

# Department of Human Services

Financial report  
for the year ended  
30 June 2018



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## To the Acting Chief Executive Department of Human Services

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 Human Services for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Human Services as at 30 June 2018, its financial performance and its cash flows for year then ended in accordance with the 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2018 notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2018
- a Statement of Administered Financial Position as at 30 June 2018
- a Statement of Administered Changes in Equity for the year ended 30 June 2018
- a Statement of Administered Cash Flows for the year ended 30 June 2018
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer.

## **Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of Human Services. 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 have been met.

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

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

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Acting 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**

20 September 2018



## Certification of the financial statements

We certify that the:

- financial statements of the Department of Human Services:
  - are in accordance with the accounts and records of the authority; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the authority as at 30 June 2018 and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Department of Human Services over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.

A handwritten signature in blue ink, appearing to read 'Lois Boswell', written over a horizontal line.

Lois Boswell  
A/Chief Executive  
14/9/2018

A handwritten signature in blue ink, appearing to read 'Andrew Thompson', written over a horizontal line.

Andrew Thompson  
Chief Financial Officer  
Finance and Business Services  
14/9/2018

**Department of Human Services  
(DHS)**

**Financial Statements**

For the year ended 30 June 2018

**Department of Human Services**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits expenses	3	388 631	376 959
Supplies and services	5	304 556	285 762
Depreciation and amortisation	6	11 301	11 603
Grants, subsidies and client payments	7	641 940	567 113
Net loss from disposal of non-current assets	13	-	22
Other expenses	8	175 158	98 482
<b>Total expenses</b>		<b>1 521 586</b>	<b>1 339 941</b>
<b>Income</b>			
Revenues from fees and charges	9	125 401	116 765
Commonwealth revenues	10	115 882	75 181
Interest revenues	11	3	1
Resources received free of charge	12	6 776	-
Net gain from disposal of non-current assets	13	192	-
Other income	14	35 854	27 947
<b>Total income</b>		<b>284 108</b>	<b>219 894</b>
<b>Net cost of providing services</b>		<b>(1 237 478)</b>	<b>(1 120 047)</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	15	1 272 447	1 125 904
Payments to SA Government	15	14 832	-
<b>Total net revenues from SA Government</b>		<b>1 257 615</b>	<b>1 125 904</b>
<b>Net result</b>		<b>20 137</b>	<b>5 857</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result:</i>			
Changes in revaluation surplus		209	-
<b>Total other comprehensive income</b>		<b>209</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>20 346</b>	<b>5 857</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

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

**Department of Human Services**  
**Statement of Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	17	227 967	146 010
Receivables	18	25 586	27 211
Inventories	19	421	419
Non-current assets classified as held for sale	20	19 178	28 075
<b>Total current assets</b>		<b>273 152</b>	<b>201 715</b>
<b>Non-current assets</b>			
Receivables	18	15 900	15 587
Property, plant and equipment	22	168 209	180 722
Capital works in progress	23	4 774	3 746
Intangible assets	24	4 421	2 531
<b>Total non-current assets</b>		<b>193 304</b>	<b>202 586</b>
<b>Total assets</b>		<b>466 456</b>	<b>404 301</b>
<b>Current liabilities</b>			
Payables	26	92 040	49 910
Employee benefits	27	61 614	60 799
Provisions	28	6 456	8 314
Other current liabilities	29	4 721	1 738
<b>Total current liabilities</b>		<b>164 831</b>	<b>120 761</b>
<b>Non-current liabilities</b>			
Payables	26	4 807	5 165
Employee benefits	27	52 072	56 078
Provisions	28	19 873	17 005
Other non-current liabilities	29	2 220	2 985
<b>Total non-current liabilities</b>		<b>78 972</b>	<b>81 233</b>
<b>Total liabilities</b>		<b>243 803</b>	<b>201 994</b>
<b>Net assets</b>		<b>222 653</b>	<b>202 307</b>
<b>Equity</b>			
Contributed capital		74 325	74 325
Retained earnings		104 227	84 977
Asset revaluation surplus		44 101	43 005
<b>Total equity</b>		<b>222 653</b>	<b>202 307</b>

The total equity is attributable to the SA Government as owner.

Unexpended funding commitments	16
Unrecognised contractual commitments	30
Contingent assets and liabilities	31

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

**Department of Human Services**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2018*

	Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2016</b>	<b>74 325</b>	<b>46 772</b>	<b>73 051</b>	<b>194 148</b>
Prior period adjustments	-	-	2 302	2 302
<b>Restated balance at 30 June 2016</b>	<b>74 325</b>	<b>46 772</b>	<b>75 353</b>	<b>196 450</b>
Net result for 2016-17	-	-	5 857	5 857
Transfer to retained earnings of net increment realised on sale of land and buildings	-	(3 767)	3 767	-
<b>Total comprehensive result for 2016-17</b>	<b>-</b>	<b>(3 767)</b>	<b>9 624</b>	<b>5 857</b>
<b>Balance at 30 June 2017</b>	<b>74 325</b>	<b>43 005</b>	<b>84 977</b>	<b>202 307</b>
Net result for 2017-18	-	-	20 137	20 137
Gain/(loss) on revaluation of property, plant and equipment	-	209	-	209
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>209</b>	<b>20 137</b>	<b>20 346</b>
Transfer to retained earnings of net increment realised on sale of land and buildings	-	887	( 887)	-
<b>Balance at 30 June 2018</b>	<b>74 325</b>	<b>44 101</b>	<b>104 227</b>	<b>222 653</b>

All changes in equity are attributable to the SA Government as owner.

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

**Department of Human Services**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

		2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash outflows</b>			
Employee benefits payments		(392 091)	(388 994)
Payments for supplies and services*		(439 118)	(414 282)
Payments of grants and subsidies		(644 154)	(566 969)
<b>Cash used in operations</b>		<u>(1 475 363)</u>	<u>(1 370 245)</u>
<b>Cash inflows</b>			
Fees and charges		127 874	117 087
Receipts from Commonwealth		115 882	52 028
Interest received		3	1
GST recovered from the ATO		2 316	57 528
Other receipts		35 963	27 661
<b>Cash generated from operations</b>		<u>282 038</u>	<u>254 305</u>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		1 272 447	1 125 904
Payments to SA Government		(4 750)	-
<b>Cash generated from SA Government</b>		<u>1 267 697</u>	<u>1 125 904</u>
<b>Net cash provided by operating activities</b>	<b>32</b>	<u>74 372</u>	<u>9 964</u>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment (including work in progress)		(7 349)	(10 328)
<b>Cash used in investing activities</b>		<u>(7 349)</u>	<u>(10 328)</u>
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		14 934	4 931
<b>Cash generated from investing activities</b>		<u>14 934</u>	<u>4 931</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>7 585</u>	<u>(5 397)</u>
<b>Net increase in cash and cash equivalents</b>		<u>81 957</u>	<u>4 567</u>
Cash and cash equivalents at the beginning of the reporting period		146 010	141 443
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>17</b>	<u>227 967</u>	<u>146 010</u>

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

\* Includes other expenses.

# Department of Human Services

## Notes to and forming part of the financial statements

### for the year ended 30 June 2018

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#### 1 Basis of financial statements

##### 1.1 Reporting entity

The Department of Human Services (DHS/the department) is a government department of the state of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The name Department of Human Services came into effect by way of Proclamation (Administrative Unit – Alteration of Titles) under section 26 of the *Public Sector Act 2009* on 17 May 2018. For the period 1 July 2017 to 16 May 2018, the department was known as the Department for Communities and Social Inclusion. The Alteration of Titles proclamation did not impact on the purpose, objectives and structure of the department. The comparative year information reflects the previously titled Department for Communities and Social Inclusion.

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

##### 1.2 Statement of compliance

The financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (AAS) and comply with Treasurer's Instructions (TI) and Accounting Policy Statements (APS) promulgated under the provisions of the PFAA.

The department has applied AAS that are applicable to not-for-profit entities, as the department is a not-for-profit entity.

##### 1.3 Basis of preparation

The preparation of the financial statements requires the use of certain accounting estimates, where management is required to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The preparation of the financial statements also requires compliance with APS issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency, the APS require the following note disclosures which have been included in this financial report:

- revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$0.1 million for separate identification of these items applies
- expenses incurred as a result of engaging consultants
- employee targeted voluntary separation package (TVSP) information
- employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$0.01 million bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the department to those employees
- board/committee member and remuneration information, where a board or committee member is entitled to receive income from membership other than direct out of pocket reimbursement
- the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements (continued)**

**1.3 Basis of preparation (continued)**

The existence of the department and the ongoing delivery of current programs and services are dependent on government policy and on continuing appropriations by Parliament.

The department does not control any other entity and has no interests in unconsolidated structured entities. Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities are characterised as either current or non-current in nature. The department has a clearly identifiable operating cycle of twelve months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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

**1.4 Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where the department has applied an accounting policy retrospectively, such items are reclassified retrospectively in the financial statements.

The restated comparative amounts do not replace the original financial statements for the preceding period.

*Prior period adjustments*

There were prior period adjustments made during the 2016-17 financial year, relating to corrections to leave liability entitlements and assets which were previously recorded as an expense.

The prior period adjustments are summarised as follows:

- additions of land \$0.3 million
- additions and disposals of plant and equipment at written down value \$0.15 million
- corrections to leave liability \$1.85 million.

**1.5 Taxation**

The department is not subject to Income Tax. DHS is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), and Emergency Services Levy (ESL).

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

- where the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of the asset or is part of an item of expense
- where appropriate, receivables and payables 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.

# Department of Human Services

## Notes to and forming part of the financial statements

### for the year ended 30 June 2018

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#### 1 Basis of financial statements (continued)

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.

#### 2 Objectives and activities of the Department of Human Services

##### 2.1 Objectives

The department delivers and funds quality services that protect and enhance the community's wellbeing and provide support to people when they need it. The department serves the Minister for Human Services.

The department has responsibility for the delivery of specific programs to the public with respect to activities assigned to the department under various Acts, as delegated by the Minister, to the Chief Executive of the department.

The department also functions as a service provider to the South Australian Housing Trust (SAHT). The financial affairs of SAHT do not form part of the department's financial report.

##### 2.2 Machinery of government changes

The election of a new government in South Australia in March 2018 resulted in a range of changes to the South Australian public service including the change in name from the Department for Communities and Social Inclusion to the Department of Human Services and machinery of government transfers related to Housing SA and Multicultural Affairs.

In relation to Housing SA, under section 9(1) of the Public Sector Act 2009, commencing 1 July 2018, all employees of the business unit known as Housing SA within the Department of Human Services immediately before 1 July 2018 were transferred to the employment of the Chief Executive, South Australian Housing Trust. Any associated budget transfers were effective from 1 July 2018.

With respect to Multicultural Affairs, under section 9(1) of the Public Sector Act 2009, commencing 1 July 2018, 11 employees of the Department of Human Services were transferred to the Department of Premier and Cabinet. The budget transfer for Multicultural Affairs also came into effect on 1 July 2018.

##### 2.3 Transition to the National Disability Insurance Scheme (NDIS), Commonwealth Aged Care and Service Reform

###### **Background**

The introduction of the NDIS and Commonwealth aged care reforms have significantly changed the role of the state as a funder and provider of disability and domiciliary care services. Both reforms are designed to provide funding and choice to people with a disability and older people. The State Government has announced that State Government disability services will be transitioned to the non-government sector over the next few years. The previous State Government had also determined that Domiciliary Care would be transferred to non-government sector management.

###### **NDIS bilateral agreements**

Financial contributions to the NDIS during 2017-18 were governed by arrangements outlined in the Bilateral Agreement for the Transition to the NDIS. Contributions are based on the actual numbers of clients that have transitioned to the NDIS, adjusted for state funded NDIS service provision (known as in-kind services) and any excess cash build up in the NDIA (known as cash ceiling adjustments). Given the slower than projected transition of adult clients into the NDIS, the overall NDIS contribution was lower than originally estimated, and expenditure on State disability services was higher.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**2 Objectives and activities of the Department of Human Services (continued)**

Going forward, the Bilateral Agreement for Full Scheme NDIS was signed in June 2018 and outlines the roles and responsibilities of the Commonwealth and South Australia in relation to governance, policy, market development, oversight and funding arrangements from 1 July 2018. Under these new financial arrangements, the State's fixed annual contribution will be adjusted for in-kind service delivery, cash ceiling adjustments and for the full cost of maintaining the state disability system as a result of the delay in transition of state clients to the NDIS.

***Supported Community Accommodation (Accommodation Services)***

Supported Community Accommodation provides 24/7 support to around 500 clients in approximately 200 homes within metropolitan Adelaide and two regional areas.

The previous government established (by Regulation) a public corporation to manage supported accommodation services in the transition to the NDIS. These Regulations came into effect on 21 November 2017, and provided a framework for establishing a public corporation, overseen by a Board of Directors.

As part of the incoming State Government's Our First 100 Days, a commitment was made to provide a timetable for all State disability services to be transferred to the non-government sector, including group homes. In June 2018, the State Government announced it will withdraw from the provision of supported community accommodation services, while supporting clients to choose an alternative provider from the non-government sector during this term of government. Decisions on how supported community accommodation clients will transition are yet to be finalised. Details will be designed following consultation with clients, families, employees, unions and the sector.

This decision means that the public corporation is no longer required, and accordingly it ceased all operations from 30 June 2018, and was dissolved through Regulation as Gazetted on 16 August 2018. Transactions related to the public corporation are included in the financial statements for the department and board membership for the public corporation is disclosed in Note 4.

***Domiciliary Care***

Domiciliary Care provides home support services through the Commonwealth Home Support Programme and SA Adults with Chronic Conditions Program.

Domiciliary Care services completed transition to the Royal District Nursing Service (RDNS) SA (Silver Chain Group) on 29 June 2018. The majority of the staff moved to the new provider.

***Adult Therapy Services (ASSIST)***

ASSIST Therapy Services includes episodic allied health/therapy services for adults with disability, mostly across metropolitan Adelaide.

On 31 July 2018, the State Government announced that the transition of ASSIST Therapy Services to Minda will likely occur by late 2018.

***Child & Youth Services (CYS)***

CYS provides a range of services to children and young people with disabilities. CYS is also the NDIA partner for Early Childhood Early Intervention (ECEI) in SA for children 0-6 years.

