

# Department of the Premier and Cabinet

Financial report  
for the year ended  
30 June 2018



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## To the Chief Executive Department of the Premier and Cabinet

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of the Premier and Cabinet for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 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
- Disaggregated Disclosures – Assets and Liabilities as at 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
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Finance 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 the Premier and Cabinet. The *Public Finance*

*and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with 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 Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Andrew Richardson

**Auditor-General**

21 September 2018

**Department of the Premier and Cabinet**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2018*

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We certify that the attached general purpose financial statements for the Department of the Premier and Cabinet:

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Department of the Premier and Cabinet; and
- present a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2018 and the results of its operations and cash flows for the financial year.

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



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Jim McDowell  
Chief Executive  
14 September 2018



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Steven Woolhouse FCPA  
Chief Finance Officer  
14 September 2018

**Department of the Premier and Cabinet  
(DPC)**

**Financial Statements**

For the year ended 30 June 2018

**Department of the Premier and Cabinet**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits	3	184 492	147 649
Supplies and services	5	247 587	123 890
Grants and subsidies	6	88 539	42 190
Depreciation and amortisation	7	9 642	8 364
Other expenses	8	1 655	1 045
Net loss from the disposal of non-current assets	12	36	120
<b>Total expenses</b>		<b>531 951</b>	<b>323 258</b>
<b>Income</b>			
Fees and charges	9	141 274	188 975
Commonwealth revenues		1 273	211
Grants	10	4 961	1 035
Interest		-	2
Resources received free of charge	11	3 807	101
Recoveries from administered items		1 106	1 079
Other income	13	6 368	2 989
<b>Total income</b>		<b>158 789</b>	<b>194 392</b>
<b>Net cost of providing services</b>		<b>373 162</b>	<b>128 866</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	14	396 761	153 029
Payments to SA Government	14	-	(4 836)
<b>Total net revenues from SA Government</b>		<b>396 761</b>	<b>148 193</b>
<b>Net result</b>		<b>23 599</b>	<b>19 327</b>
<b>Total comprehensive result</b>		<b>23 599</b>	<b>19 327</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 the Premier and Cabinet**  
**Statement of Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	15	140 448	127 258
Receivables	16	20 278	32 667
Inventories		71	235
<b>Total current assets</b>		<b>160 797</b>	<b>160 160</b>
<b>Non-current assets</b>			
Receivables	16	1 580	470
Non-current assets classified as held for sale	17	372	372
Property, plant and equipment	19	70 638	67 609
Intangible assets	20	11 084	10 374
<b>Total non-current assets</b>		<b>83 674</b>	<b>78 825</b>
<b>Total assets</b>		<b>244 471</b>	<b>238 985</b>
<b>Current liabilities</b>			
Payables	22	31 197	55 486
Employee benefits	23	20 735	21 374
Provisions	24	909	630
Other liabilities	25	9 336	8 498
<b>Total current liabilities</b>		<b>62 177</b>	<b>85 988</b>
<b>Non-current liabilities</b>			
Payables	22	3 646	3 597
Employee benefits	23	39 424	38 951
Provisions	24	4 773	3 627
Other liabilities	25	180	540
<b>Total non-current liabilities</b>		<b>48 023</b>	<b>46 715</b>
<b>Total liabilities</b>		<b>110 200</b>	<b>132 703</b>
<b>Net assets</b>		<b>134 271</b>	<b>106 282</b>
<b>Equity</b>			
Contributed capital		5 295	916
Asset revaluation surplus		675	675
Retained earnings		128 301	104 691
<b>Total equity</b>		<b>134 271</b>	<b>106 282</b>

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

Unrecognised contractual commitments	26
Contingent assets and liabilities	27

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

**Department of the Premier and Cabinet**  
**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>916</b>	<b>675</b>	<b>52 039</b>	<b>53 630</b>
Net result for 2016-17	-	-	19 327	19 327
<b>Total comprehensive result for 2016-17</b>	<b>-</b>	<b>-</b>	<b>19 327</b>	<b>19 327</b>
Transactions with SA Government as owner:				
Net assets transferred in as a result of an administrative restructure	-	-	33 362	33 362
Prior period adjustments	-	-	(37)	(37)
<b>Balance at 30 June 2017</b>	<b>916</b>	<b>675</b>	<b>104 691</b>	<b>106 282</b>
Net result for 2017-18	-	-	23 599	23 599
<b>Total comprehensive result for 2017-18</b>	<b>-</b>	<b>-</b>	<b>23 599</b>	<b>23 599</b>
Transactions with SA Government as owner:				
Prior period adjustments	-	-	11	11
Equity contribution from the State Government	4 379	-	-	4 379
<b>Balance at 30 June 2018</b>	<b>5 295</b>	<b>675</b>	<b>128 301</b>	<b>134 271</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 the Premier and Cabinet**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

		2018	2017
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits		(183 037)	(142 561)
Supplies and services		(259 453)	(131 893)
Grants and subsidies		(114 423)	(13 150)
GST paid to the ATO		(13 907)	-
Other payments		( 542)	(11 088)
<b>Cash used in operations</b>		<b>(571 362)</b>	<b>(298 692)</b>
<b>Cash inflows</b>			
Fees and charges		180 423	199 870
Commonwealth revenues		1 288	196
Grants		4 961	1 035
Interest received		-	2
Recoveries from administered items		1 106	1 079
GST recovered from the ATO		-	4 250
Receipts for security deposits		3	5 608
Other receipts		5 547	4
<b>Cash generated from operations</b>		<b>193 328</b>	<b>212 044</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		396 761	153 029
Payments to SA Government		-	(4 836)
<b>Cash generated from SA Government</b>		<b>396 761</b>	<b>148 193</b>
<b>Net cash provided by / (used in) operating activities</b>	30	<b>18 727</b>	<b>61 545</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(6 596)	(4 890)
Purchase of intangible assets		(3 320)	(4 189)
<b>Cash used in investing activities</b>		<b>(9 916)</b>	<b>(9 079)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(9 916)</b>	<b>(9 079)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Cash transferred in as a result of restructuring activities		-	6 633
Capital contributions from SA Government		4 379	-
<b>Cash generated from financing activities</b>		<b>4 379</b>	<b>6 633</b>
<b>Cash outflows</b>			
Cash transferred as a result of restructuring activities		-	(227)
<b>Cash used in financing activities</b>		<b>-</b>	<b>(227)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>4 379</b>	<b>6 406</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13 190</b>	<b>58 872</b>
Cash and cash equivalents at the beginning of the reporting period		127 258	68 386
<b>Cash and cash equivalents at the end of the reporting period</b>	15	<b>140 448</b>	<b>127 258</b>

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

**Department of the Premier and Cabinet**  
**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 is a government department of the state of South Australia established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes encompass all the controlled activities of the department (refer to the Disaggregated Disclosures for details of the department's controlled activities).

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, expense, 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 attached to the general purpose financial statements.

Except as otherwise disclosed, administered items are recognised on the same basis and using the same accounting policies as for the departmental items.

**1.2 Statement of compliance**

These 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, and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

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

**1.3 Basis of preparation**

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

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

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

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

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.

Significant accounting policies are set out in the notes.

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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#### **1.4 Taxation**

The department is not subject to Income Tax. The department is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), Emergency Services Levy (ESL), land tax equivalents and local government rate equivalents.

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

- the amount of GST incurred by the department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- 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.

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 the Premier and Cabinet**

### **2.1 Objectives**

The Department of the Premier and Cabinet (DPC/the department) delivers specialist policy advice to the Premier and Ministers and supports the Cabinet process. It also has overarching responsibility for Commonwealth-State relations and drives the Premier's Council of Australian Governments (COAG) agenda. The department leads the implementation of South Australia's strategic priorities and policy commitments in the areas of economic and social development, international relationships and strengthening engagement between government and the community.

The department provides direction and leadership to the South Australian public sector and drives key government initiatives to benefit other government agencies and the community. These include the provision of shared corporate and business services across government, management of the government's information communication technology strategy and innovation, digital technology strategies and infrastructure, and delivery of government information, services and transactions through the Service SA network.

The department supports South Australia's economic transformation by driving the continuing high-growth and high-value sector of minerals and resources, and unlocking the full potential of the state's resources, energy and renewable assets.

### **2.2 Activities**

The department has identified twelve major classes of activities that it delivers to the community and the Premier. The identity and description of each major activity class for the department during the year ended 30 June 2018 are summarised below (refer to the department's Disaggregated Disclosures).

#### ***Premier and Cabinet Policy and Support***

Coordination and leadership of the strategic economic and policy priorities of the state. Support to the Premier and Cabinet in intergovernmental relations, international engagement and protocol functions, economic analysis and cross government policy.

Provision of whole of government leadership in marketing and communications and engagement with specific sectors and the community at large, and support of the government's digital transformation of services delivered to South Australian citizens.

# Department of the Premier and Cabinet

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

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### 2.2 Activities (continued)

#### ***Strategic Engagement and Communications***

Provision of whole of government leadership in marketing and communications, including the monitoring of advertising expenditure and leadership of whole of government marketing campaigns. Provision of support for high-quality engagement with specific sectors and the community at large, including through best practice community engagement advice and management of engagement tools. For 2017-18 this activity has been incorporated with the Premier and Cabinet Policy and Support activity, however, this activity has been included for the purpose of reporting comparative figures.

#### ***Agent-General***

The Agent-General's Office represents the Premier and Government of South Australia in the United Kingdom and Europe to advance the state's development objectives. The office aims to increase awareness of Adelaide and drive preference for all the state has to offer, principally as a destination for foreign investment, migrants, students, tourists and as a producer of premium food and wine.

#### ***State Coordinator-General***

Actively work to drive investment in South Australia by creating an environment that welcomes private sector development and stimulates job creation in South Australia by reducing delays across all levels of government.

#### ***Support Services and Community Programs***

Ministerial and support services and the management and monitoring of corporately administered grant programs. The program also delivers corporate services to the Department of Treasury and Finance (DTF).

#### ***Office for Digital Government***

Progressing the Government's digital transformation of services delivered to South Australian citizens, by developing best practice policy, strategy and resources, securing ICT resilience and leading projects that foster collaboration between the public and private sectors. For 2017-18 this activity has been incorporated with the Premier and Cabinet Policy and Support activity, however, this activity has been included for the purpose of reporting comparative figures.

#### ***Government Services***

Provision of a comprehensive range of services to various government agencies and the community. These include the provision of shared business services across government, management of the government's digital technology strategies and infrastructure, and delivery of government information, services and transactions through the Service SA network.

