department

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in note 10.1.

Lessor arrangements

The department is a lessor of various buildings, including Adelaide Festival Theatre, Lion Arts Centre, Adelaide Studios and Queen's Theatre. The leases have been classified as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of the buildings. The lease terms range from 3 years to 20 years.

Rental income is disclosed in note 2.6. A maturity analysis of rental payments is disclosed in note 9.3.

Impairment

Property, plant and equipment owned by the department have 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 and are subject to regular revaluation.

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.

5.3 Property, plant and equipment leased by the Department

Right-of-use assets leased by the department as lessee are measured at cost, and there were no indications of impairment.

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

The department has a limited number of leases:

- 7 motor vehicle leases with SAFA. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. No variable lease payments are provided for the lease agreements and no options exist to renew the leases at the end of their term.
- Accommodation lease with Renewal SA. Accommodation lease is non-cancellable, with rental payments monthly in advance. No contingent rental provisions exist within the lease agreement and no options exist to renew the lease at the end of its term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Cash outflows related to right-of-use assets are disclosed in note 8.2.

Impairment

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

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.4. Intangible assets

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2021-22				
Carrying amount at the beginning of the period	1 788	9 085	4 149	15 022
Acquisitions	-	-	6 080	6 080
Transfers between asset classes	-	300	(300)	-
Disposals	(16)	-	-	(16)
Impairment loss	-	(848)	-	(848)
Other movements	-	-	(341)	(341)
Subtotal	1 772	8 537	9 588	19 897
Losses for the period recognised in net result:				
Amortisation	(804)	(2 478)	-	(3 282)
Subtotal	(804)	(2 478)	-	(3 282)
Carrying amount at the end of the period	968	6 059	9 588	16 615
Gross carrying amount				
Gross carrying amount	4 654	15 558	9 588	29 800
Accumulated depreciation	(3 686)	(9 499)	-	(13 185)
Carrying amount at the end of the period	968	6 059	9 588	16 615

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2020-21				
Carrying amount at the beginning of the period	2 575	4 751	2 619	9 945
Acquisitions	-	-	8 364	8 364
Transfers between asset classes	101	6 504	(6 605)	-
Disposals	-	(33)	-	(33)
Other movements	-	-	(229)	(229)
Subtotal	2 676	11 222	4 149	18 047
Losses for the period recognised in net result:				
Amortisation	(888)	(2 137)	-	(3 025)
Subtotal	(888)	(2 137)	-	(3 025)
Carrying amount at the end of the period	1 788	9 085	4 149	15 022
Gross carrying amount				
Gross carrying amount	4 266	16 537	4 149	24 952
Accumulated depreciation	(2 478)	(7 452)	-	(9 930)
Carrying amount at the end of the period	1 788	9 085	4 149	15 022

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 of 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 the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.5 Non-current assets classified as held for sale or transfer

	2022	2021
	\$'000	\$'000
Land, buildings and improvements	198 401	635
Plant and equipment	4 537	-
Work in progress	1 676	-
Works of art	4 113	-
Total non-current assets classified as held for sale or transfer	208 727	635

Cabinet has approved the transfer of land, buildings and improvements, plant and equipment, works in progress and works of art relating to the Adelaide Festival Centre precinct. The transfer will occur during 2022-23 at fair value.

A separate parcel of land is identified as held for sale. An independent valuation of this land was undertaken by a Certified Practising Valuer in January 2020 on a highest and best use basis. It is anticipated to be sold during 2022-23.

Non-current assets classified as held for sale or transfer are classified as level 3 fair value hierarchy except for land valued at \$60.235 million (classified as level 2), works of art (classified as level 2), and capital works in progress (not classified).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6 Financial assets

6.1 Cash

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Department of the Premier and Cabinet Operating Account	122 559	56 667
Accrual Appropriation Excess Funds	6 174	6 499
Total cash and cash equivalents	128 733	63 166

Cash is measured at nominal amounts.

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.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

6.2 Receivables

	2022	2021
	\$'000	\$'000
Current:		
Trade receivables	5 879	3 106
Less impairment loss on receivables	(17)	(9)
Prepayments	3 891	3 240
GST input tax recoverable	3 106	6 899
Total current receivables	12 859	13 236
Non-current:		
Prepayments	585	405
Trade receivables	11	6
Total non-current receivables	596	411
Total receivables	13 455	13 647

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.2 Receivables (continued)

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued income are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management

The department has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Allowance for impairment loss on receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	9	5
Increase in the allowance	8	4
Carrying amount at the end of the period	17	9

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7 Liabilities

7.1 Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	17 801	21 528
Employment on-costs	1 029	1 148
Accrued expenses	370	331
Paid Parental Leave Scheme payable	6	7
Total current payables	19 206	23 014
Non-current		
Employment on-costs	949	1 024
Total non-current payables	949	1 024
Total payables	20 155	24 038

Payables are measured at nominal amounts.