CYS will transfer to the NGO sector through creation of an Employee-Led Mutual, which will deliver services to children and young people with a disability. The majority of CYS employees have taken up the offer to join the new organisation.

The transfer is intended for the end of September 2018. In the interim, DHS will provide the services.

***Highgate Park***

Highgate Park provides high-level support in an institutional setting for residents living with disability, with some in residential aged care.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**2 Objectives and activities of the Department of Human Services (continued)**

DHS is continuing to support current residents to transition to appropriate supported community living if they choose and prepare for the NDIS.

***DHS Equipment Program – Domiciliary Equipment Service (DES)***

DES provides equipment and home modifications services across the disability, ageing and health sectors.

The State Government recently announced that the commercial functions of DES would be transferred to the non-government sector through a market process commencing in 2018-19.

**2.4 Activities**

In achieving its objectives, the department provides a range of services classified into the following activities for 2017-18.

**2017-18**

***Thriving Communities***

This program develops, implements and contributes to initiatives and services which improve outcomes for individuals, families and communities, in partnership with other key stakeholders, including not-for-profit organisations. The program includes affordable living programs and state concessions; programs and grants which promote opportunity, build community capacity and help communities prosper; community sector partnerships and development; the coordination of state recovery efforts; youth justice programs; and initiatives which advance and support gender equality. High-level strategic and policy advice is provided across government in areas including the status of women, volunteering, carers, multicultural affairs and youth.

***Community Care Services***

This program includes a range of services which enable vulnerable South Australians to live independently and safely in the community. This includes Domiciliary Care Services and services provided through the South Australian Home and Community Care (HACC) program.

***Social Housing***

The focus of this program is to develop, implement and provide housing service responses for people who are at risk or in high need and to work with government and non-government agencies to improve the standard of and access to existing affordable social and privately rented housing across the state.

This program encompasses the management of grants for housing services to low income households; support to people who are at risk or in high need, including specialist homelessness and domestic violence services; the management of public housing; metropolitan, rural and remote Aboriginal housing; the regulation of community housing; financial support for private rental; addressing private rental housing that is unsafe or unsuitable; and emergency relief and recovery services. The program also provides social housing strategy, policy development, advice to the government and includes the State Recovery Office (SRO).

***Disability SA***

Disability SA is responsible for providing services across the state to people with a disability living in the community. Services include information, advice, intake, assessment and case management as well as specialist support for both children and adults through allied health and therapy service provision.

During 2017–18, Disability SA clients will be progressively transitioned into the National Disability Insurance Scheme (NDIS).

***Disability Services***

Disability Services provides services to people with disabilities including accommodation and supports to live in the community.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**2 Objectives and activities of the Department of Human Services (continued)**

**Activities (continued)**

***NDIS Reform***

NDIS Reform is responsible for the coordination and implementation of the National Disability Insurance Scheme (NDIS) across DHS and the Government of South Australia. NDIS Reform works closely with the National Disability Insurance Agency (NDIA) and the Commonwealth Government to deliver an agreed program of work to manage the transition to NDIS. The NDIS Reform program is also responsible for effective and transparent funding arrangements for individuals and services by non-government organisations to people with disabilities and their carers.

**2016-17**

The 2016-17 amounts for these programs differ from the amounts presented in the 2016-17 audited financial statements to reflect 2017-18 changes to departmental functions and refinements to the allocation of corporate overheads. As such, the 2016-17 amounts have been adjusted for comparative purposes.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**Expenses and Income by Activity for the year ended 30 June 2018**

Activities - refer note 2	Thriving Communities		Community Care Services		Social Housing	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>						
Employee benefits expenses	74 794	67 882	26 226	25 654	67 807	68 808
Supplies and services	25 686	20 981	10 838	12 196	4 520	4 634
Depreciation and amortisation	5 041	3 924	752	1 024	12	14
Grants, subsidies and client payments	34 125	29 147	31 778	30 725	311 116	223 269
Net loss from disposal of non-current assets	-	3	-	-	-	-
Other expenses	313	143	42	303	6	5
<b>Total expenses</b>	<b>139 959</b>	<b>122 080</b>	<b>69 636</b>	<b>69 902</b>	<b>383 461</b>	<b>296 730</b>
<b>Income</b>						
Revenues from fees and charges	22 369	17 422	3 246	4 430	66 788	67 589
Commonwealth revenues	540	770	25 881	26 093	9 495	9 788
Interest revenues	-	-	-	1	-	-
Net gain from disposal of non-current assets	86	-	10	-	2	-
Other income	8 366	4 695	968	677	378	479
<b>Total income</b>	<b>31 361</b>	<b>22 887</b>	<b>30 105</b>	<b>31 201</b>	<b>76 663</b>	<b>77 856</b>
<b>Net cost of providing services</b>	<b>(108 598)</b>	<b>(99 193)</b>	<b>(39 531)</b>	<b>(38 701)</b>	<b>(306 798)</b>	<b>(218 874)</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>(108 598)</b>	<b>(99 193)</b>	<b>(39 531)</b>	<b>(38 701)</b>	<b>(306 798)</b>	<b>(218 874)</b>

**Department of Human Services**  
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**Expenses and Income by Activity for the year ended 30 June 2018**

Activities - refer note 2	Disability SA		Disability Services		NDIS Reform	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>						
Employee benefits expenses	43 723	46 966	158 437	151 631	17 644	16 018
Supplies and services	16 736	14 210	56 483	56 404	190 293	177 337
Depreciation and amortisation	976	955	4 160	4 925	360	761
Grants, subsidies and client payments	600	381	36	2	264 285	283 589
Net loss from disposal of non-current assets	-	-	-	19	-	-
Other expenses	-	1	558	351	174 239	97 679
<b>Total expenses</b>	<b>62 035</b>	<b>62 513</b>	<b>219 674</b>	<b>213 332</b>	<b>646 821</b>	<b>575 384</b>
<b>Income</b>						
Revenues from fees and charges	972	483	20 317	19 359	11 709	7 482
Commonwealth revenues	-	-	2 525	2 374	77 441	36 156
Interest revenues	-	-	3	-	-	-
Net gain from disposal of non-current assets	-	-	44	-	50	-
Other income	14 069	11 656	13 702	7 144	5 147	3 296
<b>Total income</b>	<b>15 041</b>	<b>12 139</b>	<b>36 591</b>	<b>28 877</b>	<b>94 347</b>	<b>46 934</b>
<b>Net cost of providing services</b>	<b>(46 994)</b>	<b>(50 374)</b>	<b>(183 083)</b>	<b>(184 455)</b>	<b>(552 474)</b>	<b>(528 450)</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>(46 994)</b>	<b>(50 374)</b>	<b>(183 083)</b>	<b>(184 455)</b>	<b>(552 474)</b>	<b>(528 450)</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**Expenses and Income by Activity for the year ended 30 June 2018**

Activities - refer note 2	General / Not Attributable		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>				
Employee benefits expenses	-	-	388 631	376 959
Supplies and services	-	-	304 556	285 762
Depreciation and amortisation	-	-	11 301	11 603
Grants, subsidies and client payments	-	-	641 940	567 113
Net loss from disposal of non-current assets	-	-	-	22
Other expenses	-	-	175 158	98 482
<b>Total expenses</b>	-	-	<b>1 521 586</b>	<b>1 339 941</b>
<b>Income</b>				
Revenues from fees and charges	-	-	125 401	116 765
Commonwealth revenues	-	-	115 882	75 181
Interest revenues	-	-	3	1
Net gain from disposal of non-current assets	-	-	192	-
Other income	-	-	42 630	27 947
<b>Total income</b>	-	-	<b>284 108</b>	<b>219 894</b>
<b>Net cost of providing services</b>	-	-	<b>(1 237 478)</b>	<b>(1 120 047)</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	1 257 615	1 125 904	1 257 615	1 125 904
<b>Total net revenues from SA Government</b>	<b>1 257 615</b>	<b>1 125 904</b>	<b>1 257 615</b>	<b>1 125 904</b>
<b>Net result</b>	<b>1 257 615</b>	<b>1 125 904</b>	<b>20 137</b>	<b>5 857</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**3 Employee benefits expense**

	2018	2017
	\$'000	\$'000
Salaries and wages	285 543	283 802
Superannuation	32 021	31 654
Annual leave	28 944	29 622
Payroll tax	17 395	17 311
Workers compensation	6 032	6 473
Additional compensation	1 723	-
Long service leave	6 974	4 336
Board and committee fees	202	63
Skills and experience retention leave	1 515	1 502
Other employee related expenses	1 177	1 259
Eligible termination payments *	4 606	114
Targeted voluntary separation payments	2 499	823
<b>Total employee benefits expenses</b>	<b>388 631</b>	<b>376 959</b>

\* Includes incentive payments for Domiciliary Care employees transferred to Royal District Nursing Service (RDNS) SA (Silver Chain Group)

**Targeted voluntary separation packages (TVSPs)**

	2018	2017
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation payments	2 499	823
Leave paid to those employees	1 165	317
<b>Net cost to the department</b>	<b>3 664</b>	<b>1 140</b>

The number of employees who received a TVSP during the reporting period was 28 (2017: 12)

**Key management personnel**

The department has 19 key management personnel including:

- the Minister for Communities and Social Inclusion, Social Housing, Youth, Volunteers, Status of Women and Multicultural Affairs
- the Minister for Disabilities
- the Minister for Human Services
- members of the Executive Leadership Team (Chief Executive, Deputy Chief Executive and 11 other members)
- the Chief Executive of Supported Community Accommodation Services
- staff members who were past members of the Executive Leadership Team or who acted for members of the Executive Leadership Team for 30 consecutive days or more during the year (2 members).

These key management personnel have had responsibility for the strategic direction and management of the department during the year. The compensation detailed below excludes salaries and other benefits the Ministers received. The Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance (DTF)) under section 6 of the *Parliamentary Remuneration Act 1990*.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**3 Employee benefits expense (continued)**

	2018	2017
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	2 822	2 542
Post-employment benefits	729	775
Other long-term employment benefits	98	-
Termination benefits	743	-
<b>Total</b>	<b>4 392</b>	<b>3 317</b>

**Remuneration of employees**

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

	2018	2017
\$147 000 - 149 000 *	N/A	1
\$149 001 - 159 000	10	11
\$159 001 - 169 000	7	5
\$169 001 - 179 000	8	6
\$179 001 - 189 000	5	4
\$189 001 - 199 000	-	3
\$199 001 - 209 000	3	4
\$209 001 - 219 000	3	3
\$219 001 - 229 000	1	1
\$229 001 - 239 000	3	1
\$239 001 - 249 000	1	-
\$249 001 - 259 000**	2	1
\$259 001 - 269 000	1	1
\$269 001 - 279 000**	2	2
\$279 001 - 289 000	1	1
\$289 001 - 299 000**	2	2
\$299 001 - 309 000	-	1
\$339 001 - 349 000**	2	-
\$439 001 - 449 000	-	1
\$449 001 - 459 000	1	-
\$559,001 - 569,000**	1	-
\$629,001 - 639,000**	1	-
<b>Total</b>	<b>54</b>	<b>48</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2016-17.

\*\* Includes employees who received termination payments.

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, FBT, any other salary sacrifice benefits and termination payments. The total remuneration received by these employees for the year was \$12 million (2017: \$9.65 million).

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**4 Remuneration of board and committee members**

There are various committees, forums, groups, panels and councils that have been created to assist the department in meeting its objectives. In addition, there are committees that have been created by the Minister. Where any of the members are remunerated, certain disclosures are required under the Accounting Policy Framework.

All members of the board/committees, including those who may have resigned or their term had expired during the financial year, are listed below:

**Risk Management and Audit Committee**

M Patetsos	Chair	appointed	25 Jul 2006	
P Bull *		appointed	01 Jul 2007	
G Holdich		appointed	19 Jun 2016	ceased 30 Jun 2018
Y Sneddon		appointed	13 Mar 2012	
L Young *		appointed	01 Jan 2012	

The Risk Management and Audit Committee is responsible for overseeing risk management, internal controls, financial reporting, auditing and monitoring compliance with laws, policies and relevant codes of conduct, and reports to the Chief Executive.

**Gambling Advisory Committee**

W Woehlert	Chair	appointed	10 Nov 2014	ceased 09 Nov 2017
W Bevan	Chair	appointed	27 Dec 2017	
C Carter		appointed	10 Nov 2017	
W J Guppy		appointed	10 Nov 2014	ceased 09 Nov 2017
L Nguyen		appointed	19 Oct 2016	
M Penfold		appointed	10 Nov 2014	ceased 09 Nov 2017
J Sleep		appointed	10 Nov 2017	

**Premier's Council for Women**

M A Silva	Chair	appointed	01 Jul 2016	
M Hagias-Tramontin	Deputy Chair	appointed	01 Jul 2016	ceased 31 Jan 2018
L E Hallahan		appointed	31 Jan 2017	
A Lee		appointed	01 Aug 2016	
L Marrone *		appointed	01 Aug 2016	
K Matthias		appointed	31 Jan 2017	
A Mundkur		appointed	31 Jan 2017	
E O'Loughlin		appointed	01 Aug 2016	
L Pascale		appointed	01 Aug 2016	
N M Saunders *		appointed	01 Feb 2016	ceased 30 Jun 2018
V Welgraven *		appointed	01 Aug 2016	

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**4 Remuneration of board and committee members (continued)**

**State Emergency Relief Fund Committee**

J J Ullianich	Chair	appointed	29 Nov 2015	
A Lloyd-Wright *		appointed	15 Feb 2018	
A Chooi *		appointed	16 May 2016	
V M Faggotter *		appointed	29 Nov 2015	
B P Grear *		appointed	08 Dec 2016	
J D Ross *		appointed	05 Jun 2015	ceased 04 Jan 2018

**South Australian Multicultural and Ethnic Affairs Commission**

G Portolesi	Chair	appointed	01 Sep 2014	ceased 16 Feb 2018
N A Schueler	Deputy Chair	appointed	01 Jan 2000	
Y Chen		appointed	01 Jul 2015	
M Dieu		appointed	07 Jun 2007	
A Fantasia		appointed	01 Jul 2015	
V Madan		appointed	09 Sep 2010	
M D M Marial		appointed	01 Jul 2015	
J J Masika *		appointed	29 Jan 2012	
H Q Nguyen		appointed	01 Jul 2015	
T Nowak		appointed	07 Jun 2012	
P Ppiros		appointed	01 Jan 2012	
M A Silva		appointed	01 Jan 2012	
S Skaka		appointed	29 Jan 2009	ceased 29 Dec 2017
M Skalban *		appointed	15 Jan 2004	

**Supported Community Accommodation Services**

J Curran	Chair	appointed	11 Dec 2017	ceased 30 Jun 2018
S Blewett		appointed	11 Dec 2017	ceased 30 Jun 2018
J Brown		appointed	11 Dec 2017	ceased 30 Jun 2018
A Burgess		appointed	11 Dec 2017	ceased 30 Jun 2018
S Campbell		appointed	11 Dec 2017	ceased 30 Jun 2018
C Locher		appointed	11 Dec 2017	ceased 30 Jun 2018
J J Ullianich		appointed	11 Dec 2017	ceased 30 Jun 2018

\* In accordance with the Premier and Cabinet's Circular PC016 *Remuneration for Government Appointed Part-time Board and Committee*, government employees did not receive any remuneration for board/committee duties during the financial year.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**4 Remuneration of board and committee members (continued)**

Total remuneration received, or due to be receivable by members was \$0.23 million (2017: \$0.11 million) including superannuation.