#### ***Public Sector Performance***

The Office for the Public Sector undertakes statutory responsibilities under the *Public Sector Act 2009* and South Australian public sector leadership development, sector-wide reform and renewal, workforce data analysis and strategy development, enterprise bargaining and industrial relations, workers compensation performance and injury management services.

#### ***Office of the Economic Development Board***

Supports the Economic Development Board by providing a secretariat function as well as oversight and management of its assigned budget, including procurement and contracting management functions. The Economic Development Board was formally dissolved on 30 June 2018.

#### ***Mineral Resources and Energy***

Provision of services to unlock the full potential of South Australia's resources, energy and renewable assets and maintain the state's reputation as a leading resource investment destination.

#### ***Water Industry Technical and Safety Regulation***

Supports the enforcement, compliance and promotion of technical and safety regulation of plumbing and equipment, and water industry entities.

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

**2.2 Activities (continued)**

**General / Not attributable**

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

The disaggregated disclosure schedules present expenses, income, assets and liabilities attributable to each of the activities for the years ended 30 June 2018 and 30 June 2017.

**Expenses and Income by activity**

	Premier and Cabinet Policy and Support		Strategic Engagement and Communications		Agent-General	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>						
Employee benefits	31 041	14 780	-	3 909	890	783
Supplies and services	122 186	7 564	-	7 589	1 260	1 073
Grants and subsidies	35 301	1 849	-	3 567	1	-
Depreciation and amortisation	411	59	-	80	62	64
Net loss from the disposal of non-current assets	-	-	-	-	-	27
Other expenses	604	113	-	121	60	(23)
<b>Total expenses</b>	<b>189 543</b>	<b>24 365</b>	<b>-</b>	<b>15 266</b>	<b>2 273</b>	<b>1 924</b>
<b>Income</b>						
Fees and charges	7 440	796	-	584	17	82
Commonwealth revenues	69	130	-	-	-	-
Grants	3 263	-	-	-	-	-
Interest	-	-	-	-	-	2
Resources received free of charge	-	-	-	-	-	-
Recoveries from administered items	1 106	-	-	1 079	-	-
Other income	214	4	-	112	158	229
<b>Total income</b>	<b>12 092</b>	<b>930</b>	<b>-</b>	<b>1 775</b>	<b>175</b>	<b>313</b>
<b>Net cost of providing services</b>	<b>177 451</b>	<b>23 435</b>	<b>-</b>	<b>13 491</b>	<b>2 098</b>	<b>1 611</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	-	-	-	-
Payments to 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>(177 451)</b>	<b>(23 435)</b>	<b>-</b>	<b>(13 491)</b>	<b>(2 098)</b>	<b>(1 611)</b>

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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**Expenses and Income by activity (continued)**

	State Coordinator- General		Support Services and Community Programs		Office for Digital Government	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>						
Employee benefits	722	712	14 903	26 842	-	3 921
Supplies and services	211	136	5 833	28 796	-	999
Grants and subsidies	1	-	16	7	-	77
Depreciation and amortisation	3	2	92	491	-	45
Net loss from the disposal of non-current assets	-	-	-	57	-	-
Other expenses	2	-	58	612	-	3
<b>Total expenses</b>	<b>939</b>	<b>850</b>	<b>20 902</b>	<b>56 805</b>	<b>-</b>	<b>5 045</b>
<b>Income</b>						
Fees and charges	14	13	412	5 258	-	188
Commonwealth revenues	-	-	-	-	-	-
Grants	-	-	10	-	-	45
Interest	-	-	-	-	-	-
Resources received free of charge	-	-	-	-	-	-
Recoveries from administered items	-	-	-	-	-	-
Other income	-	-	395	452	-	23
<b>Total income</b>	<b>14</b>	<b>13</b>	<b>817</b>	<b>5 710</b>	<b>-</b>	<b>256</b>
<b>Net cost of providing services</b>	<b>925</b>	<b>837</b>	<b>20 085</b>	<b>51 095</b>	<b>-</b>	<b>4 789</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	306 784	85 344	-	-
Payments to SA Government	-	-	-	(4 836)	-	-
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>306 784</b>	<b>80 508</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>(925)</b>	<b>(837)</b>	<b>286 699</b>	<b>29 413</b>	<b>-</b>	<b>(4 789)</b>

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

**Expenses and Income by activity (continued)**

	<b>Government Services</b>		<b>Public Sector Performance</b>		<b>Office of the Economic Development Board</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>						
Employee benefits	85 780	78 369	11 610	7 666	1 823	504
Supplies and services	86 128	68 201	5 477	3 517	910	246
Grants and subsidies	133	180	9	3	2 226	14
Depreciation and amortisation	7 067	6 993	120	180	-	-
Net loss from the disposal of non-current assets	30	36	-	-	-	-
Other expenses	638	144	55	8	-	-
<b>Total expenses</b>	<b>179 776</b>	<b>153 923</b>	<b>17 271</b>	<b>11 374</b>	<b>4 959</b>	<b>764</b>
<b>Income</b>						
Fees and charges	94 949	172 102	5 444	4 095	-	-
Commonwealth revenues	-	-	-	-	-	-
Grants	195	104	1 443	886	50	-
Interest	-	-	-	-	-	-
Resources received free of charge	2 930	101	-	-	-	-
Recoveries from administered items	-	-	-	-	-	-
Other income	148	43	276	229	253	-
<b>Total income</b>	<b>98 222</b>	<b>172 350</b>	<b>7 163</b>	<b>5 210</b>	<b>303</b>	<b>-</b>
<b>Net cost of providing services</b>	<b>81 554</b>	<b>(18 427)</b>	<b>10 108</b>	<b>6 164</b>	<b>4 656</b>	<b>764</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	-	-	-	-
Payments to 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>(81 554)</b>	<b>18 427</b>	<b>(10 108)</b>	<b>(6 164)</b>	<b>(4 656)</b>	<b>(764)</b>

Department of the Premier and Cabinet  
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Expenses and Income by activity (continued)

	Mineral Resources and Energy		Water Industry Technical and Safety Regulation		General / Not attributable	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>						
Employee benefits	28 449	7 721	9 274	2 442	-	-
Supplies and services	15 471	5 284	15 041	4 369	(4 930)	(3 884)
Grants and subsidies	33 900	32 264	16 952	4 229	-	-
Depreciation and amortisation	1 103	211	784	239	-	-
Net loss from the disposal of non-current assets	6	-	-	-	-	-
Other expenses	235	42	3	25	-	-
<b>Total expenses</b>	<b>79 164</b>	<b>45 522</b>	<b>42 054</b>	<b>11 304</b>	<b>(4 930)</b>	<b>(3 884)</b>
<b>Income</b>						
Fees and charges	22 245	6 133	14 683	3 608	(3 930)	(3 884)
Commonwealth revenues	1 087	-	117	81	-	-
Grants	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Resources received free of charge	1	-	876	-	-	-
Recoveries from administered items	-	-	-	-	-	-
Other income	3 938	1 292	1 986	605	(1 000)	-
<b>Total income</b>	<b>27 271</b>	<b>7 425</b>	<b>17 662</b>	<b>4 294</b>	<b>(4 930)</b>	<b>(3 884)</b>
<b>Net cost of providing services</b>	<b>51 893</b>	<b>38 097</b>	<b>24 392</b>	<b>7 010</b>	<b>-</b>	<b>-</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	89 977	67 685	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>89 977</b>	<b>67 685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>38 084</b>	<b>29 588</b>	<b>(24 392)</b>	<b>(7 010)</b>	<b>-</b>	<b>-</b>

**Department of the Premier and Cabinet**  
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**Expenses and Income by activity (continued)**

	<b>Total</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>		
Employee benefits	184 492	147 649
Supplies and services	247 587	123 890
Grants and subsidies	88 539	42 190
Depreciation and amortisation	9 642	8 364
Net loss from the disposal of non-current assets	36	120
Other expenses	1 655	1 045
<b>Total expenses</b>	<b>531 951</b>	<b>323 258</b>
<b>Income</b>		
Fees and charges	141 274	188 975
Commonwealth revenues	1 273	211
Grants	4 961	1 035
Interest	-	2
Resources received free of charge	3 807	101
Recoveries from administered items	1 106	1 079
Other income	6 368	2 989
<b>Total income</b>	<b>158 789</b>	<b>194 392</b>
<b>Net cost of providing services</b>	<b>373 162</b>	<b>128 866</b>
<b>Revenues from / (payments to) SA Government</b>		
Revenues from SA Government	396 761	153 029
Payments to SA Government	-	(4 836)
<b>Total net revenues from SA Government</b>	<b>396 761</b>	<b>148 193</b>
<b>Net result</b>	<b>23 599</b>	<b>19 327</b>

Department of the Premier and Cabinet  
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Assets and Liabilities by activity

	Support Services and Community Programs		Agent-General		Water Industry Technical and Safety Regulation	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	89 887	64 468	366	413	-	-
Receivables	16 563	28 976	41	4	1 294	1 791
Inventories	71	235	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	-	-
Property, plant and equipment	26 981	24 686	448	505	2 185	4 813
Intangible assets	8 453	7 722	-	-	285	960
<b>Total assets</b>	<b>141 955</b>	<b>126 087</b>	<b>855</b>	<b>922</b>	<b>3 764</b>	<b>7 564</b>
<b>Liabilities</b>						
Payables	28 708	25 724	116	86	-	38
Employee benefits	46 197	47 758	34	36	-	-
Provisions	1 746	1 440	-	-	-	-
Other liabilities	586	883	4	-	-	42
<b>Total liabilities</b>	<b>77 237</b>	<b>75 805</b>	<b>154</b>	<b>122</b>	<b>-</b>	<b>80</b>

	Mineral Resources and Energy		General / Not attributable		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	50 195	62 377	-	-	140 448	127 258
Receivables	5 412	2 889	(1 452)	(523)	21 858	33 137
Inventories	-	-	-	-	71	235
Non-current assets classified as held for sale	372	372	-	-	372	372
Property, plant and equipment	41 024	37 605	-	-	70 638	67 609
Intangible assets	2 346	1 692	-	-	11 084	10 374
<b>Total assets</b>	<b>99 349</b>	<b>104 935</b>	<b>(1 452)</b>	<b>(523)</b>	<b>244 471</b>	<b>238 985</b>
<b>Liabilities</b>						
Payables	7 471	33 766	(1 452)	(531)	34 843	59 083
Employee benefits	13 928	12 531	-	-	60 159	60 325
Provisions	3 936	2 817	-	-	5 682	4 257
Other liabilities	8 926	8 113	-	-	9 516	9 038
<b>Total liabilities</b>	<b>34 261</b>	<b>57 227</b>	<b>(1 452)</b>	<b>(531)</b>	<b>110 200</b>	<b>132 703</b>

All assets and liabilities for other activities that are not disclosed separately are included in Support Services and Community Programs.