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained at 42% for 2022 and the average factor for the calculation of employer superannuation on-cost has increased 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 \$171 000 and employee benefits expense of \$171 000.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.2 Financial liabilities

Financial liabilities are \$244 000 (2021: \$288 000) for building leases at Lot Fourteen and \$30 000 (2021: \$68 000) for motor vehicle leases.

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs associated with leasing activities was \$5 000 (2021: \$8 000). There were no defaults or breaches on any of the financial liabilities throughout the year. All material cash outflows are reflected in the lease liabilities disclosed above.

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

	2022	2021
	\$'000	\$'000
Lease liabilities		
Within 1 year	142	131
Repayable in 1 to 5 years	143	244
Total lease liabilities (undiscounted)	285	375

7.3 Contract liabilities

	2022	2021
	\$'000	\$'000
The Circle - First Nations Entrepreneur Hub	1 749	1 361
Emergency management data strategy	42	58
Information, communication and technology services	-	16
Artlab restoration services	3	9
Total contract liabilities	1 794	1 444

Contract liabilities relate to revenues received in advance and are recognised as agreed milestones / service obligations are achieved. The department is contracted to design a service model, establish and deliver a First Nations Entrepreneur Hub as part of the broader innovation, incubation, start-up and growth hub being established through the Lot Fourteen Development under the Adelaide City Deal.

Revenue totalling \$640 000 was recognised during the year that was included in contract liabilities at 1 July 2021.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.4 Provisions

All provisions relate to workers compensation.

	2022	2021
	\$'000	\$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	709	1 870
Additional provisions recognised	50	347
Transfer of Placement Services liabilities to DTF	-	(1 554)
Net transfer from administrative restructures	-	46
Carrying amount at the end of the period	759	709

Provision for workers compensation

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 for Public Sector Employment.

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.

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.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

8 Other disclosures

8.1 Equity

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

8.2 Cash flow reconciliation

	2022 \$'000	2021 \$'000
Reconciliation of cash at the end of the reporting period		
Cash disclosed in the Statement of Financial Position	128 733	63 166
Balance as per the Statement of Cash Flows	128 733	63 166
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by operating activities	105 716	32 987
Add / (less) non-cash items		
Depreciation and amortisation	(15 859)	(15 631)
Impairment losses on non-financial assets	(848)	-
Resources received free of charge	97 524	-
Donated assets	(56)	(442)
Bad and doubtful debts expense	-	(4)
Loss on disposal of non-current assets	(24)	(328)
Derecognition of assets	(339)	(688)
Prior period adjustments	(366)	-
Movement in assets and liabilities		
(Decrease) / increase in receivables	(192)	1 021
Increase / (decrease) in inventories	142	(88)
Increase in payables	(830)	(2 922)
(Increase) / decrease in financial liabilities	(67)	80
Decrease / (increase) in employee benefits	1 538	(468)
Increase in contract balances	(350)	(273)
(Increase) / decrease in provisions	(50)	1 207
Net result	185 939	14 451

Total cash outflows for leases were \$149 000 (2021: \$139 000).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9 Outlook

9.1 Unrecognised commitments

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

Capital commitments

	2022	2021
	\$'000	\$'000
Within one year	171 616	23 895
Later than one year but not longer than five years	102 344	-
Total capital commitments	273 960	23 895

2021-22 capital commitments include Aboriginal Art and Cultures Centre at Lot Fourteen (\$184.5 million) and the cultural institutions storage facility (\$86.0 million).

2020-21 capital commitments include the Adelaide Festival Centre precinct redevelopment (\$20.7 million), the cultural institutions storage facility (\$1.5 million), the mySAGov Digital platform (\$0.8 million) and the Data Analytics Platform (\$0.6 million).