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

	<b>2018</b>	<b>2017</b>
\$0	21	22
\$1 - \$9 999	19	21
\$10 000 - \$19 999	6	1
\$20 000 - \$29 999	2	-
\$30 000 - \$39 999	-	1
<b>Total number of members</b>	<b>48</b>	<b>45</b>

Benefits given by the department to superannuation funds or otherwise in connection with the retirement of members were \$0.02 million (2017: \$0.01 million).

During the financial year, no loans were made to members. At the reporting date, no outstanding loans exist with members.

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

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**5 Supplies and services**

	2018	2017
	\$'000	\$'000
Accommodation and property related	26 919	24 769
Advertising and promotions	871	783
Brokerage care services	195 115	180 859
Business services	6 855	6 645
Client related expenses	6 173	6 300
Communication and computing	15 797	15 287
Contractors and agency staff	10 810	9 898
Consultants	2 385	616
Drugs and medical supplies	1 717	1 815
Homelessness services	4 175	4 207
Insurance	761	769
Interpreter and translator fees	44	74
Managed payments	1 152	1 209
Minor equipment	8 751	9 487
Motor vehicles	5 851	6 120
Printing, stationery, postage and periodicals	2 129	1 929
Repairs and maintenance	3 641	4 666
Seminars, courses and training	1 513	805
Travel and accommodation	1 143	1 145
Other	8 414	8 035
<b>Total supplies and services (excluding audit fees)</b>	<b>304 216</b>	<b>285 418</b>
Audit fees *	340	344
<b>Total audit fees</b>	<b>340</b>	<b>344</b>
<b>Total supplies and services (including audit fees)</b>	<b>304 556</b>	<b>285 762</b>

\* 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 Auditor-General's Department.

The total supplies and services amount disclosed includes GST amounts not recoverable from the Australian Taxation Office due to the department not holding a tax invoice or payments relating to third party arrangements.

**5.1 Operating leases**

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term, which is representative of the pattern of benefits derived from the leased assets.

**5.2 Consultants**

The number and dollar amount of consultancies paid/payable (included in Supplies and services expenses) fell within the following bands:

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	1	2	3	15
Above \$10 000	7	2 383	4	601
<b>Total paid / payable to the consultants engaged</b>	<b>8</b>	<b>2 385</b>	<b>7</b>	<b>616</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**6 Depreciation and amortisation**

	2018	2017
	\$'000	\$'000
<b>Depreciation</b>		
Buildings and improvements	4 231	5 297
Computing equipment	7	6
Motor vehicles	9	10
Independent living equipment program	2 506	2 231
Other plant and equipment	505	384
<b>Total depreciation</b>	<b>7 258</b>	<b>7 928</b>
<b>Amortisation</b>		
Leasehold improvements	1 952	2 175
Computer software	2 091	1 500
<b>Total amortisation</b>	<b>4 043</b>	<b>3 675</b>
<b>Total depreciation and amortisation</b>	<b>11 301</b>	<b>11 603</b>

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

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

**6.1 Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	40-50
Leasehold improvements	Life of lease
Plant and equipment	5-15
Motor vehicles	3-5
Computer equipment	3-5
Computer software	3-5
Independent living equipment program (ILEP)	3-5

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**6 Depreciation and amortisation (continued)**

**6.2 Revision of accounting estimates**

The residual value of assets, useful lives and 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, which is a change in accounting estimate.

**7 Grants, subsidies and client payments**

<b>7.1 Grants, subsidies and client payments by program</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Disability Grants	262 806	281 220
Grants to SAHT (State Contribution including Tax Equivalents Regime)	171 243	86 904
Grants to SAHT (Commonwealth Contribution)	74 411	74 494
Specialist Homelessness Services	65 461	63 396
Home and Community Care	27 363	26 730
Family and Community Development	11 286	11 051
Financial Hardship Programs (formerly Affordable Living Programs)	4 977	4 858
Supported Residential Facilities	4 413	3 995
Aboriginal Community Benefit Grants	1 994	2 008
Office for Youth	2 056	1 591
NDIS Sector Development	1 467	1 246
Other	14 463	9 620
<b>Total grants, subsidies and client payments</b>	<b>641 940</b>	<b>567 113</b>

<b>7.2 Grants, subsidies and client payments by recipient type</b>		<b>2018</b>	<b>2017</b>
Non-Government Organisations (NGOs)	7.3	360 071	363 505
SAHT		245 654	161 398
Individualised funding		14 274	16 898
SA Health Units		10 405	11 424
Local Government		7 552	8 095
SA Government entities - other		2 109	3 219
Commonwealth & other State/Territory Governments		880	1 187
Universities		625	575
Glasses SA (formerly Spectacles SA)		351	345
Other		19	467
<b>Total grants, subsidies and client payments</b>		<b>641 940</b>	<b>567 113</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**7 Grants, subsidies and client payments (continued)**

**7.3 Funding to Non-Government Organisations**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Minda Incorporated	50 454	54 035
Community Accommodation and Respite Agency Inc (CARA)	35 720	36 179
Community Living Australia	15 732	15 716
Lighthouse Disability	15 378	15 224
Anglicare SA	13 986	14 905
Centacare Catholic Family Services	12 271	12 212
Uniting Communities	12 001	10 101
Orana Inc	10 386	11 007
Community Living Options Inc.	9 825	9 282
Spastic Centres of South Australia (SCOSA) Inc.	6 780	8 098
EBL Disability Services Inc.	6 726	7 500
Baptist Care SA Inc.	6 627	5 403
Life Without Barriers	6 380	5 441
Royal District Nursing Service of SA Inc.	5 677	5 996
UnitingCare Wesley Port Adelaide Inc.	5 471	5 706
Disability Living Inc.	5 275	5 084
Hills Community Options Inc.	5 001	4 481
Women's Safety Services SA Inc.	4 994	1 171
UnitingCare Wesley Country SA	4 731	4 747
Homecare Plus	4 030	4 014
Autism Association of SA Inc.	3 759	3 723
The Salvation Army	3 711	3 957
Anglican Community Care Inc.	3 415	3 294
Novita Children's Services Inc.	3 046	6 638
Uniting Care Wesley Adelaide Inc.	2 987	2 430
St John's Youth Services Inc.	2 816	2 712
Bedford Phoenix Inc .	2 742	2 690
Community Living Project Inc.	2 733	2 734
Royal Society for the Blind of SA Inc.	2 777	3 151
Calvary Home Care Services	2 540	2 129
Kincare Homecare SA	2 492	2 559
Amandus Lutheran Disability Services Inc.	2 354	2 272
Individual Supported Accommodation Service Inc.	2 212	2 256
Barkuma Inc.	2 167	2 535
SYC Ltd	2 151	1 929
Guide Dogs Association of SA and NT Inc.	2 137	2 476
Offenders Aid and Rehabilitation Services of SA Inc.	2 063	1 991
Comrec Australia Pty Ltd	2 025	2 617
Victim Support Service Inc.	1 984	1 195
Lutheran Community Care	1 963	1 829
Incompro Aboriginal Association Inc.	1 857	1 600
Southern Junction Community Services Inc.	1 854	1 790
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council	1 803	1 760
Barossa Enterprises	1 743	1 934
Hutt Street Centre	1 651	1 792

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**7 Grants, subsidies and client payments (continued)**

**7.3 Funding to Non-Government Organisations (continued)**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
The Trustee for the Nextt Health Trust	1 560	1 426
Northern Domestic Violence Service Inc.	1 516	1 460
Neami Ltd	1 510	-
Lifestyle Assistance and Accommodation Service Inc.	1 502	1 562
Good Shepherd Microfinance	1 476	1 441
Catholic Diocese of Port Pirie	1 460	1 600
Xlent Disability Services	1 297	1 330
Relationships Australia SA	1 250	1 207
Enhanced Lifestyles Inc.	1 137	1 234
Aboriginal Family Support	1 132	1 069
St Vincent De Paul Society SA Inc.	1 072	1 035
Northern Carer's Network Inc.	1 055	1 014
Windamere Park	905	1 239
Southern Adelaide Domestic Violence Service	892	1 728
Community Bridging Services	807	1 027
Central Eastern Domestic Violence Service	-	1 932
Other	43 073	42 906
<b>Total funding to Non-Government Organisations</b>	<b>360 071</b>	<b>363 505</b>

Payments to non-government organisations greater than \$1.0 million are individually disclosed above. Payments less than \$1.0 million are included in 'Other'.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**8 Other expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Aged Care and Disability Services Reform – payment to the Commonwealth *	77 800	59 353
Allowances for doubtful debts	1 214	136
Assets transferred at nil consideration **	-	600
Donated assets	7	-
Impairment loss	-	116
NDIS payments	96 082	38 194
Other	55	83
<b>Total other expenses</b>	<b>175 158</b>	<b>98 482</b>

\* From 1 July 2011, as part of the National Health Reform Agreement, funding and program responsibility for basic community care services and packaged community care and residential care delivered through the Commonwealth aged care program, for people under the age of 65 years (under the age of 50 for Indigenous Australians) was assumed by the South Australian Government. The State reflects these changed responsibilities through a payment to the Commonwealth for the services Commonwealth provides to clients that are the responsibility of the State under the terms of the agreement. During 2015–16, these arrangements were incorporated in the 'Transition to a National Disability Insurance Scheme' bilateral agreement. For 2017-18, this includes a payment of \$25.9 million related to the transition of clients over the age of 65 years to the Commonwealth Continuity of Support Programme.

\*\* Transfer of Lot 3, The Parks Community Centre to Port Adelaide Enfield Council.

**9 Revenues from fees and charges**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee services *	66 578	66 989
Insurance recoveries	28	160
Recoveries	15 388	8 189
Business services **	16 454	16 220
Fees, fines and penalties	18 448	16 351
Rent	116	168
Patient and client fees	8 389	8 688
<b>Total revenues from fees and charges</b>	<b>125 401</b>	<b>116 765</b>

\* Represents the recovery of costs for the provision of employee related services to SAHT.

\*\* Represents services provided to SAHT as per the Memorandum of Administrative Arrangements (MOAA).

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**10 Commonwealth revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
National Partnership Payments - Homelessness	9 045	8 870
Commonwealth Home Support Programme	25 881	26 093
Aged Care and Disability Services Reform – Specialist Disability Services *	32 354	31 260
Residential Aged Care	2 525	2 374
NDIS Sector Development	1 188	3 396
Information, Linkages and Capacity Building	4 000	1 500
Continuity of Support Programme	6 749	-
DisabilityCare Australia Fund	33 000	-
Other	1 140	1 688
<b>Total Commonwealth revenues</b>	<b>115 882</b>	<b>75 181</b>

\* From 1 July 2011, as part of the National Health Reform Agreement, funding and policy responsibility for basic community care services and specialist disability services delivered by the States in accordance with their responsibilities under the National Disability Agreement for people aged 65 years and over (50 years and over for Indigenous Australians) was assumed by the Commonwealth Government. These changed responsibilities are reflected through a contribution from the Commonwealth for services provided to clients which are the responsibility of the Commonwealth under the terms of the agreement. During 2015–16, these arrangements were incorporated in the 'Transition to a National Disability Insurance Scheme' bilateral agreement.

Contributions are recognised as an asset and income when the department obtains control of the contributions or obtains the right to receive the contribution and the income recognition criteria are met.

**11 Interest revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on funds held	3	1
<b>Total interest revenues</b>	<b>3</b>	<b>1</b>

**12 Resources received free of charge**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Resources received free of charge	6 776	-
<b>Total interest revenues</b>	<b>6 776</b>	<b>-</b>

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies. Under AASB 1004 Contributions, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements (see note 5).

**Department of Human Services**  
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**13 Net gain / (loss) from disposal of non-current assets**

	2018	2017
	\$'000	\$'000
<b>Land and buildings</b>		
Proceeds from disposal	14 862	4 878
Less net book value of assets disposed*	(14 579)	(4 878)
<b>Net gain / (loss) from disposal of land and buildings</b>	<u>283</u>	<u>-</u>
<b>Plant and equipment</b>		
Proceeds from disposal	-	53
Less net book value of assets disposed	(91)	(75)
<b>Net gain / (loss) from disposal of plant and equipment</b>	<u>(91)</u>	<u>(22)</u>
<b>Total assets</b>		
Proceeds from disposal	14 862	4 931
Less net book value of assets disposed	(14 670)	(4 953)
<b>Total net gain / (loss) from disposal of total assets</b>	<u>192</u>	<u>(22)</u>

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

\* Includes leasehold improvement of \$0.03 million.

**14 Other income**

	2018	2017
	\$'000	\$'000
NDIS revenue	13 545	12 021
Minor equipment	572	167
Hire charges	2 337	1 434
Other grants from SA Government agencies	9 751	10 831
Community Development Fund	3 000	3 000
Other*	6 649	494
<b>Total other income</b>	<u>35 854</u>	<u>27 947</u>

\* The amount includes revenue received from the sale of Domiciliary Care.