**Department of the Premier and Cabinet**  
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**2.3 Administrative Restructures – transferred In/out**

2017-18 transferred in/out

There were no administrative restructures transferred in or out of the department during 2017-18.

2016-17 transferred in/out

The *Public Sector (Nuclear Fuel Cycle Royal Commission Consultation and Response Agency) Proclamation 2016* (dated 2 June 2016) declared an attached office of the department would be established for the Nuclear Fuel Cycle Royal Commission Consultation and Response Agency. This resulted in some employees transferring from the department to the new attached office effective 1 July 2016.

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2017* (dated 28 March 2017) declared that all employees employed in the business units known as the Mineral Resources Division, the Energy Resources Division, the Energy Markets and Programs Division, the Resources Infrastructure and Investment Task Force (with the exception of the Case Management Function), the Strategy and Governance Unit and the Office of the Economic Development Board within the Department of State Development would transfer to the department effective 1 April 2017.

Total income and expenses attributable to the Office of the Economic Development Board 2016-17 were:

	Department of State Development July 2016 to March 2017	Department of Premier and Cabinet April 2017 to June 2017	Total
	\$'000	\$'000	\$'000
<b>Income</b>			
Other income	480	-	480
<b>Total income</b>	<b>480</b>	<b>-</b>	<b>480</b>
<b>Expenses</b>			
Employee benefits	1 108	504	1 612
Supplies and services	422	246	668
Grants and subsidies	15	14	29
<b>Total expenses</b>	<b>1 545</b>	<b>764</b>	<b>2 309</b>
<b>Net result</b>	<b>(1 065)</b>	<b>(764)</b>	<b>(1 829)</b>

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
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**2.3 Administrative Restructures – transferred In/out (continued)**

Total income and expenses attributable to the Resources and Energy Group 2016-17 were:

	Department of State Development July 2016 to March 2017	Department of Premier and Cabinet April 2017 to June 2017	Total
	\$'000	\$'000	\$'000
<b>Income</b>			
Fees and charges	27 878	9 741	37 619
Commonwealth Revenues	28	81	109
Revenues from SA Government	-	67 685	67 685
Other income	2 565	1 897	4 462
<b>Total income</b>	<b>30 471</b>	<b>79 404</b>	<b>109 875</b>
<b>Expenses</b>			
Employee benefits	26 904	10 163	37 067
Supplies and services	19 721	9 653	29 374
Grants and subsidies	5 809	36 493	42 302
Depreciation and amortisation	1 700	450	2 150
Other expenses	906	67	973
Net loss from the disposal of non-current assets	24	-	24
<b>Total expenses</b>	<b>55 064</b>	<b>56 826</b>	<b>111 890</b>
<b>Net result</b>	<b>(24 593)</b>	<b>22 578</b>	<b>(2 015)</b>

**Department of the Premier and Cabinet**  
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**2.3 Administrative Restructures – transferred In/out (continued)**

Assets and liabilities relating to the Nuclear Fuel Cycle Royal Commission Consultation and Response Agency transferred to the attached office effective 1 July 2016.

Assets and liabilities relating to the Office of the Economic Development Board were transferred from the Department of State Development effective 1 April 2017.

Assets and liabilities relating to the Resources and Energy Group were transferred from the Department of State Development effective 1 April 2017.

	Nuclear Fuel Cycle	Office of the Economic Development Board	Resources and Energy Group	Total
	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and cash equivalents	(227)	68	6 565	6 406
Receivables	-	-	4 430	4 430
Assets held for sale	-	-	372	372
<b>Non-current assets</b>				
Intangibles	-	-	2 504	2 504
Property, plant and equipment	-	-	42 148	42 148
<b>Total assets</b>	<b>(227)</b>	<b>68</b>	<b>56 019</b>	<b>55 860</b>
<b>Current liabilities</b>				
Payables	(11)	9	1 292	1 290
Employee benefits	(81)	59	3 073	3 051
Provisions	-	-	163	163
Other	-	-	6 468	6 468
<b>Non-current liabilities</b>				
Payables	(11)	6	729	724
Employee benefits	(124)	70	7 893	7 839
Provisions	-	-	2 963	2 963
<b>Total liabilities</b>	<b>(227)</b>	<b>144</b>	<b>22 581</b>	<b>22 498</b>
<b>Net assets transferred in</b>	<b>-</b>	<b>(76)</b>	<b>33 438</b>	<b>33 362</b>

**Department of the Premier and Cabinet**  
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**3 Employee benefits**

**Employee benefits expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	138 080	109 447
Long service leave	3 243	3 828
Annual leave	12 362	10 647
Skills and experience retention leave	735	631
Employment on-costs - superannuation*	16 818	14 224
Employment on-costs - other	9 538	6 616
Targeted voluntary separation payments (refer below)	289	1 421
Board and committee fees	837	325
Other employee related expenses	2 590	510
<b>Total employee benefits</b>	<b>184 492</b>	<b>147 649</b>

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

**Targeted voluntary separation packages (TVSPs)**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid during the reporting period to separated staff:		
TVSPs	289	1 421
Annual leave, LSL and skills and experience retention leave, and long service leave paid during the reporting period	220	886
<b>Net cost to the department</b>	<b>509</b>	<b>2 307</b>

Number of employees who received a TVSP during the reporting period was:	4	18
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**Key management personnel**

Key management personnel of the department include the Premier, Ministers, the Chief Executive, the Executive team and the Commissioner for Public Sector Employment, who have responsibility for the strategic direction and management of the department.

Total compensation for key management personnel was \$2.975 million in 2017-18 and \$2.434 million in 2016-17.

The compensation disclosed in this note excludes salaries and other benefits the Premier and Ministers receive. The Premier's and 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 DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

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**3 Employee benefits (continued)**

**Key management personnel (continued)**

	2018	2017
	\$'000	\$'000
Salaries and other short term employee benefits	1 860	2 170
Post-employment benefits	178	210
Other long-term employment benefits	43	-
Termination benefits	894	54
<b>Total compensation</b>	<b>2 975</b>	<b>2 434</b>

**Remuneration of employees**

The number of employees, who received remuneration of \$149 000 or more during the year, falls within the following bands:

	2018	2017
	Number	Number
\$147 000 - \$149 000*	-	2
\$149 001 - \$159 000	12	5
\$159 001 - \$169 000	12	3
\$169 001 - \$179 000	8	4
\$179 001 - \$189 000^	9	3
\$189 001 - \$199 000	8	2
\$199 001 - \$209 000#	6	5
\$209 001 - \$219 000	5	3
\$219 001 - \$229 000	7	1
\$229 001 - \$239 000	2	4
\$239 001 - \$249 000#^	3	5
\$249 001 - \$259 000	1	1
\$259 001 - \$269 000	1	1
\$269 001 - \$279 000	1	2
\$279 001 - \$289 000^	1	1
\$289 001 - \$299 000	2	-
\$299 001 - \$309 000	1	-
\$339 001 - \$349 000	1	-
\$349 001 - \$359 000	1	1
\$359 001 - \$369 000	-	1
\$369 001 - \$379 000	1	2
\$389 001 - \$399 000#**	2	2
\$409 001 - \$419 000	1	-
\$419 001 - \$429 000^	1	-
\$519 001 - \$529 000^	1	-
\$529 001 - \$539 000#	-	1
\$559 001 - \$569 000^	1	-
\$849 001 - \$859 000^	1	-
\$929 001 - \$939 000^	1	-
<b>Total number of employees</b>	<b>90</b>	<b>49</b>

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2017.

^ The table above includes payment of long service leave, annual leave and termination benefits for employees who have left the department during 2017-18.

**Department of the Premier and Cabinet**  
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\*\* The table above includes the TVSP component paid where the employee meets the \$149 000 threshold on normal remuneration.

# The table above includes payment of long service leave, annual leave and termination benefits for employees who have left the department during 2016-17.

This table includes all employees who received normal remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration has changed from \$147 000 (2017) to \$149 000 (2018).

Normal remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, leave paid on termination, superannuation contributions, salary sacrifice and fringe benefits, and any FBT paid or payable in respect of those benefits. Contract termination payments are included where employee normal remuneration exceeds \$149 000.

The total remuneration received by employees for the year, listed in the table above, was \$20.9 million (2017: \$11.4 million).

#### **4 Remuneration of board and committee members**

The department administers a number of boards and committees where members receive or are entitled to receive remuneration for their membership.

Members during the year that were entitled to receive remuneration for membership during the 2018 financial year were:

##### **Remuneration Tribunal**

J Lewin (President) (re-appointed 2 October 2017)

P Alexander (re-appointed 2 October 2017)

P Martin (re-appointed 2 October 2017)

##### **Internal Audit and Risk Committee**

Y Sneddon (Chair) (term ceased 30 June 2018)

D Goodman \*

P Heithersay \* (term ceased 30 June 2018)

A Mackay \* (appointed 1 October 2017, term ceased 30 June 2018)

N Morris \* (resigned 30 September 2017)

J Schell \* (term ceased 30 June 2018)

##### **Economic Development Board**

R Spencer (Chair)

D Knox (Deputy Chair)

T Burgess

S Chase

D Garrard

J Glass \*

L Jacobs

R Kerin

D Lloyd

T Monro

L Read

N Roos

J Rungie

Dr D Russell \*

D Thomas (resigned 29 November 2017)

The Economic Development Board was abolished on 30 June 2018 and all terms of member expired as of that date.

**Department of the Premier and Cabinet**  
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**4 Remuneration of board and committee members (continued)**

**Resources Infrastructure Taskforce Steering Committee**

B Carter <sup>^</sup> (Chair)  
D Garrard  
G Guglielmo  
P Heithersay \*  
D Hogben \*  
D Thomas

The Resources Infrastructure Taskforce Steering Committee was retired on 31 December 2017 and all member terms expired as of that date.

**Roxby Down Advisory Reference Group**

There reference group had no members appointed as at 30 June 2018 and is currently under review.