Expenditure Commitments

	2022	2021
	\$'000	\$'000
Within one year	52 277	40 773
Later than one year but not longer than five years	46 023	22 098
Later than five years	-	2 174
Total expenditure commitments	98 300	65 045

Commitments as at 30 June 2022 include arts cultural institutions operational funding (\$34.476 million), contracted services for Information and Technology services (\$23.704 million), North Terrace arts cultural institutions security and cleaning (\$7.325 million), grants from the Convention Bid Fund (\$6.039 million), construction of the Heysen Gallery (\$6.0 million), media monitoring services to the SA Government (\$5.070 million), Multicultural Affairs grants (\$4.492 million), Arts and Cultural Policy grants (\$3.693 million), construction of the Carrick Hill Pavilion (\$1.5 million) and Local Economic Recovery grants (\$1.355 million).

Commitments as at 30 June 2021 include contracted services for Information and Communication Technology services (\$22.1 million), North Terrace arts cultural institutions security and cleaning (\$10.2 million), construction of the Heysen Gallery (\$6.0 million), arts cultural institutions operational funding (\$5.3 million), Local Economic Recovery grants (\$5.2 million), Arts and Cultural Policy grants (\$3.7 million), Multicultural Affairs grants (\$3.7 million), grants from the Convention Bid Fund (\$3.2 million), and a grant to the Adelaide Convention Bureau from the Billion Dollar Bid Fund Project (\$1.3 million).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9.2 Expected realisation of contract liabilities as revenue

	2022-23	Total
	\$'000	\$'000
The Circle - First Nations Entrepreneur Hub at Lot Fourteen	1 749	1 749
Emergency management data strategy	42	42
Artlab restoration services	3	3
Revenue expected to be realised	1 794	1 794

9.3 Expected rental income

Operating lease maturity analysis

The below table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. The amounts are not recognised as assets.

See note 2.6 for information about buildings the department leases out under operating lease.

	2022	2021
	\$'000	\$'000
Within 1 year	97	5 581
1 to 5 years	81	23 500
More than 5 years	-	12 645
Total operating lease income	178	41 726

Cabinet has approved the transfer of Adelaide Festival Centre assets to the Adelaide Festival Centre Trust. Settlement of the transfer will occur in 2022-23. Rent will cease to be charged from 1 July 2022.

9.4 Contingent assets and liabilities

The department has received Adelaide Festival Plaza public realm improvements contributed by Walker Corporation for which a valuation is yet to be determined. The department is not aware of any other contingent assets or liabilities.

9.5 Impact of standards and statements not yet effective

The department continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. The department considers there will be no impact on the financial statements.

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

9.6 COVID-19 pandemic outlook for the department

The department does not expect any material impacts as a result of the COVID-19 pandemic in 2022-23.

9.7 Events after the reporting period

As published in the SA Government Gazette on 30 June 2022, Aboriginal Affairs and Reconciliation, a division of the department, has transferred to the Attorney-General's Department effective from 1 July 2022.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 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, other than right of use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

An independent valuation of artwork, land and buildings was conducted as at 30 June 2020 by Liquid Pacific Pty Ltd. The valuation at 30 June 2020 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

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 as detailed below. 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 the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.1 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 2022 and 2021; 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 carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years is deemed to approximate fair value.

Land and buildings

Every six years, the department revalues its land, buildings and leasehold improvements via an independent Certified Practising Valuer.

Assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that was less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

10.2 Financial instruments

Financial risk management

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

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

Liquidity risk

The department is funded principally from appropriations 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.

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 the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2 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 following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	379	0.01%	-
1 - 30 days past due	169	0.01%	-
31 – 60 days past due	-	0.03%	-
61 – 90 days past due	8	0.06%	-
More than 90 days past due	891	0.07%	1
Loss allowance	1 447		1

In addition, the agency has provided for \$16 000 of known doubtful debts based upon assessment.

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

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

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter a payment plan with the department.

Cash and debt investments

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

All 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.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2 Financial instruments (continued)

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*.

Exposure to interest rate risk and any movement in interest rates are monitored daily. There is minimal exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of the Premier and Cabinet

Administered Financial Statements

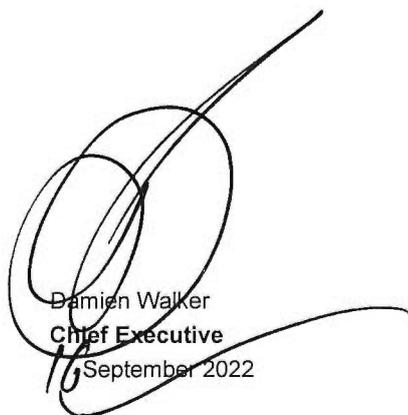
For the year ended 30 June 2022

Department of the Premier and Cabinet
Certification of the Administered Financial Statements
for the year ended 30 June 2022

We certify that the:

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

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



Damien Walker
Chief Executive
16 September 2022



Steven Woolhouse
Executive Director, Communities and Corporate
16 September 2022

Department of the Premier and Cabinet
Statement of Administered Comprehensive Income
for the year ended 30 June 2022

		2022	2021
	Note	\$'000	\$'000
Administered income			
Appropriation	A2.1	9 832	9 905
Commonwealth-sourced grants and funding	A2.2	21	863
Interest		-	13
Fees and charges		79	72
Other income	A2.3	215	-
Total administered income		10 147	10 853
Administered expenses			
Employee benefits expenses	A3.1	679	419
Grants and subsidies	A4.1	1 648	1 926
Supplies and services	A4.2	7 647	7 032
Other expenses	A4.3	20	46
Total administered expenses		9 994	9 423
Net result		153	1 430
Total comprehensive result		153	1 430

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 the Premier and Cabinet
Statement of Administered Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered current assets			
Cash	A5.1	41 882	40 324
Receivables	A5.2	7	1
Total current assets		<u>41 889</u>	<u>40 325</u>
Total assets		<u>41 889</u>	<u>40 325</u>
Administered current liabilities			
Payables	A6.1	2 254	900
Contract liabilities	A6.2	34	55
Employee benefits	A3.2	35	12
Total current liabilities		<u>2 323</u>	<u>967</u>
Administered non-current liabilities			
Payables	A6.1	5	-
Employee benefits	A3.2	50	-
Total non-current liabilities		<u>55</u>	<u>-</u>
Total liabilities		<u>2 378</u>	<u>967</u>
Net assets		<u>39 511</u>	<u>39 358</u>
Administered equity			
Retained earnings		<u>39 511</u>	<u>39 358</u>
Total equity		<u>39 511</u>	<u>39 358</u>

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

Department of the Premier and Cabinet
Statement of Administered Cash Flows
for the year ended 30 June 2022

		2022	2021
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		9 832	9 905
Receipts from Commonwealth-sourced grants		-	55
Interest		-	16
Fees and charges		78	76
Other receipts		215	-
Cash generated from operations		<u>10 125</u>	<u>10 052</u>
Cash outflows			
Employee benefits payments		(602)	(418)
Payments of grants and subsidies		(1 068)	(1 797)
Payments for supplies and services		(6 877)	(7 785)
Other payments		(20)	(46)
Cash used in operations		<u>(8 567)</u>	<u>(10 046)</u>
Net cash provided by operating activities	A7.1	<u>1 558</u>	<u>6</u>
Net increase in cash		<u>1 558</u>	<u>6</u>
Cash at the beginning of the period		40 324	40 318
Cash at the end of the reporting period		<u>41 882</u>	<u>40 324</u>

The accompanying notes form part of these financial statements.

Department of the Premier and Cabinet
Schedule of Income and Expenses Attributable to Administered Activities
for the year ended 30 June 2022

	Special Act Salaries and Allowances		Aboriginal Heritage Fund		Bank of Tokyo Cultural and Social Exchange		SA Okayama		Promotion of the State	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income										
Appropriation	647	617	-	-	-	-	-	-	1 848	2 130
Commonwealth-sourced grants and funding	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	79	72	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	6	-
Total administered income	647	617	79	72	-	-	-	-	1 854	2 130
Administered expenses										
Employee benefits expenses	503	419	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	141	463
Supplies and services	186	181	-	-	-	-	-	-	1 640	1 665
Other expenses	-	-	-	-	-	-	-	-	-	-
Total administered expenses	689	600	-	-	-	-	-	-	1 781	2 128
Net result	(42)	17	79	72	-	-	-	-	73	2

Department of the Premier and Cabinet
 Schedule of Income and Expenses Attributable to Administered Activities
 for the year ended 30 June 2022

	Aboriginal Affairs and Reconciliation		Stolen Generations Reparations Scheme		SA Motor Sport		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income								
Appropriation	7 337	7 158	-	-	-	-	9 832	9 905
Commonwealth-sourced grants and funding	21	863	-	-	-	-	21	863
Interest	-	13	-	-	-	-	-	13
Fees and charges	-	-	-	-	-	-	79	72
Other income	209	-	-	-	-	-	215	-
Total administered income	7 567	8 034	-	-	-	-	10 147	10 853
Administered expenses								
Employee benefits expenses	-	-	-	-	176	-	679	419
Grants and subsidies	1 507	1 463	-	-	-	-	1 648	1 926
Supplies and services	5 283	5 186	-	-	538	-	7 647	7 032
Other expenses	-	-	20	46	-	-	20	46
Total administered expenses	6 790	6 649	20	46	714	-	9 994	9 423
Net result	777	1 385	(20)	(46)	(714)	-	153	1 430