**Department of Human Services**  
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**15 Revenues from / (payments to) SA Government**

	2018	2017
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 263 685	1 125 583
DTF - Contingency Funds	8 762	321
<b>Total revenues from SA Government</b>	<u>1 272 447</u>	<u>1 125 904</u>
<b>Payments to SA Government</b>		
Other payments to the Consolidated Account	<u>(14 832)</u>	-
<b>Total payments to SA Government</b>	<u>(14 832)</u>	-
<b>Net revenues from SA Government</b>	<u>1 257 615</u>	<u>1 125 904</u>

Appropriations are recognised as revenues when the department obtains control over the funding. Control over appropriations is normally obtained upon receipt.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**16 Unexpended funding commitments**

The department is engaged in a variety of funding programs involving State and Commonwealth sources which provide monies to the department on the premise that these funds are expended in a manner consistent with the terms of the program.

As at 30 June 2018, the department had outstanding funding commitments to the following programs:

<b>Operating funding commitments</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Community Infrastructure Investment Fund (CIIF)	392	-
Changing Places - Construction of facilities and two Marveloos	290	-
Living Safe Together Intervention Program - Countering Violent Extremism	195	36
Energy Discount Offer	104	-
Community Visitors Scheme - Mental Health	53	91
24/7 Street Beat Co-ordinator	36	31
Magill Decommissioning and Demolition	28	27
Parks Community Centre Redevelopment	-	730
NDIS Sector Development Funding	-	659
Disability Reform Consultancy	-	281
National Affordable Housing Agreement (NAHA) and National Partnership Agreement on Homelessness (NPAH)	-	152
Community Passenger Network	-	110
Riverland Storms Recovery - Assessment and Support	-	94
National Outcome Standards for Perpetrator Interventions (NOSPI)	-	68
Intervention Orders	-	44
State Recovery - Funding for Pinery Bushfire	-	32
Aboriginal Forum	-	22
National Consultant, Disaster Recovery	-	18
<b>Total operating funding commitments</b>	<b>1 098</b>	<b>2 395</b>
<b>Capital funding commitments</b>		
Adelaide Youth Training Centre - Major Security Works	622	879
Cost of Living Information System	390	121
Continuous Monitoring of Screening	259	-
Adelaide Youth Training Centre — Room Upgrades	185	-
Adelaide Youth Training Centre - new centre at Goldsborough Road	-	160
<b>Total capital funding commitments</b>	<b>1 456</b>	<b>1 160</b>
<b>Total unexpended funding commitments</b>	<b>2 554</b>	<b>3 555</b>

**Department of Human Services**  
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**17 Cash and cash equivalents**

	2018	2017
	\$'000	\$'000
Special deposit account with the Treasurer	226 214	145 709
Cash on hand	5	-
Advance accounts	95	100
Other deposits	1 653	201
<b>Total cash and cash equivalents</b>	<b>227 967</b>	<b>146 010</b>

**Deposits with the Treasurer**

This includes \$142.9 million (2017: \$124.17 million) held within the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's or Under Treasurer's approval. Cash is measured at nominal amounts.

**18 Receivables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Debtors	11 502	11 022
Less allowance for doubtful debts	(1 418)	(415)
	10 084	10 607
Employee related services recoverable	10 008	10 456
Overpaid salaries	503	491
Prepayments	2 464	814
Goods and Services Tax receivable	2 527	4 843
<b>Total current receivables</b>	<b>25 586</b>	<b>27 211</b>
<b>Non-current</b>		
Debtors	697	512
Employee related services recoverable	15 203	15 075
<b>Total non-current receivables</b>	<b>15 900</b>	<b>15 587</b>
<b>Total receivables</b>	<b>41 486</b>	<b>42 798</b>

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts is recognised when there is objective evidence that a receivable is impaired.

An allowance for doubtful debt has been expensed in note 8 for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	415	614
Increase/(decrease) in the allowance	1 214	58
Amounts written off	(211)	(257)
<b>Carrying amount at the end of the period</b>	<b>1 418</b>	<b>415</b>

**Department of Human Services**  
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**18 Receivables (continued)**

In 2017-18, the department has recognised a bad and doubtful debt expense of \$1.2 million. In 2016-17, the department recognised a bad and doubtful debt recovery of \$0.06 million.

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing.

Other than recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

There is no concentration of credit risk to non-public sector debtors.

**19 Inventories**

	2018 \$'000	2017 \$'000
Inventories held for distribution at cost - stores	421	419
<b>Total inventories</b>	<b>421</b>	<b>419</b>

Inventories are stated at the lower of cost and their net realisable value. Inventories held for use by the department are measured at cost, with cost being allocated in accordance with the first-in, first-out method.

**20 Non-current assets classified as held for sale**

	2018 \$'000	2017 \$'000
Land	19 095	28 075
Building	83	-
<b>Total non-current assets classified as held for sale</b>	<b>19 178</b>	<b>28 075</b>

Non-current assets classified as held for sale represents land and buildings which are surplus to the department's requirements.

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

<b>Reconciliation of non-current assets classified as held for sale movement</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Carrying amount at the beginning of the period	28 075	33 069
Impairment loss	-	(116)
Transfers from property, plant and equipment	1 369	-
Revaluation increment/(decrement)	209	-
Assets sold	(10 475)	(4 878)
<b>Total non-current assets classified as held for sale</b>	<b>19 178</b>	<b>28 075</b>

**Department of Human Services**  
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**21 Non-current assets**

**Revaluation**

All 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 million and estimated useful life is greater than three years.

Every year, the department has an independent Certified Practising Valuer undertake a desktop valuation. Every five years a full valuation is performed by an Independent Certified Practising Valuer.

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

The department has taken the exemption available under Accounting Policy Framework III paragraph APS 3.18 to take the asset revaluation adjustment to the asset revaluation surplus on a class basis rather than an individual asset basis.

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 assets.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

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

The department's land and buildings were subject to a full site revaluation as at 30 June 2016. The professional valuer engaged to perform the independent valuations was Mrs Brooke Parish, API Certified Practising Valuer (Property), Australian Valuation Solutions Pty Ltd.

**Department of Human Services**  
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**22 Property, plant and equipment**

	2018	2017
	\$'000	\$'000
<b>Land and buildings</b>		
Site land at fair value	62 650	67 025
Buildings and improvements at fair value	100 358	101 833
Accumulated depreciation	(9 034)	(5 297)
<b>Total land and buildings</b>	<u>153 974</u>	<u>163 561</u>
<b>Leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value)	16 551	16 644
Accumulated amortisation	(12 165)	(10 346)
<b>Total leasehold improvements</b>	<u>4 386</u>	<u>6 298</u>
<b>Computing equipment</b>		
Computing equipment at cost (deemed fair value)	350	451
Accumulated depreciation	(344)	(438)
<b>Total computing equipment</b>	<u>6</u>	<u>13</u>
<b>Motor vehicles</b>		
Motor vehicles at cost (deemed fair value)	184	164
Accumulated depreciation	(138)	(129)
<b>Total motor vehicles</b>	<u>46</u>	<u>35</u>
<b>Independent living equipment program</b>		
Independent living equipment program at cost (deemed fair value)	18 235	17 760
Accumulated depreciation	(12 540)	(11 063)
<b>Total independent living equipment program</b>	<u>5 695</u>	<u>6 697</u>
<b>Other plant and equipment</b>		
Other plant and equipment at cost (deemed fair value)	6 669	6 467
Accumulated depreciation	(2 567)	(2 349)
<b>Total other plant and equipment</b>	<u>4 102</u>	<u>4 118</u>
<b>Total property, plant and equipment</b>	<u>168 209</u>	<u>180 722</u>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
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**22 Property, plant and equipment (continued)**

**22.1 Acquisition and recognition**

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation.

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

The department capitalises all non-current tangible assets with a value of \$0.01 million or greater.

Works in progress (WIP) are projects which are incomplete as at reporting date.

**22.2 Impairment**

The department holds its property, plant and equipment for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible; accordingly the recoverable amount will be close to or greater than fair value.

The department also expects for all other non-current tangible assets that any costs of disposal will be negligible, and the recoverable amount to be close to or greater than fair value.

There was no impairment loss recognised in 2017-18.

**22.3 Reconciliation of land, buildings and leasehold improvements during 2017-18**

	Site land	Buildings and improvements	Leasehold improvements	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	67 025	96 536	6 298	169 859
Purchases	-	-	-	-
Prior period adjustments	-	-	-	-
Disposals	(3 100)	( 974)	( 30)	(4 104)
Disposals - sales/write-offs	-	-	-	-
Assets classified as held for sale	(1 275)	( 94)	-	(1 369)
Depreciation and amortisation for the year	-	(4 231)	(1 952)	(6 183)
Transfers to/(from) works in progress	-	75	70	145
Transfers between other classes	-	12	-	12
<b>Carrying amount at the end of the period</b>	<b>62 650</b>	<b>91 324</b>	<b>4 386</b>	<b>158 360</b>

**Department of Human Services**  
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**22 Property, plant and equipment (continued)**

**22.4 Reconciliation of land, buildings and leasehold improvements**

The following table shows the movement of land, buildings and improvements, and leasehold improvements during 2016-17.

	Site land	Buildings and improvements	Leasehold improvements	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	67 325	101 833	8 348	177 506
Purchases	-	-	30	30
Prior period adjustments	300	-	-	300
Depreciation and amortisation for the year	-	(5 297)	(2 175)	(7 472)
Assets transferred out at nil consideration	(600)	-	-	( 600)
Transfers to/(from) works in progress	-	-	95	95
<b>Carrying amount at the end of the period</b>	<b>67 025</b>	<b>96 536</b>	<b>6 298</b>	<b>169 859</b>

**22.5 Reconciliation of plant and equipment**

The following table shows the movement of plant and equipment during 2017-18.

	Computing equipment	Motor vehicles	Independent living equipment program	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	13	35	6 697	4 118	10 863
Purchases	-	20	692	256	968
Disposals	-	-	(65)	(26)	(91)
Depreciation and amortisation for the year	(7)	(9)	(2 506)	(505)	(3027)
Transfers between other classes	-	-	-	(12)	(12)
Donated Assets	-	-	-	(7)	(7)
Transfers to/(from) works in progress	-	-	877	278	1 155
<b>Carrying amount at the end of the period</b>	<b>6</b>	<b>46</b>	<b>5 695</b>	<b>4 102</b>	<b>9 849</b>

**Department of Human Services**  
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**22 Property, plant and equipment (continued)**

**22.6 Reconciliation of plant and equipment**

The following table shows the movement of plant and equipment during 2016-17.

	Computing equipment	Motor vehicles	Independent living equipment program	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	19	24	5 066	2 908	8 017
Purchases	-	-	3 526	67	3 593
Prior period adjustments	-	-	168	(16)	152
Disposals	-	-	(60)	(15)	(75)
Depreciation and amortisation for the year	(6)	(10)	(2 231)	(384)	(2 631)
Transfers to/(from) works in progress	-	21	228	1 558	1 807
<b>Carrying amount at the end of the period</b>	<b>13</b>	<b>35</b>	<b>6 697</b>	<b>4 118</b>	<b>10 863</b>

**23 Capital works in progress**

	2018	2017
	\$'000	\$'000
Property, plant and equipment in progress at cost	4 774	3 746
<b>Total capital works in progress</b>	<b>4 774</b>	<b>3 746</b>

The following table shows the movement of capital works in progress:

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	3 746	1 965
Purchases	6 381	5 331
Transfers to completed works	(5 281)	(3 365)
WIP adjustments	(72)	(185)
<b>Carrying amount of capital work in progress</b>	<b>4 774</b>	<b>3 746</b>

**Department of Human Services**  
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**24 Intangible assets**

	2018	2017
	\$'000	\$'000
<b>Internally developed intangible assets</b>		
Computer software at cost	9 947	5 966
Accumulated amortisation	<u>(5 526)</u>	<u>(3 435)</u>
<b>Total internally developed intangible assets</b>	<u>4 421</u>	<u>2 531</u>
<b>Total intangible assets</b>	<u>4 421</u>	<u>2 531</u>

The following table shows the movement of intangible assets.

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	2 531	2 568
Transfers to/(from) works in progress	3 981	1 463
Amortisation	<u>(2 091)</u>	<u>(1 500)</u>
<b>Carrying amount at the end of the period</b>	<u>4 421</u>	<u>2 531</u>

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control, and the existence of future economic benefits), the recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$0.01 million.

The internally developed computer software includes the department's continuous monitoring system and the SAMS online system – stage 2 with a remaining useful life of 3 years and a carrying amount of \$1.71 million and \$0.91 million respectively.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

**Impairment**

There were no indications of impairment on intangible assets for 2017-18 and 2016-17.

**Department of Human Services**  
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**25 Fair value measurements**

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.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement, 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 has no assets categorised into level 1.

In determining fair value, the department has taken into account the characteristic of the asset (for example, condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million, or an estimated useful life that was less than three years, are deemed to approximate fair value.

Asset classes where written down cost is deemed to be fair value include:

- leasehold improvements
- capital works in progress
- plant and equipment
- motor vehicles
- computer equipment
- independent living equipment program

Refer to notes 21 and 24 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

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**25 Fair value measurements (continued)**

**25.1 Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DHS categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2018.

**Fair value measurements at 30 June 2018**

		<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>				
Land	22	62 650	-	62 650
Buildings	22	26 375	64 949	91 324
Leasehold improvements	22	-	4 386	4 386
Plant and equipment	22	-	9 849	9 849
<b>Total recurring fair value measurements</b>		<b>89 025</b>	<b>79 184</b>	<b>168 209</b>
<b>Non-recurring fair value measurements</b>				
Land held for sale	20	19 178	-	19 178
<b>Total non-recurring fair value measurements</b>		<b>19 178</b>	<b>-</b>	<b>19 178</b>
<b>Total fair value measurements</b>		<b>108 203</b>	<b>79 184</b>	<b>187 387</b>

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2017.

**Fair value measurements at 30 June 2017**

		<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>				
Land	22	67 025	-	67 025
Buildings	22	29 676	66 860	96 536
Leasehold improvements	22	-	6 298	6 298
Plant and equipment	22	-	10 863	10 863
<b>Total recurring fair value measurements</b>		<b>96 701</b>	<b>84 021</b>	<b>180 722</b>
<b>Non-recurring fair value measurements</b>				
Land held for sale	20	28 075	-	28 075
<b>Total non-recurring fair value measurements</b>		<b>28 075</b>	<b>-</b>	<b>28 075</b>
<b>Total fair value measurements</b>		<b>124 776</b>	<b>84 021</b>	<b>208 797</b>

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**25 Fair value measurements (continued)**

**Valuation techniques and inputs**

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements. There were no changes in valuation techniques during 2017-18 and 2016-17.