**Minerals and Energy Advisory Council**

K Yates (Chair) (re-appointed 1 July 2017)  
P Carr (Deputy Chair) (re-appointed 1 July 2017)  
J Anderson <sup>^</sup> (re-appointed 1 July 2017)  
D Carter (re-appointed 1 July 2017)  
A Cole <sup>^</sup> (re-appointed 1 July 2017)  
D Cruickshanks-Boyd (re-appointed 1 July 2017)  
M Doman (appointed 1 July 2017)  
I Gould (re-appointed 1 July 2017)  
G Guglielmo (re-appointed 1 July 2017)  
P Holloway (re-appointed 1 July 2017)  
A Jaffray (appointed 1 July 2017)  
R Knol <sup>^</sup>  
A Marsland-Smith <sup>^</sup> (re-appointed 1 July 2017)  
S Masters (appointed 1 July 2017)  
A McCleary (re-appointed 1 July 2017)  
J McGill <sup>^</sup> (re-appointed 1 July 2017)  
G McKenzie (re-appointed 1 July 2017)  
M Reed <sup>^</sup> (re-appointed 1 July 2017)

**Department of the Premier and Cabinet**  
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**4 Remuneration of board and committee members (continued)**

**Technical Advisory Committee (Electrical and Gas)**

R Faunt \* (Chair)  
D Anthony<sup>^</sup> (appointed 29 November 2017)  
J Burdeniuk <sup>^</sup>  
A Clarke <sup>^</sup>  
J Corbett \*  
G Cox <sup>^</sup>  
S Fereday \*  
B Jackson <sup>^</sup>  
N Kerslake\*  
R Kluba <sup>^</sup>  
G Michael<sup>^</sup> (resigned 29 May 2018)  
R Mignone <sup>^</sup>  
L Moore <sup>^</sup>  
P Newman \*  
S O'Loughlin<sup>^</sup> (resigned 29 November 2017)  
S Pisoni <sup>^</sup>  
M Sanchez<sup>^</sup> (resigned 24 November 2017)  
P Scudds <sup>^</sup>  
T Sika \*  
G Sorensen <sup>^</sup>  
R Struve \*  
A Szacinski \*  
T Tran <sup>^</sup>  
T Tucker \*  
T Volkmann \*

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

<sup>^</sup>Indicates a member entitled to remuneration but has elected not to receive payment.

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

	<b>2018</b>	<b>2017</b>
\$0 - \$9 999	55	53
\$10 000 - \$19 999	1	10
\$20 000 - \$29 999	2	5
\$30 000 - \$39 999	-	2
\$40 000 - \$49 999	11	-
\$50 000 - \$59 999	2	-
\$90 000 - \$99 999	1	-
\$100 000 - \$109 999	1	-
<b>Total number of board members</b>	<b>73</b>	<b>70</b>

**Department of the Premier and Cabinet**  
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**4 Remuneration of board and committee members (continued)**

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$910 000 (2017: \$354 000).

For the year ending 30 June 2018, the department's disclosure regarding boards and committee's remuneration only applies to those boards and committees who were paid by the department. Boards and committees that did not receive remuneration from the department have been excluded from the note disclosure and comparatives adjusted where applicable.

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

**5 Supplies and services**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term emergency electricity supply	82 237	-
IT and computing charges	28 868	27 153
Accommodation	21 891	18 386
Temporary staff	14 478	12 451
General administration and consumables	16 787	11 088
Contractors	16 041	7 481
Promotion and marketing	11 710	7 224
Intra government transfers	14 837	7 527
Telecommunication	5 009	5 765
Consultants	5 361	5 338
Managed network services	4 498	4 931
Outsourced contracts	2 307	2 002
Staff development and recruitment	2 925	2 468
Service fees	2 267	-
Repairs, maintenance and minor equipment purchases	2 176	2 101
Energy supply fuel and lubricants	6 094	1 917
Microsoft licence and support	1 590	1 462
Sponsorships and external contributions	578	749
RAES Aboriginal Communities infrastructure	1 280	300
Projects	117	191
Cost of goods sold	130	8
Other supplies and services	6 406	5 348
<b>Total supplies and services</b>	<b>247 587</b>	<b>123 890</b>

**Department of the Premier and Cabinet**  
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**5 Supplies and services (continued)**

**Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

Operating leases

The department has entered into a number of operating lease agreements for buildings, motor vehicles and office equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the 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. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease incentives

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.

**Consultants**

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

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Number</b>	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>
Below \$10 000	36	161	26	103
\$10 000 or above	62	5 200	56	5 235
<b>Total consultants</b>	<b>98</b>	<b>5 361</b>	<b>82</b>	<b>5 338</b>

**Department of the Premier and Cabinet**  
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**6 Grants and Subsidies**

	2018	2017
	\$'000	\$'000
Grants and subsidies	88 539	42 190
<b>Total grants and subsidies</b>	<b>88 539</b>	<b>42 190</b>

**Grants and subsidies consists of the following**

PACE Gas	23 990	23 775
Fund My Neighbourhood	18 574	-
Energy productivity program	9 651	2 192
Renewable Technology Fund	6 765	-
Premier's discretionary grants	4 575	201
Remote Area Energy Supplies Scheme	3 444	1 200
Oz Minerals	3 000	3 000
PACE Copper	2 613	2 772
Australian Energy Market Commission	2 136	511
South Australian Health and Medical Research Institute	2 000	1 000
Ageing Well Initiative	1 984	-
Mining and Petroleum Services Centre of Excellence	1 231	1 036
Promotion of the State	1 151	1 370
PACE 2020	741	300
Special appeals and minor grants	507	816
Other resources and energy grants	3 647	1 721
Other grants and subsidies	2 530	2 296
<b>Total grants and subsidies</b>	<b>88 539</b>	<b>42 190</b>

**7 Depreciation and amortisation**

	2018	2017
	\$'000	\$'000
<b>Depreciation</b>		
Plant and equipment	5 419	4 807
Buildings and improvements	2 011	1 491
<b>Total depreciation</b>	<b>7 430</b>	<b>6 298</b>
<b>Amortisation</b>		
Intangibles assets	2 212	2 066
<b>Total amortisation</b>	<b>2 212</b>	<b>2 066</b>
<b>Total depreciation and amortisation</b>	<b>9 642</b>	<b>8 364</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.

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

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**7 Depreciation and amortisation (continued)**

**Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and Improvements	5-100
Transportable accommodation	10-20
Furniture and fittings	5-10
Plant and equipment	3-20
Office equipment	3-30
IT equipment	3-10
PABX equipment	3-7
Transmission equipment	5-40
StateNet core	5
Motor vehicles	4
Core libraries	20-60
Intangibles – Computer software	1-15

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

**Revision of accounting estimates**

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

**8 Other expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Derecognition of assets	293	69
Doubtful debts (note 16)	55	47
Other	1 307	929
<b>Total other expenses</b>	<b>1 655</b>	<b>1 045</b>

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the PFAA were \$948 000 (2017: \$595 000). No other services were provided by AGD.

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**9 Fees and charges**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Shared Services SA	4 892	89 337
Service SA	35 146	34 350
Fees for services	27 834	28 921
Service provision	18 479	17 200
Mining and petroleum application fees rentals and licences	22 247	6 133
Industry license fees	10 127	2 428
Sale of goods	1 537	1 594
Sale of electricity - remote areas	4 443	1 120
Regulatory fees	5	7
Other	16 564	7 885
<b>Total fees and charges</b>	<b>141 274</b>	<b>188 975</b>

Income from fees and charges is derived from goods and services provided to other SA Government agencies and to the public. Fees and charges also include mining and petroleum application fees. The revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion. Shared Services SA income for services provided to general government agencies was received via appropriation for 2017-18.

Industry license fees include license fees on electricity and gas and industry bodies in South Australia. Fees are determined by the Minister for Energy and Mining and are levied by the Essential Services Commission of South Australia.

**10 Grants**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent grant	4 961	1 035
<b>Total grant income</b>	<b>4 961</b>	<b>1 035</b>

Grants are recognised as income when the department obtains control of the income or when the agreement or contract has been approved and executed or income received. Grants received by the department with unconditional stipulations attached have been recognised as an asset and income upon receipt.

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**11 Resources received free of charge**

	2018	2017
	\$'000	\$'000
Donated assets	3 807	101
<b>Total resources received free of charge</b>	<b>3 807</b>	<b>101</b>

Resources received free of charge relate to donated assets, predominantly \$2.930 million from the Department of Planning, Transport and Infrastructure for the fitout of Level 3 of the new building in Port Adelaide.

**12 Net gain / (loss) from the disposal of non-current assets**

	2018	2017
	\$'000	\$'000
<b>Buildings and improvements</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(14)	(57)
<b>Net gain / (loss) from disposal of buildings and improvements</b>	<b>(14)</b>	<b>(57)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(22)	(1)
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>(22)</b>	<b>(1)</b>
<b>ICT infrastructure</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(31)
<b>Net gain / (loss) from disposal of ICT infrastructure</b>	<b>-</b>	<b>(31)</b>
<b>Intangible assets</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(4)
<b>Net gain / (loss) from disposal of intangible assets</b>	<b>-</b>	<b>(4)</b>
<b>Works of art</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(27)
<b>Net gain / (loss) from disposal of works of art</b>	<b>-</b>	<b>(27)</b>
<b>Total assets</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(36)	(120)
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>(36)</b>	<b>(120)</b>

Gains/losses on disposal of non-current assets are recognised at the date 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.

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**13 Other Income**

	2018	2017
	\$'000	\$'000
Fuel tax credits	1 967	612
Transfers from Extractive Areas Rehabilitation Fund	896	446
Pre-tax employee contributions	394	440
Refunds	92	110
Sponsorship	111	18
Other recoveries	2 180	805
Other	728	558
<b>Total other income</b>	<b>6 368</b>	<b>2 989</b>

**14 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>	262 349	146 039
Transfers from contingency provisions	134 412	6 990
<b>Total revenues from SA Government</b>	<b>396 761</b>	<b>153 029</b>
<b>Payments to SA Government</b>		
Return of surplus cash pursuant to cash alignment policy	-	(4 836)
<b>Total payments to SA Government</b>	<b>-</b>	<b>(4 836)</b>
<b>Net revenues from SA Government</b>	<b>396 761</b>	<b>148 193</b>

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

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

There was no material variations between the amounts appropriated and the expenditure associated with this appropriation.

The original amount appropriated to the department under the annual *Appropriation Act* was not varied however an additional advance of \$6.582 million was received from the Treasurer via the Governor's Appropriation Fund.

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**15 Cash and cash equivalents**

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	136 987	123 721
Other short-term deposits	3 461	3 537
<b>Total cash and cash equivalents</b>	<b>140 448</b>	<b>127 258</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

The department has two deposit accounts with the Treasurer, a general operating account and an Accrual Appropriation Excess Funds Account, \$7.384 million (2017: \$8.753 million). Although the department controls the money in the Accrual Appropriation Account its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

**16 Receivables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Receivables	15 121	28 723
Less allowance for doubtful debts	(104)	(137)
Prepayments	2 982	2 747
GST receivable	1 488	906
Accrued income	791	428
<b>Total current receivables</b>	<b>20 278</b>	<b>32 667</b>
<b>Non-current</b>		
Loans	400	400
Prepayments	1 017	49
Receivables	163	21
<b>Total non-current receivables</b>	<b>1 580</b>	<b>470</b>
<b>Total receivables</b>	<b>21 858</b>	<b>33 137</b>

**Interest rate and credit risk**

Receivables arise in the normal course of selling goods and services to other government agencies and to the public.

Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued income are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the department will not be able to collect the debt. 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. In addition, there is no concentration of credit risk.

Refer to note 31 for further information on risk management.

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**16 Receivables (continued)**

**Allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts are as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	137	-
Increase/(decrease) in the allowance	45	145
Amounts written off	(78)	(8)
<b>Carrying amount at the end of the period</b>	<b>104</b>	<b>137</b>

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

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Land and buildings	372	372
<b>Total non-current assets classified as held for sale</b>	<b>372</b>	<b>372</b>

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 regarded as 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.

**18 Non-current assets**

**Revaluation**

All non-current tangible assets are valued at fair value and revaluation of non-current assets or groups of assets is performed when their fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every five years, the department revalues its land, buildings, leasehold improvements, artwork and plant and equipment via an independent Certified Practising Valuer. If at any time management considers that the carrying amount of the asset materially differs from the fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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

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

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**19 Property, plant and equipment**

	2018	2017
	\$'000	\$'000
<b>Land, buildings and improvements</b>		
Land at fair value	6 195	6 078
Buildings & improvements at fair value	57 688	51 756
Accumulated depreciation	<u>(19 954)</u>	<u>(17 574)</u>
<b>Total land, buildings and improvements</b>	<u><b>43 929</b></u>	<u><b>40 260</b></u>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	68 297	67 622
Accumulated depreciation	<u>(45 788)</u>	<u>(43 568)</u>
<b>Total plant and equipment</b>	<u><b>22 509</b></u>	<u><b>24 054</b></u>
<b>Work in progress</b>		
Work in progress at cost	<u>4 129</u>	<u>3 211</u>
<b>Total work in progress</b>	<u><b>4 129</b></u>	<u><b>3 211</b></u>
<b>Works of art</b>		
Works of art at fair value	<u>71</u>	<u>84</u>
<b>Total works of art</b>	<u><b>71</b></u>	<u><b>84</b></u>
<b>Total property, plant and equipment</b>	<u><u><b>70 638</b></u></u>	<u><u><b>67 609</b></u></u>

**Acquisition and recognition**

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

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position.

However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value, that is, the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

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**19 Property, plant and equipment (continued)**

**Valuation of land and buildings**

An independent valuation of the land and buildings was conducted as at 30 June 2014 by Valcorp Australia Pty Ltd. The valuation of land and buildings at 30 June 2014 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Fair value of unrestricted land was determined using a market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustments for factors specific to the land such as size and location. Fair value of land classified as restricted in use was determined using an adjusted market price of surrounding unrestricted land.

The valuer used depreciated replacement cost for buildings, due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

**Valuation of works of art**

The valuation of works of art was performed by Theodore Bruce, an independent Certified Practising Valuer, as at 1 June 2018. The valuer arrived at fair value based on recent market transactions for similar items. The valuer specialises in the valuation of heritage assets – as there is no active market for these, the valuer used the cost approach (i.e. depreciated reproduction cost) taking into account the assets' characteristics and restrictions. The valuation was based on a combination of internal records, specialised knowledge and market information about reproduction materials.

**Carrying amount of other non current assets**

All other non-current assets controlled by the department have been deemed to be held at fair value.

**Impairment**

There were no indications of impairment of property, plant and equipment assets at 30 June 2018.

**Reconciliation of property, plant and equipment for 2017-18**

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	Total
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	40 260	24 054	3 211	84	67 609
Acquisitions	205	1 312	5 079	-	6 596
Transfers to (from) WIP	1 683	2 825	(4 508)	-	-
Disposals	(14)	(22)	-	-	(36)
Revaluation increment/(decrement)	-	-	-	(14)	(14)
Depreciation and amortisation	(2 011)	(5 419)	-	-	(7 430)
Donated assets	3 806	-	-	1	3 807
Other changes	-	(241)	347	-	106
<b>Carrying amount at end of the period</b>	<b>43 929</b>	<b>22 509</b>	<b>4 129</b>	<b>71</b>	<b>70 638</b>

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**19 Property, plant and equipment (continued)**

Reconciliation of property, plant and equipment for 2016-17

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	Total
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	6 661	17 759	2 432	27	26 879
Acquisitions	-	395	4 495	-	4 890
Transfers to (from) WIP	1 719	2 758	(4 477)	-	-
Disposals	(57)	(32)	-	(27)	(116)
Depreciation and amortisation	(1 491)	(4 807)	-	-	(6 298)
Transfers in/(out) as a result of administrative restructure	33 428	7 880	756	84	42 148
Other changes	-	101	5	-	106
<b>Carrying amount at end of the period</b>	<b>40 260</b>	<b>24 054</b>	<b>3 211</b>	<b>84</b>	<b>67 609</b>

**20 Intangible assets**

	2018 \$'000	2017 \$'000
<b>Computer software</b>		
Computer software	11 230	10 861
Accumulated amortisation	(10 204)	(8 781)
<b>Total computer software</b>	<b>1 026</b>	<b>2 080</b>
<b>Other</b>		
Other intangibles	7 147	7 146
Accumulated amortisation	(3 900)	(3 323)
<b>Total other</b>	<b>3 247</b>	<b>3 823</b>
<b>Work in progress</b>		
Work in progress at cost	6 811	4 471
<b>Total work in progress</b>	<b>6 811</b>	<b>4 471</b>
<b>Total intangibles</b>	<b>11 084</b>	<b>10 374</b>

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 in the financial records, intangible assets are carried at cost less any accumulated amortisation and any accumulated 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.

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**20 Intangible assets (continued)**

The acquisition of or internal development of software is capitalised when the expenditure meets the asset definition criteria (identifiability, control, and the existence of future economic benefits) and the asset recognition criteria (probability of future economic benefit and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangibles* are expensed. Subsequent expenditure on intangible assets has not been capitalised.

**Impairment**

There were no indications of impairment of intangible assets at 30 June 2018.

**Reconciliation of intangible assets for 2018**

	<b>Computer software</b>	<b>Other intangibles</b>	<b>Work in progress</b>	<b>Total</b>
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	2 080	3 823	4 471	10 374
Acquisitions	117	-	3 203	3 320
Transfers to (from) WIP	465	-	(465)	-
Depreciation and amortisation	(1 636)	(576)	-	(2 212)
Other changes	-	-	(398)	(398)
<b>Carrying amount at the end of the period</b>	<b>1 026</b>	<b>3 247</b>	<b>6 811</b>	<b>11 084</b>

**Reconciliation of intangible assets for 2017**

	<b>Computer software</b>	<b>Other intangibles</b>	<b>Work in progress</b>	<b>Total</b>
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	459	4 502	884	5 845
Acquisitions	1 270	-	2 919	4 189
Transfers to (from) WIP	1 666	28	(1 694)	-
Disposals	-	(4)	-	(4)
Depreciation and amortisation	(1 328)	(738)	-	(2 066)
Transfers in/(out) as a result of administrative restructure	13	35	2 456	2 504
Other changes	-	-	(94)	(94)
<b>Carrying amount at the end of the period</b>	<b>2 080</b>	<b>3 823</b>	<b>4 471</b>	<b>10 374</b>

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**21 Fair value measurement**

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 making the measurements, based on the data and assumptions used in the most recent revaluation.

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

In determining fair value, the department has taken into account the characteristics 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 and financial feasibility).

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 had an estimated useful life that was less than three years is deemed to approximate fair value.

Refer to notes 18 and 19 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement 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 the following levels as at 30 June 2018.

**Fair value measurements at 30 June 2018**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land (note 19)	6 195	-	6 195
Buildings (note 19)	165	29 189	29 354
Leasehold improvements (note 19)	-	8 380	8 380
Plant and equipment (note 19)	-	22 509	22 509
Works of art (note 19)	-	71	71
<b>Total recurring fair value measurements</b>	<b>6 360</b>	<b>60 149</b>	<b>66 509</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale (note 17)	156	-	156
Buildings held for sale (note 17)	216	-	216
<b>Total non-recurring fair value measurements</b>	<b>372</b>	<b>-</b>	<b>372</b>
<b>Total fair value measurements</b>	<b>6 732</b>	<b>60 149</b>	<b>66 881</b>

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**21 Fair value measurement (continued)**

**Fair value measurements at 30 June 2017**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Land (note 19)	6 078	-	6 078
Buildings (note 19)	178	28 500	28 678
Leasehold improvements (note 19)	-	5 504	5 504
Plant and equipment (note 19)	-	24 054	24 054
Works of art (note 19)	-	84	84
<b>Total recurring fair value measurements</b>	<b>6 256</b>	<b>58 142</b>	<b>64 398</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale (note 17)	156	-	156
Buildings held for sale (note 17)	216	-	216
<b>Total non-recurring fair value measurements</b>	<b>372</b>	<b>-</b>	<b>372</b>
<b>Total fair value measurements</b>	<b>6 628</b>	<b>58 142</b>	<b>64 770</b>

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at end of the reporting period. Valuation techniques used to derive levels 2 and 3 fair values are at note 19.

During 2018 and 2017 the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and level 2 fair value hierarchy levels during the financial year, and there were no changes in valuation techniques during the financial year.