Department of the Premier and Cabinet
Schedule of Assets and Liabilities Attributable to Administered Activities
for the year ended 30 June 2022

	Special Act Salaries and Allowances		Aboriginal Heritage Fund		Bank of Tokyo Cultural and Social Exchange		SA Okayama		Promotion of the State	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered assets										
Cash	(103)	(62)	1 354	1 277	95	95	48	48	943	890
Receivables	3	-	2	1	-	-	-	-	-	-
Total assets	(100)	(62)	1 356	1 278	95	95	48	48	943	890
Administered liabilities										
Payables	17	-	-	-	-	-	-	-	-	20
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Employee benefits	-	12	-	-	-	-	-	-	-	-
Total liabilities	17	12	-	-	-	-	-	-	-	20
Net assets	(117)	(74)	1 356	1 278	95	95	48	48	943	870

	Aboriginal Affairs and Reconciliation		Stolen Generations Reparations Scheme		SA Motor Sport		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered assets								
Cash	39 575	37 998	58	78	(88)	-	41 882	40 324
Receivables	-	-	-	-	2	-	7	1
Total current assets	39 575	37 998	58	78	(86)	-	41 889	40 325
Administered liabilities								
Payables	1 700	880	-	-	542	-	2 259	900
Contract liabilities	34	55	-	-	-	-	34	55
Employee benefits	-	-	-	-	85	-	85	12
Total liabilities	1 734	935	-	-	627	-	2 378	967
Net assets	37 841	37 063	58	78	(713)	-	39 511	39 358

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A1. Basis of preparation and accounting policies

A1.1 Basis of preparation

The basis of preparation for the Administered financial statements 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.

A1.2 Objectives/activities of the department's Administered Items

The following funds were administered by the department as at 30 June 2022. They do not represent controlled transactions of the department. As such, they are not recognised in the financial statements of the department.

Special Act Salaries and Allowances

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

Aboriginal Heritage Fund

The Aboriginal Heritage Fund was established in accordance with the *Aboriginal Heritage Act 1988* for the purpose of providing protection and preservation of Aboriginal Heritage.

Bank of Tokyo Cultural and Social Exchange

The department holds funds for the purpose of supporting cultural and social exchange between South Australia and Japan.

SA Okayama

The department holds trust funds for the purpose of furthering South Australia's relationship with Okayama. The trust was established from the trading surplus from South Australia's presence at the Seto Ohashi Expo 88 at Kojima Okayama.

Promotion of the State

The department provides funding for activities that advance the interests of South Australia by promoting the economic, social and cultural aspects of the State on behalf of the State Government.

Aboriginal Affairs and Reconciliation

The Anangu Pitjantjatjara Yankunytjatjara (APY) Lands Taskforce is funded through appropriation from DTF for the coordination and delivery of diversionary programs across the APY Lands communities. The department also administers Commonwealth Government funding for projects on the APY Lands and other Aboriginal communities.

Stolen Generations Reparations Scheme

The South Australian Government has established the Stolen Generations Reparations Scheme to recognise the grief, pain and loss experienced by Aboriginal communities, families and individuals; and to also support a range of proposals that can assist in the healing process. The scheme includes \$6.5 million appropriation associated with anticipated compensation payments to individual members of the Stolen Generation and \$5 million for individual projects for the affected communities.

SA Motor Sport

The department is funded through appropriation from DTF for the re-establishment of the Adelaide 500 and the Adelaide Motorsport Festival.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A1.3 Budget performance

		Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
Administered Income				
Appropriation		10 003	9 832	(171)
Commonwealth-sourced grants and funding		-	21	21
Fees and charges		147	79	(68)
Other income		-	215	215
Total administered income		10 150	10 147	(3)
Administered Expenses				
Employee benefits expenses		424	679	255
Grants and subsidies	a	5 950	1 648	(4 302)
Supplies and services	b	1 928	7 647	5 719
Other expenses	c	1 848	20	(1 828)
Total administered expenses		10 150	9 994	(156)
Net result		-	153	153
Total comprehensive result		-	153	153

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

- a The favourable variance is primarily due to lower than budgeted intra-government transfers as a result of agencies' underspends of expenditure which is usually recharged to the department's administered items.
- b The unfavourable variance is primarily due to a reclassification issue, where budgeted expenditure is classified as other expenses, but actual expenditure incurred is reported as supplies and services.
- c The favourable variance is primarily due to a reclassification issue, where budgeted expenditure is classified as other expenses, but actual expenditure incurred is reported as supplies and services.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A2. Income