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

2018	<u>Buildings</u>	<u>Plant &amp; equipment</u>	<u>Leasehold improvements</u>
	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	66 860	10 863	6 298
Acquisitions	-	968	-
Donated Assets	-	(7)	-
Disposals	-	(91)	(30)
Transfer between asset classes	-	(12)	-
Transfers to/(from) work in progress	-	1 155	70
Other movement	-	-	-
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(1 911)	(3 027)	(1 952)
Total gains/(losses) recognised in net result	(1 911)	(3 027)	(1 952)
<b>Carrying amount at the end of the period</b>	<b>64 949</b>	<b>9 849</b>	<b>4 386</b>

2017	<u>Buildings</u>	<u>Plant &amp; equipment</u>	<u>Leasehold improvements</u>
	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	68 770	8 017	8 348
Acquisitions	-	3 593	30
Prior period adjustments	-	152	-
Disposals	-	(75)	-
Transfers to/(from) work in progress	-	1 807	95
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(1 910)	(2 631)	(2 175)
Total gains/(losses) recognised in net result	(1 910)	(2 631)	(2 175)
<b>Carrying amount at the end of the period</b>	<b>66 860</b>	<b>10 863</b>	<b>6 298</b>

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**26 Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	37 393	30 220
Accrued expenses	46 736	10 862
Employment on-costs *	7 785	8 479
Other	126	349
<b>Total current payables</b>	<b>92 040</b>	<b>49 910</b>
<b>Non-current</b>		
Employment on-costs *	4 807	5 165
<b>Total non-current payables</b>	<b>4 807</b>	<b>5 165</b>
<b>Total payables</b>	<b>96 847</b>	<b>55 075</b>

\* Employment on-costs include Payroll Tax, workers' compensation levies and superannuation contributions. 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.

**Interest rate and credit risk**

Payables are measured at nominal amounts.

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

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**27 Employee benefits - Liability**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Annual leave	29 508	32 322
Long service leave	16 997	17 911
Skills and experience retention leave	1 723	2 040
Accrued salaries and wages	13 386	8 526
<b>Total current employee benefits</b>	<b>61 614</b>	<b>60 799</b>
<b>Non-current</b>		
Long service leave	52 072	56 078
<b>Total non-current employee benefits</b>	<b>52 072</b>	<b>56 078</b>
<b>Total employee benefits</b>	<b>113 686</b>	<b>116 877</b>

Employee benefits accrue for employees 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.

**Salary and wages, annual leave, skills and experience retention leave and sick leave**

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

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

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

**Long service leave**

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

The estimated liability for long service leave is based on actuarial assumptions over 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.

The yield on long-term Commonwealth Government bonds has remained unchanged from 2017 (2.5%) to 2018 (2.5%).

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

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

The Department of Treasury and Finance use the Budget Management System (BMS) to perform an actuarial valuation of long service leave for the whole of government. The actuarial assessment performed by the DTF also left the salary inflation rate at 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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**27 Employee benefits - Liability (continued)**

The actuarial valuation, which is essentially a net present value calculation, is heavily influenced by inputs:

- the long term salary inflation rate was 4% in 2017, and remains the same for 2018
- the duration over which the liability is to be paid was 9.5 years in 2017 has increased to 10 years in 2018.

The main reason for a decrease on the Provision is the reduced number of employees.

The net financial effect of the changes in the current financial year is an increase in long service leave liability and employee benefit expenses of \$1.27 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

**28 Provisions**

		2018	2017
		\$'000	\$'000
<b>Current</b>	<b>Note</b>		
Insurance	28.1	130	100
Workers compensation	28.2	6 206	8 214
Additional compensation	28.3	120	-
Other provisions	28.4	-	-
<b>Total current provisions</b>		<b>6 456</b>	<b>8 314</b>
<b>Non-current</b>			
Insurance	28.1	80	80
Workers compensation	28.2	18 123	16 925
Additional compensation	28.3	1 670	-
<b>Total non-current provisions</b>		<b>19 873</b>	<b>17 005</b>
<b>Total provisions</b>		<b>26 329</b>	<b>25 319</b>

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**28 Provisions (continued)**

**28.1 Reconciliation of insurance**

The following table shows the movement of insurance during 2017-18:

	<b>Public liability</b>	<b>Property</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	140	40	180
Increase to provision due to new claims	30	-	30
<b>Carrying amount at the end of the period</b>	<b>170</b>	<b>40</b>	<b>210</b>

The following table shows the movement of insurance during 2016-17:

	<b>Public liability</b>	<b>Property</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	150	40	190
Increase to provision due to new claims	11	3	14
Reduction due to payments	(11)	-	(11)
Net revision of estimates	(10)	(3)	(13)
<b>Carrying amount at the end of the period</b>	<b>140</b>	<b>40</b>	<b>180</b>

**28.2 Reconciliation of workers compensation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	25 139	28 888
Increase to provision due to revision of estimates	5 850	5 993
Reduction due to payments	(6 660)	(9 742)
<b>Carrying amount at the end of the period</b>	<b>24 329</b>	<b>25 139</b>

**28.3 Reconciliation of additional compensation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	-	-
Increase to provision due to revision of estimates	1 790	-
<b>Carrying amount at the end of the period</b>	<b>1 790</b>	<b>-</b>

**28.4 Reconciliation of other provisions**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	-	145
Reduction due to payments	-	(145)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>

**Department of Human Services**  
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**28 Provisions (continued)**

**Workers Compensation**

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The department is responsible for the payment of workers compensation claims.

**Additional Compensation for Certain Work-Related Injuries or Illnesses (Additional Compensation provision)**

Following changes to relevant Public Sector Enterprise Agreements and Awards, the department has recognised an Additional Compensation provision as at 30 June 2018.

The new Additional Compensation provision 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.

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

Key assumptions in the estimate include:

- application frequency
- the probability of applications becoming successful claims
- projections of annual claim payments
- rates of benefit continuance
- retirement age and mortality rates.

There is a significant degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the Additional Compensation provision is impacted by the absence of claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

Given these uncertainties, the actual cost of Additional Compensation claims may differ materially from the estimate. The assumptions used will continue to be refined to reflect emerging experience.

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**29 Other liabilities**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Unclaimed monies	246	226
Unearned revenue	3 361	728
Lease incentive	784	784
Other liabilities	330	-
<b>Total current other liabilities</b>	<b>4 721</b>	<b>1 738</b>
<b>Non-current</b>		
Lease incentive	2 220	2 985
<b>Total non-current other liabilities</b>	<b>2 220</b>	<b>2 985</b>
<b>Total other liabilities</b>	<b>6 941</b>	<b>4 723</b>

**30 Unrecognised contractual commitments**

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

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not recoverable from, or payable to, the ATO, the commitments or contingencies are disclosed on a gross basis.

**Capital commitments**

	2018 \$'000	2017 \$'000
Within one year	553	353
<b>Total capital commitments</b>	<b>553</b>	<b>353</b>

**Operating lease commitments**

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

	2018 \$'000	2017 \$'000
Within one year	11 295	12 742
Later than one year but not longer than five years	17 555	24 886
Later than five years	2 111	3 865
<b>Total operating lease commitments</b>	<b>30 961</b>	<b>41 493</b>

The department has many lease agreements. These leases are for administrative purposes and vary in length. Lease payments are monthly and predominantly paid in advance. Some lease agreements have renewal options for a determined period, exercisable by both the lessor and lessee.

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**31 Contingent assets and liabilities**

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

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not recoverable from, or payable to, the ATO, the commitments or contingencies are disclosed on a gross basis.

**Contingent assets**

The department has a contingent asset for 2017-18. The department has a potential claim with a service provider who is in liquidation. The department is currently not in a position to determine if recovery is possible or for how much.

**Contingent liabilities**

The department is not aware of any contingent liabilities.

**32 Cash flow reconciliation**

	2018 \$'000	2017 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	227 967	146 010
Balance as per the Statement of Cash Flows	227 967	146 010
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by operating activities	74 372	9 964
Revenues from SA Government	(1 272 447)	(1 125 904)
Payments to SA Government	4 750	-
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(11 301)	(11 603)
Lease incentive amortisation	(765)	(784)
Donated assets	(7)	-
Assets transferred out at nil consideration	-	(600)
Transfer to the Consolidated Account	10 082	-
Impairment of non-current assets	-	(116)
Gain/(loss) from disposal of non-current assets	192	(22)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(1 312)	4 946
Increase/(decrease) in inventories	2	(51)
(Increase)/decrease in payables and provisions	(42 782)	(3 846)
(Increase)/decrease in employee benefits	3 191	6 973
(Increase)/decrease in other liabilities	(1 453)	996
<b>Net cost of providing services</b>	<b>(1 237 478)</b>	<b>(1 120 047)</b>

**Department of Human Services**  
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**33 Related party transactions**

The department is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

**Significant transactions with government related entities**

The department had no significant transactions with government related entities unless disclosed elsewhere in the financial report.

**Collectively, but not individually significant transactions with government related entities.**

Quantitative information about transactions and balances between DHS and other SA Government controlled entities is disclosed at note 38.

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

Compensation of key management personnel is disclosed in note 3. The department had no material transactions or balances and/or transactions outside normal day-to-day operations to disclose.

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**34 Budgetary reporting**

		Original budget <sup>(1)</sup> 2018 \$'000	Actual 2018 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>	<b>Note</b>			
<b>Expenses</b>				
Employee benefits expenses		389 309	388 631	( 678)
Supplies and services		276 247	304 556	28 309
Depreciation and amortisation		11 992	11 301	( 691)
Grants, subsidies and client payments		613 857	641 940	28 083
Net loss from disposal of non-current assets		208	-	( 208)
Other expenses		148 975	175 158	26 183
<b>Total expenses</b>		<b>1 440 588</b>	<b>1 521 586</b>	<b>80 998</b>
<b>Income</b>				
Revenues from fees and charges		115 054	125 401	10 347
Commonwealth revenues		157 919	115 882	(42 037)
Interest revenues		-	3	3
Resources received free of charge		-	6 776	6 776
Net gain from disposal of non-current assets		-	192	192
Other income		11 226	35 854	24 628
<b>Total income</b>		<b>284 199</b>	<b>284 108</b>	<b>( 91)</b>
<b>Net cost of providing services</b>		<b>(1 156 389)</b>	<b>(1 237 478)</b>	<b>(81 089)</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	a	1 157 391	1 272 447	115 056
Payments to SA Government		(19 955)	(14 832)	5 123
<b>Total net revenues from SA Government</b>		<b>1 137 436</b>	<b>1 257 615</b>	<b>120 179</b>
<b>Net result</b>		<b>(18 953)</b>	<b>20 137</b>	<b>39 090</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in revaluation surplus		-	209	209
<b>Total other comprehensive income</b>		<b>-</b>	<b>209</b>	<b>209</b>
<b>Total comprehensive result</b>		<b>(18 953)</b>	<b>20 346</b>	<b>39 299</b>

<sup>(1)</sup> These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

The following are brief explanations of variances between original budget and actual amounts. Explanations are required to be 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 variance is primarily due to net increases in grants to SAHT and deferral of receipts from the Disability Care Australia Fund in line with revised Commonwealth arrangements.

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**34 Budgetary reporting (continued)**

**Investing expenditure**

	Note	Original budget <sup>(1)</sup>	Actual	Variance
		2018 \$'000	2018 \$'000	\$'000
<b>Investing expenditure summary</b>				
Total new and existing projects		4 389	4 577	188
Total annual programs	a	1 686	2 683	997
<b>Total investing expenditure</b>		<b>6 075</b>	<b>7 260</b>	<b>1 185</b>

<sup>(1)</sup> These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

The following are brief explanations of variances between original budget and actual amounts. 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 total annual program was higher than original budget primarily due to the ongoing demand for disability equipment in Domiciliary Equipment Services.

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**35 Financial risk management / financial instruments**

**Financial risk management**

Departmental risk management policies are in accordance with the *Risk Management Policy Statement 2009* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

**Liquidity risk**

Liquidity risk arises where the department is unable to meet its financial obligations as they are due to be settled. The department is funded principally from appropriation by the SA Government. The department works with DTF to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary process to meet the expected cash flows. The department settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received.

The department considers its liquidity risk is minimal based on past experience and current assessment of risk.

The carrying amount of financial liabilities shown at note 35.2 represent the department's maximum exposure to financial liabilities.

**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 notes.

Refer to note 35.2 for the carrying amounts of each of the following categories of financial assets and liabilities: receivables; and payables measured at cost.

DHS does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 18 and 26).

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**35 Financial risk management / financial instruments (continued)**

**Credit risk**

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department.

The department has minimal concentration of credit risk to the non-public sector. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 18 for information on the allowance for impairment in relation to receivables.

**35.1 Ageing analysis of financial assets**

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for more than 60 days \$'000	
<b>2018</b>						
<b>Not Impaired</b>						
Receivables	12 135	7 555	2 717	204	241	1 418
<b>Impaired</b>						
Receivables	-	-	-	-	-	(1 418)
	<b>12 135</b>	<b>7 555</b>	<b>2 717</b>	<b>204</b>	<b>241</b>	<b>-</b>
<b>2017</b>						
<b>Not Impaired</b>						
Receivables	9 132	225	4 072	4 017	403	415
<b>Impaired</b>						
Receivables	-	-	-	-	-	(415)
	<b>9 132</b>	<b>225</b>	<b>4 072</b>	<b>4 017</b>	<b>403</b>	<b>-</b>

Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

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**35 Financial risk management / financial instruments (continued)**

**Table 35.2 Maturity analysis of financial assets and liabilities**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	17	227 967	227 967	-	-
Receivables <sup>(1)(2)</sup>	18	36 495	20 595	7 538	8 362
<b>Total financial assets</b>		<b>264 462</b>	<b>248 562</b>	<b>7 538</b>	<b>8 362</b>
<b>Financial liabilities</b>					
Payables	26	83 915	83 915	-	-
<b>Total financial liabilities</b>		<b>83 915</b>	<b>83 915</b>	<b>-</b>	<b>-</b>

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2017 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	17	146 010	146 010	-	-
Receivables <sup>(1)(2)</sup>	18	37 141	21 715	7 152	8 274
<b>Total financial assets</b>		<b>183 151</b>	<b>167 725</b>	<b>7 152</b>	<b>8 274</b>
<b>Financial liabilities</b>					
Payables	26	41 087	41 087	-	-
<b>Total financial liabilities</b>		<b>41 087</b>	<b>41 087</b>	<b>-</b>	<b>-</b>

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

(2) Receivable amounts disclosed here exclude prepayments. Prepayments are presented in note 18 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**Department of Human Services**  
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**36 Impact of standards and statements not yet implemented**

The department did not voluntarily change any of its accounting policies during 2017-18.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the department for the period ending 30 June 2018.