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

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

	Buildings	Leasehold	Plant and	Works of art	Total
	\$'000	improvements	equipment	\$'000	\$'000
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the beginning of the period	28 500	5 504	24 054	84	58 142
Additions	107	-	1 312	-	1 419
Capitalised subsequent expenditure	359	1 324	2 825	-	4 508
Disposals & adjustments	(14)	-	(263)	-	(277)
Resources received free of charge	858	2 930	-	1	3 789
Gains/(losses) for the period recognised in net result:					
Depreciation	(621)	(1 378)	(5 419)	-	(7 418)
Revaluation increment/(decrement)	-	-	-	(14)	(14)
Total gains/(losses) recognised in net result	(621)	(1 378)	(5 419)	(14)	(7 432)
<b>Carrying amount at the end of the period</b>	<b>29 189</b>	<b>8 380</b>	<b>22 509</b>	<b>71</b>	<b>60 149</b>

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**21 Fair value measurement (continued)**

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

	Buildings	Leasehold improvements	Plant and equipment	Works of art	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 234	4 427	17 759	-	24 420
Additions	-	-	395	-	395
Capitalised subsequent expenditure	-	1 719	2 758	-	4 477
Disposals & adjustments	-	(57)	(32)	-	(89)
Resources received free of charge	-	-	101	-	101
Acquisitions through administrative restructures	26 577	591	7 880	84	35 132
Gains/(losses) for the period recognised in net result:					
Depreciation	(311)	(1 176)	(4 807)	-	(6 294)
Total gains/(losses) recognised in net result	(311)	(1 176)	(4 807)	-	(6 294)
<b>Carrying amount at the end of the period</b>	<b>28 500</b>	<b>5 504</b>	<b>24 054</b>	<b>84</b>	<b>58 142</b>

**22 Payables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Creditors	24 939	48 843
Accrued expenses	3 265	3 545
Employment on-costs <sup>^</sup>	2 974	3 075
Paid parental leave scheme	19	23
<b>Total current payables</b>	<b>31 197</b>	<b>55 486</b>
<b>Non-current</b>		
Employment on-costs	3 646	3 597
<b>Total non-current payables</b>	<b>3 646</b>	<b>3 597</b>
<b>Total payables</b>	<b>34 843</b>	<b>59 083</b>

<sup>^</sup> Employment on-costs include payroll tax and superannuation contributions with respect to outstanding liabilities for salaries and wages, long service leave, skills and experience retention leave and annual leave. The department makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Creditors represent the amounts owing for goods and services received before the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the department.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been processed.

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**22 Payables (continued)**

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has increased from the 2017 rate of 40% to 41% and the average factor for the calculation of employer superannuation on-cost has changed from the 2017 rate of 10.1% to 9.9% as at 30 June 2018.

These rates are used in the employment on-cost calculation. The net financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

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

**Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value to the amounts being payable on demand.

Refer to note 31 for further information on risk management.

**23 Employee benefits - liability**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	13 399	13 216
Long service leave	3 617	4 432
Accrued salaries and wages	2 689	2 684
Skills and experience retention leave	1 030	1 042
<b>Total current employee benefits</b>	<b>20 735</b>	<b>21 374</b>
<b>Non-current</b>		
Long service leave	39 424	38 951
<b>Total non-current employee benefits</b>	<b>39 424</b>	<b>38 951</b>
<b>Total employee benefits</b>	<b>60 159</b>	<b>60 325</b>

These 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.

**Salaries 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 are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

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

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**23 Employee benefits - liability (continued)**

**Long service leave**

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

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 across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

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 actuarial assessment performed by DTF has provided a basis for the measurement of long service leave.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has remained the same in 2018 at 2.50%.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$707 000 and employee benefits expense of \$773 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The salary inflation rate remained unchanged at 4.0% for long service leave and 3.0% for annual leave and skills and experience retention leave. As a result there is no net financial effect resulting from the changes in salary inflation rate.

**24 Provisions**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	908	630
Provision for additional compensation	1	-
<b>Total current provisions</b>	<b>909</b>	<b>630</b>
<b>Non-current</b>		
Provision for workers' compensation	4 706	3 627
Provision for additional compensation	67	-
<b>Total non-current provisions</b>	<b>4 773</b>	<b>3 627</b>
<b>Total provisions</b>	<b>5 682</b>	<b>4 257</b>

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**24 Provisions (continued)**

	2018	2017
	\$'000	\$'000
<b>Provision for workers compensation movement</b>		
Carrying amount at the beginning of the period	4 257	2 783
Workers compensation payments	1 451	249
Other	-	(302)
Increase/(decrease) in provision recognised	(94)	1 527
<b>Carrying amount at the end of the period</b>	<b>5 614</b>	<b>4 257</b>
<b>Provision for additional compensation:</b>		
Carrying amount at the beginning of the period	-	-
Increase/(decrease) in provision recognised	68	-
<b>Carrying amount at the end of the period</b>	<b>68</b>	<b>-</b>

**Provision for 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). 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.

**Provision for additional compensation for certain work-related injuries or illnesses (Provision for additional compensation)**

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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**25 Other liabilities**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Security deposits - current	5 611	5 608
Unearned income	3 365	2 530
Lease incentive	360	360
<b>Total current other liabilities</b>	<b>9 336</b>	<b>8 498</b>
<b>Non-current</b>		
Lease incentive	180	540
<b>Total non-current other liabilities</b>	<b>180</b>	<b>540</b>
<b>Total other liabilities</b>	<b>9 516</b>	<b>9 038</b>

Security deposits are received to ensure mine operators rehabilitate sites and comply with all statutory requirements on cessation of mining operations. Cash deposits are classified as security deposits. The value of securities held in the form of bank guarantees are reflected as a contingent asset as the department only has a claim on these funds if the mining operator fails to meet its legislative requirements.

Unearned revenue mainly includes payments of rent and annual regulatory fees received for the first year of a mining tenement (exploration licence, mining lease, miscellaneous purposes licence, retention lease are all mining tenements in accordance with the Mining Act 1971). This revenue is held as unearned revenue until the Minister officially approves the grant of the mining tenement.

Annual rent and regulatory fees are also held as unearned revenue at the renewal of a mining tenement. Once a renewal decision has been made and a memorial has been instrumented in the Mining Register the revenue is then recognised as revenue. Annual rent for mining leases, retention leases and miscellaneous purposes licences which are granted or renewed over freehold land is refunded at this point to the relevant freehold landowners.

**26 Unrecognised contractual commitments**

Commitments include those operating, capital and outsourcing commitments 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 payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

**Operating lease commitments**

*The department as a lessee*

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

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**26 Unrecognised contractual commitments (continued)**

**Operating lease commitments**

	2018	2017
	\$'000	\$'000
Within one year	11 910	14 297
Later than one year but not longer than five years	15 704	19 289
Later than five years	6 969	1 661
<b>Total operating lease commitments</b>	<b>34 583</b>	<b>35 247</b>

Representing:

Non-cancellable operating leases	34 583	35 247
<b>Total operating lease commitments</b>	<b>34 583</b>	<b>35 247</b>

At the reporting date, the department's operating leases are for the lease of office accommodation and motor vehicles.

- Office accommodation is leased from the Building Management Accommodation and Building Services, a business unit of the Department of Planning, Transport and Infrastructure (DPTI). The leases are non-cancellable with terms ranging from 1 to 15 years, with some leases having right of renewal. The rental amount is based on floor space and the time period of the lease, with the rental rate reviewed taking into account movements in market rental values or CPI. Rental is payable in advance.
- Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

For the current financial year, the total amount of rental expense for minimum lease payments for operating leases was \$16.9 million (2017: \$14.6 million).

**Capital commitments**

	2018	2017
	\$'000	\$'000
Within one year	228 369	3 591
Later than one year but not longer than five years	-	558
<b>Total capital commitments</b>	<b>228 369</b>	<b>4 149</b>

The department's capital commitments predominantly relate to the purchase of nine turbine generators (\$226.8 million). This commitment will transfer to the Department of Energy and Mining effective 1 July 2018.

**Other commitments**

	2018	2017
	\$'000	\$'000
Within one year	87 006	18 458
Later than one year but not longer than five years	54 955	31 753
Later than five years	252	-
<b>Total other commitments</b>	<b>142 213</b>	<b>50 211</b>

The department's other commitments mainly relate to service agreements for the Energy Plan Implementation Taskforce, Resources and Energy, RAES independent operator subsidies, the provision of the whole of government Workers' Compensation & Incident Management Database and the audit and verification of the Safety and Injury Management System.

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## **27 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 payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

### **Contingent assets**

#### *South Australian Government Salary Sacrifice Agreement (Office of the Public Sector)*

In 2012, the Government entered into a salary sacrificing agreement with Maxxia Pty Ltd. The agreement allows the Minister or his delegate to withdraw up to a total of \$10 million when an unconditional financial undertaking is present to fund any interim measures to avoid disruption to the salary sacrifice arrangements provided to employees. The financial undertaking is in place until 30 June 2024.

#### *Mining and Petroleum*

The department receives securities in accordance with Acts administered by the department for mining and petroleum. These are obtained to ensure that a mine operator rehabilitates a site and complies with all statutory requirements on cessation of a licence. The amount held as bank guarantees at 30 June 2018 is approximately \$180 million (2017: \$143 million). The department only has a claim on these funds if the licensee fails to perform its legislative requirements.

### **Contingent liabilities**

#### *Glenthorne Farm (Commercial Advice)*

Glenthorne Farm, at O'Halloran Hill, was purchased by the University of Adelaide from the Commonwealth Scientific and Industrial Research Organisation, with the assistance of a grant from the SA Government in May 2001. A contract signed by the SA Government and the University of Adelaide resulted in the former assuming liability for any possible third party claims resulting from any contamination which may be discovered on the property.

The South Australian and Commonwealth Governments agreed by exchange of letters that, in the event of such a claim, the State Government reserves its right to seek a contribution from the Commonwealth based on the Commonwealth's previous ownership of the land.

#### *Mining practices and petroleum exploration*

The nature of activities that the department is involved in can create potential exposure to mining matters, which the department may be required to remedy in the future. The department has some potential outstanding litigation specifically resulting from interpretation of past mining practices and petroleum exploration.

Certain matters associated with contaminants such as contaminated land and hazardous materials have been identified and are managed in accordance with recognised standards. This includes the environmental liabilities of past mining practices where there is no longer an active licence. For new activities, it is a lease condition that rehabilitation be undertaken by the leaseholder before a lease is surrendered. The department's responsibility is to ensure that a lease is not surrendered before appropriate rehabilitation has occurred, thus minimising the likelihood of future environmental risks to government. At this time, the financial impact, if any, cannot be reliably estimated.

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**28 Budgetary reporting and explanations of major variances between 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.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget <sup>(1)</sup>	2018	
		2018	2018	
		\$'000	\$'000	\$'000
<b>Expenses</b>				
Employee benefits		188 693	184 492	(4 201)
Supplies and services	a	160 123	247 587	87 464
Grants and subsidies	b	35 237	88 539	53 302
Depreciation and amortisation		11 697	9 642	(2 055)
Other expenses		2 008	1 655	(353)
Net loss from the disposal of non-current assets		-	36	36
<b>Total expenses</b>		<b>397 758</b>	<b>531 951</b>	<b>134 193</b>
<b>Income</b>				
Fees and charges		138 475	141 274	2 799
Commonwealth revenues		69	1 273	1 204
Grants	c	313	4 961	4 648
Resources received free of charge		3 747	3 807	60
Recoveries from administered items		-	1 106	1 106
Other income		3 221	6 368	3 147
<b>Total income</b>		<b>145 825</b>	<b>158 789</b>	<b>12 964</b>
<b>Net cost of providing services</b>		<b>251 933</b>	<b>373 162</b>	<b>121 229</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government		255 767	396 761	140 994
Payments to SA Government		-	-	-
<b>Total net revenues from SA Government</b>		<b>255 767</b>	<b>396 761</b>	<b>140 994</b>
<b>Net result</b>		<b>3 834</b>	<b>23 599</b>	<b>19 765</b>
<b>Total comprehensive result</b>		<b>3 834</b>	<b>23 599</b>	<b>19 765</b>

<sup>(1)</sup> The budget process is not 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 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.