A2.1 Appropriation

	2022	2021
	\$'000	\$'000
Revenues from appropriation		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	9 185	9 288
Special Acts	647	617
Total revenues from appropriation	9 832	9 905

Appropriations are recognised on receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

A2.2 Commonwealth-sourced grants and funding

The Commonwealth has provided funding to the State for the Wardang Island Tourism Master Plan and the Wardang Island Revitalisation Project. Revenue is recognised as agreed milestones / service obligations have been achieved.

A2.3 Other income

Other income is returned grant funds.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A3. Employees

A3.1 Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	573	419
Long service leave	55	-
Annual leave	27	-
Employment on-costs - superannuation	13	-
Employment on-costs - other	8	-
Skills and experience retention leave	3	-
Total employee benefits expenses	679	419

The employee on-costs of the Premier and the Minister for Multicultural Affairs are included in the department's controlled financial statements.

Employee remuneration

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

	2022	2021
	Number	Number
\$337 001 to \$357 000	1	-
\$537 001 to \$557 000	-	1
Total	1	1

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, 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 the employee for the year, listed above, was \$348 000 (2021: \$543 000).

A3.2 Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	27	-
Long service leave	5	-
Skills and experience retention leave	3	-
Accrued salaries and wages	-	12
Total current employee benefits	35	12
Non-current		
Long service leave	50	-
Total non-current employee benefits	50	-
Total employee benefits	85	12

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.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A4. Expenses

A4.1 Grants and subsidies

Grants and subsidies include contributions to projects on the APY lands and for Aboriginal communities \$1.507 million (2021: \$1.463 million), and funding for activities that promote the economic, social and cultural aspects of the State \$0.141 million (2021: \$0.463 million).

A4.2 Supplies and services

	2022	2021
	\$'000	\$'000
Intra-government transfers	7 039	7 000
Contractors	16	-
Other	592	32
Total supplies and services	7 647	7 032

A4.3 Other expenses

Ex gratia payments made in association with the Stolen Generations Reparations Scheme.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A5. Financial assets

A5.1 Cash

Cash consists of deposits with the Treasurer (Special deposit accounts). Cash is measured at nominal amounts.

A5.2 Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables	2	1
Prepayments	5	-
Total receivables	<u>7</u>	<u>1</u>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Prepayments are prepaid salaries and wages.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A6. Liabilities

A6.1 Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	-	200
Accrued expenses	2 250	700
Employment on-costs	4	-
Total current payables	2 254	900
Non-current payables		
Employment on-costs	5	-
Total non-current payables	5	-
Total payables	2 259	900

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.

A6.2 Contract liabilities

Contract liabilities relate to the advance consideration received from the Commonwealth for the Wardang Island Tourism Master Plan, for which revenue is recognised when performance obligations are met.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A7. Other Disclosures

A7.1 Cash flow reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of cash at the end of the reporting period		
Cash disclosed in the Statement of Financial Position	41 882	40 324
Balance as per the Statement of Cash Flows	41 882	40 324
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	1 558	6
Movement in assets and liabilities		
Increase / (decrease) in receivables	6	(7)
(Increase) / decrease in payables	(1 359)	624
Decrease in contract liabilities	21	808
Increase in employee benefits	(73)	(1)
Net result	153	1 430

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

A8. Outlook

A8.1 Unrecognised contractual commitments

Expenditure commitments	2022	2021
	\$'000	\$'000
Within one year	901	141
Later than one year but not longer than five years	805	73
Total other commitments	1 706	214

Expenditure commitments relate to costs for the re-establishment of the Adelaide 500 event and the Adelaide Motorsport Festival (\$1.596 million), Promotion of the State funding agreements (\$73 000) and Stolen Generations Reparations Payments (\$37 000).

A8.2 Contingent assets and liabilities

The department is not aware of any contingent assets or liabilities.

A8.3 Events after the reporting period

As published in the SA Government Gazette on 30 June 2022, Aboriginal Affairs and Reconciliation, a division of the department, has transferred to the Attorney-General's Department effective from 1 July 2022.

In addition, as published in the SA Government Gazette on 8 September 2022, the SA Motor Sport Board came into operation effective from the date of gazettal. The department's administered item relating to Motor Sport activities will transition to the South Australian Motor Sport Board during 2022-23.