**AASB 9 Financial Instruments**

The revision to AASB 9 Financial Instruments applies to reporting periods beginning on or after 1 January 2018, i.e. to financial statements as 30 June 2019. AASB 9 Financial Instruments provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

The Agency has reviewed the impact of AASB 9 Financial Instruments on the classification and measurement of its financial assets. The following summarises the estimated impact to the categorisation and valuation of the amounts reported:

- Trade receivables and loan receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Agency will be adopting the simplified approach under AASB 9 Financial Instruments and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision. The agency has not yet calculated net impact.
- All financial liabilities listed in the financial instruments / financial risk management note 35 will continue to be measured at amortised cost. The Agency does not expect a material change in the reported value of financial liabilities.

These changed amounts will form the opening balance of those items on the date AASB 9 Financial Instruments is adopted. However, the Agency will not restate comparative figures for financial instruments on adopting AASB 9 Financial Instruments as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9 Financial Instruments, a number of new or changed ongoing disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the Agency enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment and de-recognition of these items.

**AASB 16 Leases**

This standard will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The standard supersedes AASB 117 Leases and unlike AASB 117 Leases, AASB 16 Leases introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**36 Impact of standards and statements not yet implemented (continued)**

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 Leases allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. The Agency will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The Agency has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 Leases to its current operating leases, including the extent of additional disclosures required. The exact impact will not be known until the year of transition.

It is anticipated that there will be a marginal impact each year on net result due to recognition of depreciation and interest on lease liabilities as expenses. There will be no impact on the total net result over the life of the lease.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The Agency's current operating lease commitments note (refer note 30) provides an indication of the amounts to be recognised 'on-balance sheet' at transition (an expected increase in lease liabilities with a corresponding right-of-use asset). The reclassification between supplies and services expense and depreciation/interest has not yet been estimated.

**AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

These standards will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as at 30 June 2020. The Agency has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Special purpose grants received to construct non-financial assets controlled by the Agency will be recognised as a liability, and subsequently recognised progressively as revenue as the Agency satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Agency has commenced evaluating the existing grant arrangement as to whether revenue from those grants could be deferred under the new requirements – however, no conclusion or the potential impact, if any, has been determined at the present time.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Agency receives several grants from the Australian Government for which there are not any sufficiently specific performance obligations – these grants are expected to continue being recognised as revenue upfront, assuming there is no change to the current grant arrangements.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**36 Impact of standards and statements not yet implemented (continued)**

Depending on the respective contractual terms, the new requirements of AASB 15 *Revenue from Contracts with Customers* may potentially result in a change to the timing of revenue from sales of the Agency's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Agency has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The Agency is yet to complete the analysis of existing arrangements for sale of its goods and services and the impact, if any, on revenue recognition has not yet been determined.

A range of new disclosures will also be required by the new standards in respect of the Agency's revenue.

All other Australian accounting standards and interpretations with future effective dates are either not applicable or have no material impact on the Agency.

**37 Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

Refer to note 2.2 and 2.3 relating to the Machinery of Government changes and transition to the NDIS, Commonwealth Aged Care and Service Reform.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**38 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/ transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>							
Employee benefits expense	3	23 427	23 784	365 204	353 175	388 631	376 959
Supplies and services	5						
Accommodation and property related		17 073	16 439	9 846	8 330	26 919	24 769
Advertising and promotions		72	25	799	758	871	783
Brokerage care services		1 952	1 797	193 163	179 062	195 115	180 859
Business services		6 820	6 619	35	26	6 855	6 645
Client related expenses		48	89	6 125	6 211	6 173	6 300
Communication and computing		2 933	2 560	12 864	12 727	15 797	15 287
Contractors and agency staff		551	912	10 259	8 986	10 810	9 898
Consultants		-	-	2 385	616	2 385	616
Homelessness services		4 175	4 207	-	-	4 175	4 207
Drugs and medical supplies		1	7	1 716	1 808	1 717	1 815
Insurance		757	768	4	1	761	769
Interpreter and translator fees		-	-	44	74	44	74
Managed payments		1 152	1 164	-	45	1 152	1 209
Minor equipment		125	1 147	8 626	8 340	8 751	9 487
Motor vehicles		5 274	5 687	577	433	5 851	6 120
Printing, stationery, postage and periodicals		24	21	2 105	1 908	2 129	1 929
Repairs and maintenance		38	736	3 603	3 930	3 641	4 666
Seminars, courses and training		193	73	1 320	732	1 513	805
Travel and accommodation		2	-	1 141	1 145	1 143	1 145
Other		1 284	1 623	7 130	6 412	8 414	8 035
Audit fees paid/payable to the Auditor-General's Department		340	344	-	-	340	344
Depreciation and amortisation expense	6	-	-	11 301	11 603	11 301	11 603
Grants, subsidies and client payments	7	258 168	176 041	383 772	391 072	641 940	567 113
Other expenses	8						
Aged Care and Disability Services Reform – payment to the Commonwealth		-	-	77 800	59 353	77 800	59 353
Bad and doubtful debts		-	-	1 214	136	1 214	136
Assets transferred at nil consideration		-	-	-	600	-	600
Donated assets		-	-	7	-	7	-
Impairment loss		-	-	-	116	-	116
NDIS payments		-	-	96 082	38 194	96 082	38 194
Other		14	5	41	78	55	83
Payments to SA Government	15	14 832	-	-	-	14 832	-
<b>Total expenses</b>		<b>339 255</b>	<b>244 048</b>	<b>1 197 163</b>	<b>1 095 871</b>	<b>1 536 418</b>	<b>1 339 919</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**38 Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Income</b>							
Revenue from fees and charges	9						
Employee services		66 578	66 989	-	-	66 578	66 989
Insurance recoveries		24	160	4	-	28	160
Recoveries		5 157	4 310	10 231	3 879	15 388	8 189
Business services		16 454	16 220	-	-	16 454	16 220
Fees, fines and penalties		13 183	10 520	5 265	5 831	18 448	16 351
Rent		73	130	43	38	116	168
Patient and client fees		-	-	8 389	8 688	8 389	8 688
Commonwealth revenues	10	-	-	115 882	75 181	115 882	75 181
Interest revenues	11	3	1	-	-	3	1
Revenue Received Free of Charge	12	6 776	-	-	-	6 776	-
Net gain/(loss) from disposal of non-current assets	13	192	(22)	-	-	192	(22)
Other Income	14						
NDIS revenue		128	-	13 417	12 021	13 545	12 021
Minor equipment		401	124	171	43	572	167
Hire charges		1 582	972	755	462	2 337	1 434
Community development fund		3 000	3 000	-	-	3 000	3 000
State capital grants		-	-	-	-	-	-
Other grants from SA Government agencies		9 282	10 160	469	671	9 751	10 831
Other		623	205	6 026	289	6 649	494
Revenues from SA Government	15	1 272 447	1 125 904	-	-	1 272 447	1 125 904
<b>Total income</b>		<b>1 395 903</b>	<b>1 238 673</b>	<b>160 652</b>	<b>107 103</b>	<b>1 556 555</b>	<b>1 345 776</b>
<b>Financial assets</b>							
Cash and cash equivalents	17	227 967	146 010	-	-	227 967	146 010
Receivables	18						
Debtors		5 407	7 457	6 792	4 077	12 199	11 534
Employee related services recoverable		25 211	25 531	-	-	25 211	25 531
Overpaid salaries		-	-	503	491	503	491
Prepayments		78	78	2 386	736	2 464	814
GST input tax recoverable		-	-	2 527	4 843	2 527	4 843
<b>Total financial assets</b>		<b>258 663</b>	<b>179 076</b>	<b>12 208</b>	<b>10 147</b>	<b>270 871</b>	<b>189 223</b>
<b>Financial liabilities</b>							
Payables	26						
Creditors		21 142	22 086	16 251	8 134	37 393	30 220
Accrued expenses		808	4 402	45 928	6 460	46 736	10 862
Employee benefit on-costs		5 815	6 346	6 777	7 298	12 592	13 644
Other		-	51	126	298	126	349
Employee benefits	27	-	-	113 686	116 877	113 686	116 877
Other liabilities	29						
Unclaimed monies		-	-	246	226	246	226
Unearned revenue		8	71	3 353	657	3 361	728
Lease incentive		3 004	3 769	-	-	3 004	3 769
Other liabilities		-	-	330	-	330	-
<b>Total financial liabilities</b>		<b>30 777</b>	<b>36 725</b>	<b>186 697</b>	<b>139 950</b>	<b>217 474</b>	<b>176 675</b>

**Department of Human Services  
(DHS)**

**Administered Financial Statements**

For the year ended 30 June 2018

**Department of Human Services**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2018*

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	Note	2018 \$'000	2017 \$'000
<b>Administered expenses</b>			
Employee benefits		605	695
Supplies and services		1 969	1 550
Depreciation and amortisation		2 531	2 395
Grants, subsidies and client payments	A4	201 702	186 823
Client Trust payments	A14	12 833	13 462
<b>Total administered expenses</b>		<b>219 640</b>	<b>204 925</b>
<b>Administered income</b>			
Grants and contributions		10 660	10 126
Recoveries, fees and charges		1 211	473
Interest revenues		341	363
Client Trust receipts	A14	12 512	13 394
Other income		385	384
<b>Total administered income</b>		<b>25 109</b>	<b>24 740</b>
<b>Net cost of providing services</b>		<b>(194 531)</b>	<b>(180 185)</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government		196 450	191 383
<b>Total revenues from SA Government</b>		<b>196 450</b>	<b>191 383</b>
<b>Net result</b>		<b>1 919</b>	<b>11 198</b>
<b>Total comprehensive result</b>		<b>1 919</b>	<b>11 198</b>

The net result and total comprehensive result are attributable to SA Government as owner.

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

**Department of Human Services**  
**Statement of Administered Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A7	70 642	68 577
Receivables		30	189
<b>Total current assets</b>		<b>70 672</b>	<b>68 766</b>
<b>Administered non-current assets</b>			
Property, plant and equipment	A8.1	24 817	27 343
Investment property	A8.2	1 400	1 400
Capital works in progress	A8.3	39	-
Intangibles	A8.4	5	10
<b>Total non-current assets</b>		<b>26 261</b>	<b>28 753</b>
<b>Total assets</b>		<b>96 933</b>	<b>97 519</b>
<b>Administered current liabilities</b>			
Payables		10 448	12 953
<b>Total current liabilities</b>		<b>10 448</b>	<b>12 953</b>
<b>Total liabilities</b>		<b>10 448</b>	<b>12 953</b>
<b>Net assets</b>		<b>86 485</b>	<b>84 566</b>
<b>Administered equity</b>			
Retained earnings		59 002	57 083
Asset revaluation surplus		27 483	27 483
<b>Total equity</b>		<b>86 485</b>	<b>84 566</b>

The total equity is attributable to the SA Government as owner.

Unexpended funding commitments	A6
Unrecognised contractual commitments	A10
Contingent assets and liabilities	A12

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

**Department of Human Services**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2018*

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	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2016	27 483	45 885	73 368
Net result for 2016-17	-	11 198	11 198
<b>Total comprehensive result for 2016-17</b>	<b>-</b>	<b>11 198</b>	<b>11 198</b>
<b>Balance at 30 June 2017</b>	<b>27 483</b>	<b>57 083</b>	<b>84 566</b>
Net result for 2017-18	-	1 919	1 919
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>1 919</b>	<b>1 919</b>
<b>Balance at 30 June 2018</b>	<b>27 483</b>	<b>59 002</b>	<b>86 485</b>

All changes in equity are attributable to the SA Government as owner.