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**28 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

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

- a Unfavourable variance is primarily due to expenditure relating to Our Energy Plan (\$94.6 million).
- b Unfavourable variance is primarily due to expenditure relating to the incentivise gas production from PACE Gas grant program (\$24.0 million), Fund My Neighbourhood program (\$18.6 million), Renewable Technology Fund (\$6.8 million), Premier's discretionary grants (\$4.6 million), and contribution to the South Australian Health and Medical Research Institute (\$2.0 million).
- c Favourable variance is primarily due to the Hydrogen Refuelling Station and Fuel Cell Bus Trial (\$4.75 million).

	Note	Original budget <sup>(1)</sup>	Actual	Variance
		2018 \$'000	2018 \$'000	\$'000
<b>Investing expenditure summary</b>				
Total new projects		-	-	-
Total existing projects	a	6 623	140	(6 483)
Total annual program		11 998	9 760	(2 238)
Total contributed assets		3 747	3 806	59
<b>Total investing expenditure</b>		<b>22 368</b>	<b>13 706</b>	<b>(8 662)</b>

<sup>(1)</sup> The budget process is not 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 Paper - 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

- a The variance relates to the Brukunga mine - further works are on hold pending the development of a long-term remediation plan for the Brukunga site.

**29 Related party disclosures**

The Department of the Premier and Cabinet 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.

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

Quantitative information about transactions and balances between the department and other SA Government controlled entities are disclosed at note 35.

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

Compensation of Key Management Personnel is disclosed at note 3. There were not any significant related party transactions.

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**30 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	140 448	127 258
Balance as per the Statement of Cash Flows	140 448	127 258
<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	18 727	61 545
Add payments to SA Government	-	4 836
Less revenues from SA Government	(396 761)	(153 029)
<b>Add / (less) non-cash Items</b>		
Depreciation and amortisation	(9 642)	(8 364)
Resources received free of charge	3 807	101
Bad and doubtful debts expense	10	(47)
Gain/(loss) on disposal of non-current assets	(36)	(120)
Prior period adjustments	11	37
Derecognition of assets	(293)	(69)
Net transfers from administrative restructures	-	18 068
Other expenses	(34)	27
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(11 289)	11 282
Increase/(decrease) in inventories	(164)	157
(Increase)/decrease in payables	24 239	(40 832)
(Increase)/decrease in employee benefits	166	(13 211)
(Increase)/decrease in provisions	(1 425)	(1 474)
(Increase)/decrease in other liabilities	(478)	(7 773)
<b>Net cost of providing services</b>	<b>(373 162)</b>	<b>(128 866)</b>

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### **31 Financial risk management / financial instruments**

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

The department's exposure to financial risk (liquidity risk, credit risk and a market risk) is low due to the nature of the financial instruments. There have been no changes in risk exposure since the last reporting period.

#### **Liquidity risk**

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

Refer to note 22 for further information.

#### **Credit and market risk**

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The department does not engage in high risk hedging for its financial assets.

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

Refer to notes 15 and 16 for further information.

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

#### **Hedging**

In accordance with government policy, the department enters into hedges for all contracted expenditure in a foreign currency over AUD \$250 000. The South Australian Government Financing Authority (SAFA) manages the foreign currency hedges on the department's behalf.

#### **Categorisation of financial instruments**

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

The carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; and financial liabilities measured at cost are detailed below:

The department does not recognise any financial assets or 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 to notes 16 and 22).

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31 Financial risk management / financial instruments (continued)

Category of financial asset and financial liability	Note	2018 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	15	140 448	140 448	-	-
Receivables <sup>(1)(2)</sup>	16	15 063	15 063	-	-
Accrued income	16	744	744	-	-
Loan receivables	16	400	-	400	-
<b>Total financial assets</b>		<b>156 655</b>	<b>156 255</b>	<b>400</b>	<b>-</b>
<b>Financial liabilities</b>					
Creditors <sup>(1)</sup>	22	27 046	27 046	-	-
Unearned income	25	110	110	-	-
Other financial liabilities	25	540	360	180	-
<b>Total financial liabilities</b>		<b>27 696</b>	<b>27 516</b>	<b>180</b>	<b>-</b>

Category of financial asset and financial liability	Note	2017 Carrying amount / fair value \$'000	2017 Contractual maturities		
			< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	15	127 258	127 258	-	-
Receivables <sup>(1)(2)</sup>	16	28 594	28 594	-	-
Accrued income	16	413	413	-	-
Loan receivables	16	400	-	400	-
<b>Total financial assets</b>		<b>156 665</b>	<b>156 265</b>	<b>400</b>	<b>-</b>
<b>Financial liabilities</b>					
Creditors <sup>(1)</sup>	22	51 226	51 226	-	-
Unearned income	25	1 118	1 118	-	-
Other financial liabilities	25	900	360	540	-
<b>Total financial liabilities</b>		<b>53 244</b>	<b>52 704</b>	<b>540</b>	<b>-</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. 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 levy receivables/payables, tax equivalents, Commonwealth tax, etc. they would be excluded from disclosure. The accounting standards define contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 16 as trade and other receivables 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 Liabilities: 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 the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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**32 Trust fund**

**Extractive Areas Rehabilitation Fund**

The Extractive Areas Rehabilitation Fund is credited with amounts by way of royalty on extractive minerals and is used for the rehabilitation of land disturbed by extractive mining operations. The funds collected are used to limit damage to any aspect of the environment by such extractive mining operations in addition to the promotion of research into methods of mining engineering and practice by which environmental damage might be reduced.

Aggregate details of the transactions and balances relating to this trust fund to year ended 30 June are as follows:

	2018 \$'000	2017 \$'000
<b>Operations</b>		
Revenue	3 120	649
Expenditure	1 025	446
<b>Net operating surplus</b>	<u>2 095</u>	<u>203</u>
<b>Assets</b>		
Cash at bank	25 795	23 686
<b>Total assets</b>	<u>25 795</u>	<u>23 686</u>
<b>Liabilities</b>		
Liabilities	14	-
<b>Total liabilities</b>	<u>14</u>	<u>-</u>
<b>Net assets</b>	<u>25 781</u>	<u>23 686</u>
<b>Funds</b>		
Balance of funds at beginning of period	23 686	23 483
Net receipts	2 095	203
<b>Fund balance at 30 June 2018</b>	<u>25 781</u>	<u>23 686</u>
<b>Commitments in place at 30 June 2018</b>	<u>437</u>	<u>477</u>

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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### **33 Impacts 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 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases.

The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

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 payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, 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 be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

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 department has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the notes to the financial statements.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of the department's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that the department has received cash but has not yet met the associated performance obligations.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The department has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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### **33 Impacts of standards and statements not yet implemented (continued)**

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.

All financial liabilities listed in the financial instruments / financial risk management Note 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 investments in unquoted equity instruments measured at fair value through other comprehensive income (FVOCI) and de-recognition of these items.

### **34 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 event relates to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

Events between 30 June and the date the financial statements are authorised that may have a material impact on the results of subsequent years are set out below

#### **Transfers Out**

As published in the SA Government Gazette on 14 and 21 June 2018, the employees of the departmental business units as listed below will transfer to other departments from 1 July 2018. Accordingly, the assets, liabilities and obligations of the business units will also transfer to, and be under the control and direction of the receiving department from 1 July 2018.

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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**34 Events after the reporting period (continued)**

Transferring to the Department for Energy and Mining:

- Energy Plan Implementation Task Force
- Strategy and Governance
- Resources Infrastructure and Investment Taskforce
- Mineral Resources
- Energy Resources
- Energy and Technical Regulation
- Low Carbon Economy Unit
- Other ancillary employees as gazetted

Transferring to the Department of Treasury and Finance:

- Shared Services SA
- Electorate Services
- Fleet Services (Ministerial Chauffers)
- ICT Transformation
- Policy Standards and Governance
- Strategic Procurement
- Returned to Work Services section of the Office of the Public Sector
- Industrial Relations section of the Office of the Public Sector
- Nominated employees from Economic Priorities
- Nominated employees from the Office of the Chief Procurement Officer
- Other ancillary employees as gazetted

Transferring to the Office of the Commissioner for Public Sector Employment:

- Office for the Public Sector (excluding those sub business units outlined above transferring to DTF)

Transferring to the Department of Planning, Transport and Infrastructure:

- Service SA
- Other ancillary employees as gazetted

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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**34 Events after the reporting period (continued)**

**Transfers In**

Employees of business units within other Government departments as listed below will transfer to the Department from 1 July 2018. Accordingly, the assets, liabilities and obligations of the business units will also transfer to, and be under the control and direction of the Department from 1 July 2018.