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

**Department of Human Services**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2018*

		2018	2017
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(633)	(695)
Concessions		(161 421)	(160 535)
Payments of grants, subsidies and client payments		(41 494)	(33 718)
Payments for supplies and services		(3 267)	(155)
Client Trust payments		(12 707)	(13 588)
<b>Cash used in operations</b>		<u>(219 522)</u>	<u>(208 691)</u>
<b>Cash inflows</b>			
Recoveries, fees and charges		1 239	486
Grants and contributions		10 660	10 126
Interest received		341	363
Client Trust receipts		12 512	13 394
Other receipts		385	384
<b>Cash generated from operations</b>		<u>25 137</u>	<u>24 753</u>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		196 450	191 383
<b>Cash generated from SA Government</b>		<u>196 450</u>	<u>191 383</u>
<b>Net cash provided by / (used in) operating activities</b>	A11	<u>2 065</u>	<u>7 445</u>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		-	(805)
<b>Cash used in investing activities</b>		<u>-</u>	<u>(805)</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>-</u>	<u>(805)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>2 065</u>	<u>6 640</u>
Cash and cash equivalents at the beginning of the reporting period		68 577	61 937
<b>Cash and cash equivalents at the end of the reporting period</b>	A7	<u>70 642</u>	<u>68 577</u>

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

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

Activities - refer note A2	Gambler's Rehabilitation Fund		Community Benefit SA Program		Home for Incurables Trust		Disability Services Donations and Bequests	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>								
Employee benefits	-	-	-	-	-	-	-	-
Supplies and services	1 257	986	160	148	293	136	143	11
Depreciation and amortisation	5	5	-	-	2 526	2 390	-	-
Grants, subsidies and client payments	5 835	5 822	4 269	4 189	482	471	-	-
Client Trust payments	-	-	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>7 097</b>	<b>6 813</b>	<b>4 429</b>	<b>4 337</b>	<b>3 301</b>	<b>2 997</b>	<b>143</b>	<b>11</b>
<b>Administered income</b>								
Revenues from SA Government	374	324	-	-	-	-	-	-
Grants and contributions	6 361	5 845	4 000	4 000	-	-	-	-
Recoveries, fees and charges	42	63	338	70	354	322	-	-
Interest revenues	18	16	-	-	59	77	5	5
Client Trust receipts	-	-	-	-	-	-	-	-
Other income	371	364	-	-	-	-	2	11
<b>Total administered income</b>	<b>7 166</b>	<b>6 612</b>	<b>4 338</b>	<b>4 070</b>	<b>413</b>	<b>399</b>	<b>7</b>	<b>16</b>
<b>Net result</b>	<b>69</b>	<b>( 201)</b>	<b>( 91)</b>	<b>( 267)</b>	<b>(2 888)</b>	<b>(2 598)</b>	<b>( 136)</b>	<b>5</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

Activities - refer note A2	Supported Residential Facilities Indemnity Fund		Client Trust Accounts		Minister's Salary		Health and Aged Care Services Donations and Bequests	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered expenses</b>								
Employee benefits	-	-	-	-	605	695	-	-
Supplies and services	-	-	-	-	-	-	47	12
Depreciation and amortisation expenses	-	-	-	-	-	-	-	-
Grants, subsidies and client payments	-	-	-	-	-	-	-	-
Client Trust payments	-	-	12 833	13 462	-	-	-	-
<b>Total administered expenses</b>	-	-	<b>12 833</b>	<b>13 462</b>	<b>605</b>	<b>695</b>	<b>47</b>	<b>12</b>
<b>Administered income</b>								
Revenues from SA Government	-	-	-	-	605	695	-	-
Grants and contributions	-	-	-	-	-	-	-	-
Recoveries, fees and charges	-	-	-	-	-	-	-	-
Interest revenues	1	1	249	250	-	-	8	8
Client Trust receipts	-	-	12 512	13 394	-	-	-	-
Other income	-	-	-	-	-	-	11	-
<b>Total administered income</b>	<b>1</b>	<b>1</b>	<b>12 761</b>	<b>13 644</b>	<b>605</b>	<b>695</b>	<b>19</b>	<b>8</b>
<b>Net result</b>	<b>1</b>	<b>1</b>	<b>( 72)</b>	<b>182</b>	<b>-</b>	<b>-</b>	<b>( 28)</b>	<b>( 4)</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

Activities - refer note A2	Concessions		Community Service Obligations		State Emergency Relief Fund		Duke of Edinburgh Trust	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>								
Employee benefits	-	-	-	-	-	-	-	-
Supplies and services	3	-	-	-	-	257	-	-
Depreciation and amortisation expenses	-	-	-	-	-	-	-	-
Grants, subsidies and client payments	160 602	152 796	24 952	19 312	-	-	23	-
Client Trust payments	-	-	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>160 605</b>	<b>152 796</b>	<b>24 952</b>	<b>19 312</b>	<b>-</b>	<b>257</b>	<b>23</b>	<b>-</b>
<b>Administered income</b>								
Revenues from SA Government	166 010	161 848	25 571	24 624	-	-	-	-
Grants and contributions	22	5	-	-	-	-	-	-
Recoveries, fees and charges	444	18	-	-	-	-	-	-
Interest revenues	-	-	-	-	1	6	-	-
Client Trust receipts	-	-	-	-	-	-	-	-
Other income	-	-	-	-	1	9	-	-
<b>Total administered income</b>	<b>166 476</b>	<b>161 871</b>	<b>25 571</b>	<b>24 624</b>	<b>2</b>	<b>15</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>5 871</b>	<b>9 075</b>	<b>619</b>	<b>5 312</b>	<b>2</b>	<b>( 242)</b>	<b>( 23)</b>	<b>-</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

Activities - refer note A2	Personal Alert Systems Rebate Scheme		Consumer Advocacy & Research Fund		Homelessness Social Impact Bond		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>								
Employee benefits	-	-	-	-	-	-	605	695
Supplies and services	-	-	66	-	-	-	1 969	1 550
Depreciation and amortisation	-	-	-	-	-	-	2 531	2 395
Grants, subsidies and client payments	4 083	2 680	256	353	1 200	1 200	201 702	186 823
Client Trust payments	-	-	-	-	-	-	12 833	13 462
<b>Total administered expenses</b>	<b>4 083</b>	<b>2 680</b>	<b>322</b>	<b>353</b>	<b>1 200</b>	<b>1 200</b>	<b>219 640</b>	<b>204 925</b>
<b>Administered income</b>								
Revenues from SA Government	2 690	2 692	-	-	1 200	1 200	196 450	191 383
Grants and contributions	-	-	277	276	-	-	10 660	10 126
Recoveries, fees and charges	33	-	-	-	-	-	1 211	473
Interest revenues	-	-	-	-	-	-	341	363
Client Trust receipts	-	-	-	-	-	-	12 512	13 394
Other income	-	-	-	-	-	-	385	384
<b>Total administered income</b>	<b>2 723</b>	<b>2 692</b>	<b>277</b>	<b>276</b>	<b>1 200</b>	<b>1 200</b>	<b>221 559</b>	<b>216 123</b>
<b>Net result</b>	<b>(1 360)</b>	<b>12</b>	<b>( 45)</b>	<b>( 77)</b>	<b>-</b>	<b>-</b>	<b>1 919</b>	<b>11 198</b>

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

**Department of Human Services**  
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**A1 Basis of preparation and accounting policies**

The Department of Human Services (DHS / the department) applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements. The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.

**A2 Objectives/activities of the department's administered items**

The department's administered items are structured to contribute to the fifteen main activities, these are:

- Client Trust Accounts
- Disability Services Donations and Bequests
- Health and Aged Care Services Donations and Bequests
- Duke of Edinburgh Trust
- Consumer Advocacy & Research Fund
- State Emergency Relief Fund
- Home for Incurables Trust\*
- Gambler's Rehabilitation Fund
- Community Benefit SA Program (Charitable and Social Welfare Fund)
- Supported Residential Facilities Indemnity Fund
- Minister's Salary
- Concessions
- Community Service Obligations
- Personal Alert Systems Rebate Scheme
- Homelessness Social Impact Bond

\* Effective 1 July 2007, the Minister for Human Services became the trustee of the Home for Incurables Trust by virtue of the vesting of assets and liabilities of the former Julia Farr Services (JFS). Separate financial information pertaining to the Home for Incurables Trust is in note A21.

**A3 Consultants**

	2018 Number	2018 \$'000	2017 Number	2017 \$'000
Above \$10,000	-	-	1	29
<b>Total paid / payable to the consultants engaged</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>29</b>

**Department of Human Services**  
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**A4 Grants, subsidies and client payments**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Gamblers Rehabilitation	5 835	5 822
Community Benefit SA Program	4 269	4 189
Home for Incurables Trust	482	471
Duke of Edinburgh Trust	23	-
Concessions	A5 160 602	152 796
Community Service Obligations	24 952	19 312
Personal Alert Systems Rebate Scheme	4 083	2 680
Consumer Advocacy & Research	256	353
Homelessness Social Impact Bond	1 200	1 200
<b>Total grants, subsidies and client payments</b>	<b>201 702</b>	<b>186 823</b>

**A5 Concessions**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Water and sewerage rates	50 621	47 118
Energy	38 729	34 635
Council rates	-	5
Transport	31 526	31 035
Emergency Services Levy	6 479	6 147
Cost of Living	31 239	31 973
Emergency electricity payments	403	427
Other	1 605	1 456
<b>Total concessions</b>	<b>160 602</b>	<b>152 796</b>

**Department of Human Services**  
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**A6 Unexpended funding commitments**

The department is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the department on the premise that these funds are expended in a manner consistent with the terms of the program.

As at 30 June 2018, the department had outstanding funding commitments to the following programs:

	2018	2017
	\$'000	\$'000
Community Benefit SA Program	197	445
Gambler's Rehabilitation Fund	287	238
Consumer Advocacy and Research Fund	-	120
<b>Total operating funding commitments</b>	<b>484</b>	<b>803</b>
Highgate Park - Upgrade of critical infrastructure	102	156
Highgate Park facilities works	149	155
<b>Total capital funding commitments</b>	<b>251</b>	<b>311</b>
<b>Total unexpended funding commitments</b>	<b>735</b>	<b>1 114</b>

**A7 Cash and cash equivalents**

	2018	2017
	\$'000	\$'000
Special deposit account with the Treasurer	54 756	51 667
Special deposit account with SAFA	14 850	16 153
Other deposits	1 036	757
<b>Total cash and cash equivalents</b>	<b>70 642</b>	<b>68 577</b>

**A8 Property, plant and equipment**

**A8.1 Property, plant and equipment**

	2018	2017
	\$'000	\$'000
<b>Land and buildings</b>		
Site land at fair value	11 250	11 250
Buildings and improvements at fair value	15 731	15 732
Accumulated depreciation	(4 542)	(2 283)
<b>Total land and buildings</b>	<b>22 439</b>	<b>24 699</b>
<b>Other plant and equipment</b>		
Other plant and equipment at cost (deemed fair value)	2 824	2 824
Accumulated depreciation	(446)	(180)
<b>Total other plant and equipment</b>	<b>2 378</b>	<b>2 644</b>
<b>Total property, plant and equipment</b>	<b>24 817</b>	<b>27 343</b>

**Department of Human Services**  
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The following table shows the movement of land, buildings and improvements and plant and equipment during 2017-18:

	Site land	Buildings and improvements	Plant and equipment	Total
2018	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of period	11 250	13 449	2 644	27 343
Depreciation	-	(2 260)	( 266)	(2 526)
<b>Carrying amount at the end of period</b>	<b>11 250</b>	<b>11 189</b>	<b>2 378</b>	<b>24 817</b>

The following table shows the movement of land, buildings and improvements and plant and equipment during 2016-17:

	Site land	Buildings and improvements	Plant and equipment	Total
2017	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of period	11 250	15 720	459	27 429
Transfers to/(from) capital works in progress	-	-	2 304	2 304
Depreciation	-	(2 271)	(119)	(2 390)
<b>Carrying amount at the end of period</b>	<b>11 250</b>	<b>13 449</b>	<b>2 644</b>	<b>27 343</b>

**Department of Human Services**  
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**A8 Property, plant and equipment (continued)**

**A8.2 Investment property**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment building	600	600
<b>Fair value at the end of the period</b>	<b>600</b>	<b>600</b>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment land	800	800
<b>Fair value at the end of the period</b>	<b>800</b>	<b>800</b>
<b>Total investment property at the end of the period</b>	<b>1 400</b>	<b>1 400</b>

Investment properties are held to earn rentals and/or for capital appreciation. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the department.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. Investment properties are not depreciated however are tested for impairment.

Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of other income, on a straight line basis over the lease term.

The following table shows the movement of investment property during 2017-18:

	<b>Investment land</b>	<b>Investment building</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2018</b>			
Carrying amount at the beginning of the period	800	600	1 400
<b>Carrying amount at the end of period</b>	<b>800</b>	<b>600</b>	<b>1 400</b>

The following table shows the movement of investment property during 2016-17:

	<b>Investment land</b>	<b>Investment building</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2017</b>			
Carrying amount at the beginning of the period	800	600	1 400
<b>Carrying amount at the end of period</b>	<b>800</b>	<b>600</b>	<b>1 400</b>

**Department of Human Services**  
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**A8 Property, plant and equipment (continued)**

**A8.3 Capital works in progress**

	2018	2017
	\$'000	\$'000
Capital works in progress	39	-
<b>Total capital works in progress</b>	<b>39</b>	<b>-</b>

**A8.4 Intangible assets**

	2018	2017
	\$'000	\$'000
Computer software - at cost (deemed fair value)	40	40
Accumulated amortisation	(35)	(30)
<b>Total intangible assets</b>	<b>5</b>	<b>10</b>

The following table shows the movement in intangible assets:

	<b>Computer software</b>	<b>Total</b>
	\$'000	\$'000
<b>2018</b>		
Carrying amount at the beginning of period	10	10
Amortisation	(5)	(5)
<b>Carrying amount at the end of period</b>	<b>5</b>	<b>5</b>

	<b>Computer software</b>	<b>Total</b>
	\$'000	\$'000
<b>2017</b>		
Carrying amount at the beginning of period	15	15
Amortisation	(5)	(5)
<b>Carrying amount at the end of period</b>	<b>10</b>	<b>10</b>

**Department of Human Services**  
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**A9 Fair value measurement**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into three levels.

The department had no valuations categorised into level 1.

**Fair value measurement as at 30 June 2018**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land	11 250	-	11 250
Buildings	11 189	-	11 189
Plant and equipment	-	2 378	2 378
Investment property	1 400	-	1 400
<b>Total recurring fair value measurements</b>	<b>23 839</b>	<b>2 378</b>	<b>26 217</b>
<b>Total fair value measurements</b>	<b>23 839</b>	<b>2 378</b>	<b>26 217</b>

**Fair value measurement as at 30 June 2017**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land	11 250	-	11 250
Buildings	13 449	-	13 449
Plant and equipment	-	2 644	2 644
Investment property	1 400	-	1 400
<b>Total recurring fair value measurements</b>	<b>26 099</b>	<b>2 644</b>	<b>28 743</b>
<b>Total fair value measurements</b>	<b>26 099</b>	<b>2 644</b>	<b>28 743</b>

There have been no transfers of assets between level 2 and 3 fair value hierarchy levels in 2018. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Department of Human Services**  
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**Valuation techniques and inputs**

There were no changes in valuation techniques during 2017-18.

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

**Reconciliation of level 3 recurring fair value measurements at 30 June 2018**

	<u>Plant and equipment</u>
	\$'000
Opening balance at the beginning of the period	2 644
Gains/(losses) for the period recognised in net result:	
Depreciation	<u>( 266)</u>
<b>Total gain/(losses) recognised in net result</b>	<u>( 266)</u>
<b>Carrying amount at the end of the period</b>	<u><u>2 378</u></u>

**Reconciliation of level 3 recurring fair value measurements at 30 June 2017**

	<u>Plant and equipment</u>
	\$'000
Carrying amount at the beginning of the period	459
Transfers to/(from) capital works in progress	2 304
Gains/(losses) for the period recognised in net result:	
Depreciation	<u>(119)</u>
<b>Total gain/(losses) recognised in net result</b>	<u>( 119)</u>
<b>Carrying amount at the end of the period</b>	<u><u>2 644</u></u>

**A10 Unrecognised contractual commitments**

**Capital commitments**

	2018	2017
	\$'000	\$'000
Within one year	-	8
<b>Total capital commitments</b>	<u>-</u>	<u><u>8</u></u>

**Department of Human Services**  
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**A11 Cash flow reconciliation**

	2018	2017
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	70 642	68 577
Balance as per the Statement of Cash Flows	70 642	68 577
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	2 065	7 445
Less revenues from SA Government	(196 450)	(191 383)
<b>Add / (less) non-cash Items</b>		
Depreciation and amortisation	(2 531)	(2 395)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(159)	(684)
Increase/ (decrease) in other assets	39	-
(Increase)/decrease in payables	2 505	6 832
<b>Net cost of providing services</b>	<b>(194 531)</b>	<b>(180 185)</b>

**A12 Contingent assets and liabilities**

**Contingent assets**

The department is not aware of any contingent assets.

**Contingent liabilities**

The department is not aware of any contingent liabilities.

**Department of Human Services**  
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**A13 Budgetary reporting and explanations of major variances**

	Original budget <sup>(1)</sup>	Actual	Variance
	2018	2018	
	\$'000	\$'000	\$'000
<b>Statement of Comprehensive Income</b>			
<b>Administered expenses</b>			
Employee benefits	715	605	( 110)
Supplies and services	1 471	1 969	498
Depreciation and amortisation	2 312	2 531	219
Grants, subsidies and client payments	206 483	201 702	(4 781)
Client Trust payments	15 446	12 833	(2 613)
<b>Total administered expenses</b>	<b>226 427</b>	<b>219 640</b>	<b>(6 787)</b>
<b>Administered income</b>			
Grants and contributions	10 622	10 660	38
Recoveries, fees and charges	488	1 211	723
Interest revenues	431	341	( 90)
Client Trust receipts	15 110	12 512	(2 598)
Other income	383	385	2
<b>Total administered income</b>	<b>27 034</b>	<b>25 109</b>	<b>(1 925)</b>
<b>Net cost of providing services</b>	<b>(199 393)</b>	<b>(194 531)</b>	<b>4 862</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	197 004	196 450	( 554)
<b>Total net revenues from SA Government</b>	<b>197 004</b>	<b>196 450</b>	<b>( 554)</b>
<b>Net result</b>	<b>(2 389)</b>	<b>1 919</b>	<b>4 308</b>
	Original budget <sup>(1)</sup>	Actual	Variance
	2018	2018	
	\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>			
Total existing programs	-	39	39
<b>Total investing expenditure</b>	<b>-</b>	<b>39</b>	<b>39</b>

<sup>(1)</sup> These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

**Department of Human Services**  
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**A14 Client Trust accounts**

The department acts as trustee of client trust accounts, including clients of the former Intellectual Disability Services Council Incorporated (IDSC) and the former JFS. These amounts cannot be used by the department to achieve its own objectives, and accordingly are not included in the controlled financial statements. Client Trust receipts include interest revenue of \$0.25 million (2017: \$0.25 million).

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	13 923	13 741
Add receipts	12 761	13 644
Less expenses	<u>(12 833)</u>	<u>(13 462)</u>
<b>Closing balance at the end of the period</b>	<b><u>13 851</u></b>	<b><u>13 923</u></b>

**A15 Disability Services donations and bequests**

The department receives and administers donations and bequests held by Disability Services. Both donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	393	388
Add receipts	7	16
Less expenses	<u>(143)</u>	<u>(11)</u>
<b>Closing balance at the end of the period</b>	<b><u>257</u></b>	<b><u>393</u></b>

**A16 Health and Aged Care Services donations and bequests**

Donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	591	595
Add receipts	19	8
Less expenses	<u>(47)</u>	<u>(12)</u>
<b>Closing balance at the end of the period</b>	<b><u>563</u></b>	<b><u>591</u></b>

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**A17 Duke of Edinburgh Trust**

This account was established to support the delivery of the Duke of Edinburgh Award. The department no longer manages the delivery of the Award and transferred the remaining administration of funds to a non-government organisation to support disadvantaged South Australians to participate in the Duke of Edinburgh's Award program.

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	23	23
Less expenses	(23)	-
<b>Closing balance at the end of the period</b>	<b>-</b>	<b>23</b>

**A18 Consumer Advocacy & Research Fund**

The Consumer Advocacy & Research Fund (the Fund) was established under the *Water Industry Act 2012* part 10, section 87. The Fund commenced on 1 July 2012 and supports research or advocacy that promotes the interests of consumers with a disability, on a low income or located in a regional area of the state.

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	470	547
Add receipts	277	276
Less expenses	(322)	(353)
<b>Closing balance at the end of the period</b>	<b>425</b>	<b>470</b>

**A19 State Emergency Relief Fund**

The State Emergency Relief Fund (the Fund) is established as part of the *Emergency Management Act 2004*. The Fund's main purpose is to provide financial support for the relief of persons who suffer injury, loss or damage as a result of a declared emergency within South Australia. As at 30 June 2018, the fund held \$0.07 million (2017:\$ 0.07 million).

The South Australian Pinery Fire Appeal commenced in 2015-16 as a result of fires causing major damage in Owen, Hamley Bridge, Wasleys, Kapunda, Freeling, Tarlee and Greenock. Collections for the SA Pinery Fire Appeal officially closed on 30 June 2016.

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	65	307
Add receipts	2	15
Less expenses	-	(257)
<b>Closing balance at the end of the period</b>	<b>67</b>	<b>65</b>

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**A20 Supported Residential Facilities Indemnity Fund**

	2018	2017
	\$'000	\$'000
Opening balance at the beginning of the period	48	47
Receipts	1	1
<b>Closing balance at the end of the period</b>	<b>49</b>	<b>48</b>

This note has been prepared to meet the requirements of section 56 (11) of the *Supported Residential Facilities Act 1992* in reporting upon the operations of the Supported Residential Facilities Indemnity Fund (the Fund).

**A21 Home for Incurables Trust**

As part of wide ranging reforms relating to the delivery of disability services by the department, effective 1 July 2007, JFS was dissolved and all assets and liabilities vested in or held by JFS were transferred or assigned or vested with the Minister for Human Services. Certain assets held by the former JFS are subject to the terms and conditions of the Home for Incurables Trust. The original Trust was established in June 1879 and was varied by the Supreme Court on 7 November 1997.

The former Board of JFS was trustee of the Home for Incurables Trust and on dissolution, the Board of JFS resolved to resign as trustee of the Home for Incurables Trust. The Minister for Human Services is the trustee for the Home for Incurables Trust.

The role of the Trust is " ... *to apply property vested in it for the purpose of providing for persons whose ability to live independently is temporarily or permanently impaired or in jeopardy as a consequence of an acquired brain injury or degenerative neurological condition or a physical condition resulting in disability including but not limiting the foregoing in any way whatsoever, the following services and facilities;*

(a) *by providing for them, in a variety of residential, centre and community based settings*

- (i) *accommodation*
- (ii) *nursing, medical, allied health and attendant care service*
- (iii) *personal and community support services*
- (iv) *technical and personal support aids*
- (v) *rehabilitation, respite and recreational services*
- (vi) *out-patient and day care services*
- (vii) *measures and services to enhance their quality of life*

(b) *by providing facilities for education research with respect to such persons*

(c) *by providing any services and facilities ancillary or in relation to the foregoing or by providing additional services and facilities that may be appropriate from time to time."*

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**A21 Home for Incurables Trust (continued)**

The following income, expenses, assets and liabilities of the Home for Incurables Trust have been included in the administered items financial statements, but are separately disclosed in the following schedules in accordance with the governance requirements of the Trust.

<b>Schedule of Expenses and Income - Home for Incurables Trust</b> for the year ended 30 June 2018	<b>2018</b> <b>\$'000</b>	<b>2017</b> <b>\$'000</b>
<b>Expenses</b>		
Supplies and services	293	136
Depreciation and amortisation	2 526	2 390
Grants, subsidies and client payments	482	471
<b>Total expenses</b>	<b>3 301</b>	<b>2 997</b>
<b>Income</b>		
Rental income	354	322
Interest	59	77
<b>Total income</b>	<b>413</b>	<b>399</b>
<b>Net result</b>	<b>(2 888)</b>	<b>(2 598)</b>
<b>Total comprehensive result</b>	<b>(2 888)</b>	<b>(2 598)</b>

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**A21 Home for Incurables Trust (continued)**

Schedule of Financial Position - Home for Incurables Trust as at 30 June 2018	2018 \$'000	2017 \$'000
<b>Current assets</b>		
Special deposits with the Treasurer	1 160	437
Deposits with SAFA	2 035	2 987
Receivables	-	126
<b>Total current assets</b>	<b>3 195</b>	<b>3 550</b>
<b>Non-current assets</b>		
Property, plant and equipment	24 817	27 343
Investment property	1 400	1 400
Capital works in progress	39	-
<b>Total non-current assets</b>	<b>26 256</b>	<b>28 743</b>
<b>Total assets</b>	<b>29 451</b>	<b>32 293</b>
<b>Current liabilities</b>		
Payables	48	2
<b>Total current liabilities</b>	<b>48</b>	<b>2</b>
<b>Total liabilities</b>	<b>48</b>	<b>2</b>
<b>Net assets</b>	<b>29 403</b>	<b>32 291</b>

Schedule of Changes in Equity - Home for Incurables Trust for the year ended 30 June 2018	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016	27 483	7 406	34 889
Net result for 2016-17	-	(2 598)	(2 598)
<b>Total comprehensive result for 2016-17</b>	<b>-</b>	<b>(2 598)</b>	<b>(2 598)</b>
Balance at 30 June 2017	<b>27 483</b>	<b>4 808</b>	<b>32 291</b>
Net result for 2017-18	-	(2 888)	(2 888)
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>(2 888)</b>	<b>(2 888)</b>
Balance at 30 June 2018	<b>27 483</b>	<b>1 920</b>	<b>29 403</b>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A21 Home for Incurables Trust (continued)**

Schedule of Administered Cash Flows - Home for Incurables Trust for the year ended 30 June 2018	2018 Inflows (Outflows) \$'000	2017 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Supplies and services	( 285)	(234)
Grants, subsidies and client payments	( 482)	(471)
<b>Cash used in operations</b>	<u>( 767)</u>	<u>(705)</u>
<b>Cash inflows</b>		
Interest revenue	58	77
Rental revenue	480	196
<b>Cash generated from operations</b>	<u>538</u>	<u>273</u>
<b>Net cash provided by / (used in) operating activities</b>	<u>( 229)</u>	<u>(432)</u>
<b>Cash flows from investing activities</b>		
<b>Cash outflows</b>		
Payments for plant, equipment and investments	-	(805)
<b>Cash used in investing activities</b>	<u>-</u>	<u>(805)</u>
<b>Net cash provided by / (used in) investing activities</b>	<u>-</u>	<u>(805)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>( 229)</u>	<u>(1 237)</u>
Cash and cash equivalents at the beginning of the reporting period	3 424	4 661
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>3 195</u></u>	<u><u>3 424</u></u>

**Accounting policies**

*Cash and cash equivalents*

Cash and cash equivalents as reported in the Schedule of Assets and Liabilities - Home for Incurables Trust includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily convertible to cash and which are subject to insignificant risk of changes in value. Cash is measured at nominal value.

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**A21 Home for Incurables Trust (continued)**

**Reconciliation of property, plant and equipment - Home for Incurables Trust**

<b>Property, plant and equipment</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land and buildings</b>		
Site land at fair value	11 250	11 250
Buildings and improvements at fair value	15 731	15 732
Accumulated depreciation - buildings and improvements	<u>(4 542)</u>	<u>(2 283)</u>
<b>Total land and buildings</b>	<u><b>22 439</b></u>	<u><b>24 699</b></u>
<b>Property, plant and equipment</b>		
Other plant and equipment at cost (deemed fair value)	2 824	2 824
Accumulated depreciation - other plant and equipment at cost	<u>(446)</u>	<u>(180)</u>
<b>Total plant and equipment</b>	<u><b>2 378</b></u>	<u><b>2 644</b></u>
<b>Total property, plant and equipment</b>	<u><u><b>24 817</b></u></u>	<u><u><b>27 343</b></u></u>

**Reconciliation of land, buildings, plant and equipment - Home for Incurables Trust**

The following table shows the movement of land, buildings and improvements and plant and equipment for the Home for Incurables Trust during 2017-18:

	Site land	Buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	11 250	13 449	2 644	27 343
Depreciation and amortisation for the period	-	<u>(2 260)</u>	<u>(266)</u>	<u>(2 526)</u>
<b>Carrying amount at the end of the period</b>	<u><b>11 250</b></u>	<u><b>11 189</b></u>	<u><b>2 378</b></u>	<u><b>24 817</b></u>

The following table shows the movement of land, buildings and improvements and plant and equipment for the Home for Incurables Trust during 2016-17:

	Site land	Buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	11 250	15 720	459	27 429
Depreciation and amortisation for the period	-	<u>(2 271)</u>	<u>(119)</u>	<u>(2 390)</u>
Transfers to/(from) work in progress	-	-	2 304	2 304
<b>Carrying amount at the end of the period</b>	<u><b>11 250</b></u>	<u><b>13 449</b></u>	<u><b>2 644</b></u>	<u><b>27 343</b></u>

**Department of Human Services**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A21 Home for Incurables Trust (continued)**

**Reconciliation of capital work in progress - Home for Incurables Trust**

The following table shows the movement of capital work in progress for the Home for Incurables Trust during 2017-18:

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the year	-	1 499
Purchases	39	805
Transfers to completed works	-	(2 304)
<b>Total capital work in progress</b>	<b>39</b>	<b>-</b>

**Investment property - Home for Incurables Trust**

	2018	2017
	\$'000	\$'000
Investment building	600	600
<b>Fair value at the end of the period</b>	<b>600</b>	<b>600</b>

	2018	2017
	\$'000	\$'000
Investment land	800	800
<b>Fair value at the end of the period</b>	<b>800</b>	<b>800</b>
<b>Total investment property at the end of the period</b>	<b>1 400</b>	<b>1 400</b>