Transferring from the Department of Industry and Skills:

- Arts South Australia
- Aboriginal Affairs and Reconciliation

Transferring from the Department for Human Services:

- Nominated employees from Multicultural Affairs

Transferring from the Department of Treasury and Finance

- Veterans SA

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

**35 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. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee benefits	3	9 612	8 084	174 880	139 565	184 492	147 649
Supplies and services	5						
Short term emergency electricity supply		-	-	82 237	-	82 237	-
IT and computing charges		2 335	478	26 533	26 675	28 868	27 153
Accommodation		20 614	17 159	1 277	1 227	21 891	18 386
Temporary staff		-	2	14 478	12 449	14 478	12 451
General administration and consumables		3 035	1 933	13 752	9 155	16 787	11 088
Contractors		-	-	16 041	7 481	16 041	7 481
Promotion and marketing		12	53	11 698	7 171	11 710	7 224
Intra government transfers		14 837	7 527	-	-	14 837	7 527
Telecommunication		15	380	4 994	5 385	5 009	5 765
Consultants		-	-	5 361	5 338	5 361	5 338
Managed network services		-	-	4 498	4 931	4 498	4 931
Outsourced contracts		-	-	2 307	2 002	2 307	2 002
Staff development and recruitment		557	295	2 368	2 173	2 925	2 468
Service fees		-	-	2 267	-	2 267	-
Repairs maintenance and minor equipment purchases		1 101	791	1 075	1 310	2 176	2 101
Energy supply fuel and lubricants		-	-	6 094	1 917	6 094	1 917
Microsoft licence and support		-	-	1 590	1 462	1 590	1 462
Sponsorships and external contributions		12	15	566	734	578	749
RAES Aboriginal Communities infrastructure		-	-	1 280	300	1 280	300
Projects		10	-	107	191	117	191
Cost of goods sold		-	-	130	8	130	8
Other supplies and services		1 900	2 213	4 506	3 135	6 406	5 348
Grants and subsidies	6	4 622	903	83 917	41 287	88 539	42 190
Depreciation and amortisation	7	-	-	9 642	8 364	9 642	8 364
Other expenses	8						
Derecognition of assets		-	-	293	69	293	69
Doubtful debts		-	(20)	55	67	55	47
Other		1 038	929	269	-	1 307	929
Net loss from the disposal of non-current assets	12	-	-	36	120	36	120
Payments to SA Government	14	-	4 836	-	-	-	4 836
<b>Total expenses</b>		<b>59 700</b>	<b>45 578</b>	<b>472 251</b>	<b>282 516</b>	<b>531 951</b>	<b>328 094</b>

Department of the Premier and Cabinet  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

**35 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>							
Fees and charges	9						
Shared Services SA		4 892	89 337	-	-	4 892	89 337
Service SA		35 146	34 350	-	-	35 146	34 350
Fees for services		26 877	27 250	957	1 671	27 834	28 921
Service provision		10 387	10 122	8 092	7 078	18 479	17 200
Mining and petroleum application fees rentals and licences		-	-	22 247	6 133	22 247	6 133
Industry license fees		10 127	2 428	-	-	10 127	2 428
Sale of goods		848	1 029	689	565	1 537	1 594
Sale of electricity - remote areas		-	-	4 443	1 120	4 443	1 120
Regulatory fees		-	-	5	7	5	7
Other		14 377	7 038	2 187	847	16 564	7 885
Commonwealth revenue		-	-	1 273	211	1 273	211
Grant income	10						
Recurrent grant		4 961	542	-	493	4 961	1 035
Resources received free of charge	11	3 807	101	-	-	3 807	101
Recoveries from administered items		1 106	1 079	-	-	1 106	1 079
Interest income		-	-	-	2	-	2
Other income	13	1 962	453	4 406	2 536	6 368	2 989
Revenues from SA Government	14	396 761	153 029	-	-	396 761	153 029
<b>Total income</b>		<b>511 251</b>	<b>326 758</b>	<b>44 299</b>	<b>20 663</b>	<b>555 550</b>	<b>347 421</b>
<b>Financial assets</b>							
Receivables	16						
Receivables		8 235	22 739	6 945	5 868	15 180	28 607
Prepayments		-	289	3 999	2 507	3 999	2 796
GST receivable		-	-	1 488	906	1 488	906
Accrued income		-	-	791	428	791	428
Loans		-	-	400	400	400	400
<b>Total financial assets</b>		<b>8 235</b>	<b>23 028</b>	<b>13 623</b>	<b>10 109</b>	<b>21 858</b>	<b>33 137</b>
<b>Financial liabilities</b>							
Payables	22						
Creditors		1 989	3 052	22 950	45 791	24 939	48 843
Employment on-costs ^		3 149	3 100	3 471	3 572	6 620	6 672
Accrued expenses		1 384	3 545	1 881	-	3 265	3 545
Paid parental leave scheme		-	-	19	23	19	23
Other liabilities	25						
Security deposits		-	-	5 611	5 608	5 611	5 608
Unearned income		-	(17)	3 365	2 547	3 365	2 530
Lease incentive		-	-	540	900	540	900
<b>Total financial liabilities</b>		<b>6 522</b>	<b>9 680</b>	<b>37 837</b>	<b>58 441</b>	<b>44 359</b>	<b>68 121</b>

**Department of the Premier and Cabinet**  
**Certification of the Administered Financial Statements**  
*for the year ended 30 June 2018*

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We certify that the attached general purpose financial statements for the Department of the Premier and Cabinet:

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards; and
- are in accordance with the accounts and records of the Department of the Premier and Cabinet; and
- present a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2018 and the results of its operations and cash flows for the financial year.

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



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Jim McDowell  
Chief Executive  
14 September 2018



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Steven Woolhouse FCPA  
Chief Finance Officer  
14 September 2018

**Department of the Premier and Cabinet  
(DPC)**

**Administered Financial Statements**

**For the year ended 30 June 2018**

**Department of the Premier and Cabinet**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Administered expenses</b>			
Employee benefits	A3	543	534
Grants and subsidies	A4	871	815
Supplies and services	A5	5 345	2 024
Disbursements on behalf of third parties	A6	355 443	358 929
Payments to SA Government	A8	236 604	65 756
<b>Total administered expenses</b>		<b>598 806</b>	<b>428 058</b>
<b>Administered income</b>			
Collections on behalf of third parties	A7	355 443	358 929
Royalties		236 607	65 754
Revenues from SA Government	A8	2 522	2 480
Fees and charges		4 236	764
<b>Total administered income</b>		<b>598 808</b>	<b>427 927</b>
<b>Net result</b>		<b>2</b>	<b>(131)</b>
<b>Total comprehensive result</b>		<b>2</b>	<b>(131)</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 the Premier and Cabinet**  
**Statement of Administered Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A9	31 665	22 583
Receivables	A10	5 817	11 647
<b>Total current assets</b>		<b>37 482</b>	<b>34 230</b>
<b>Total assets</b>		<b>37 482</b>	<b>34 230</b>
<b>Administered current liabilities</b>			
Payables	A11	34 797	31 548
Employee benefits	A12	9	8
<b>Total current liabilities</b>		<b>34 806</b>	<b>31 556</b>
<b>Total liabilities</b>		<b>34 806</b>	<b>31 556</b>
<b>Net assets</b>		<b>2 676</b>	<b>2 674</b>
<b>Administered equity</b>			
Retained earnings		2 676	2 674
<b>Total equity</b>		<b>2 676</b>	<b>2 674</b>

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

Unrecognised contractual commitments	A13
Contingent assets and liabilities	A14

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

**Department of the Premier and Cabinet**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2018*

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	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2016</b>	2 785	2 785
Net result for 2016-17	(131)	(131)
<b>Total comprehensive result for 2016-17</b>	<b>(131)</b>	<b>(131)</b>
Net assets transferred in as a result of administrative restructures	20	20
<b>Balance at 30 June 2017</b>	<b>2 674</b>	<b>2 674</b>
Net result for 2017-18	2	2
<b>Total comprehensive result for 2017-18</b>	<b>2</b>	<b>2</b>
<b>Balance at 30 June 2018</b>	<b>2 676</b>	<b>2 676</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 the Premier and Cabinet**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2018*

		2018	2017
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments to SA Government		(233 459)	(48 560)
Employee benefits		(542)	(532)
Grants and subsidies		(871)	(815)
Supplies and services		(5 367)	(1 263)
Disbursements on behalf of third parties		(355 317)	(359 205)
<b>Cash used in operations</b>		<b>(595 556)</b>	<b>(410 375)</b>
<b>Cash inflows</b>			
Revenues from SA Government		2 522	2 480
Fees and charges		4 373	839
Collections on behalf of third parties		355 443	358 929
Other receipts		242 300	54 872
<b>Cash generated from operations</b>		<b>604 638</b>	<b>417 120</b>
<b>Net cash provided by / (used in) operating activities</b>	A16	<b>9 082</b>	<b>6 745</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Cash transferred in as a result of restructuring activities		-	11 187
<b>Cash generated from financing activities</b>		<b>-</b>	<b>11 187</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>-</b>	<b>11 187</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>9 082</b>	<b>17 932</b>
Cash and cash equivalents at the beginning of the reporting period		22 583	4 651
<b>Cash and cash equivalents at the end of the reporting period</b>	A9	<b>31 665</b>	<b>22 583</b>

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

**Department of the Premier and Cabinet**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

	Special Act Salaries and Allowances		SA Okayama		Promotion of the State	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>						
Employee benefits	543	534	-	-	-	-
Grants and subsidies	-	-	-	-	871	815
Supplies and services	-	-	-	-	1 109	1 079
Disbursements on behalf of third parties	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>543</b>	<b>534</b>	<b>-</b>	<b>-</b>	<b>1 980</b>	<b>1 894</b>
<b>Administered income</b>						
Collections on behalf of third parties	-	-	-	-	-	-
Royalties	-	-	-	-	-	-
Revenues from SA Government	546	550	-	-	1 976	1 930
Fees and charges	-	-	-	-	-	-
<b>Total administered income</b>	<b>546</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>1 976</b>	<b>1 930</b>
<b>Net result</b>	<b>3</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>36</b>

	Service SA Administered		Office of the Digital Government Administered		Mintabie Administration	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Supplies and services	-	-	-	1	16	18
Disbursements on behalf of third parties	355 443	358 929	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>355 443</b>	<b>358 929</b>	<b>-</b>	<b>1</b>	<b>16</b>	<b>18</b>
<b>Administered income</b>						
Collections on behalf of third parties	355 443	358 929	-	-	-	-
Royalties	-	-	-	-	-	-
Revenues from SA Government	-	-	-	-	-	-
Fees and charges	-	-	-	-	16	13
<b>Total administered income</b>	<b>355 443</b>	<b>358 929</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>13</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(5)</b>

**Department of the Premier and Cabinet**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

	Native Title					
	Agreement		Royalties		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	543	534
Grants and subsidies	-	-	-	-	871	815
Supplies and services	4 220	927	-	(1)	5 345	2 024
Disbursements on behalf of third parties	-	-	-	-	355 443	358 929
Payments to SA Government	-	-	236 604	65 756	236 604	65 756
<b>Total administered expenses</b>	<b>4 220</b>	<b>927</b>	<b>236 604</b>	<b>65 755</b>	<b>598 806</b>	<b>428 058</b>
<b>Administered income</b>						
Collections on behalf of third parties	-	-	-	-	355 443	358 929
Royalties	-	-	236 607	65 754	236 607	65 754
Revenues from SA Government	-	-	-	-	2 522	2 480
Fees and charges	4 220	751	-	-	4 236	764
<b>Total administered income</b>	<b>4 220</b>	<b>751</b>	<b>236 607</b>	<b>65 754</b>	<b>598 808</b>	<b>427 927</b>
<b>Net result</b>	<b>-</b>	<b>(176)</b>	<b>3</b>	<b>(1)</b>	<b>2</b>	<b>(131)</b>

Department of the Premier and Cabinet  
 Schedule of Assets and Liabilities attributable to Administered Activities  
 as at 30 June 2018

	Special Act Salaries and Allowances		SA Okayama		Promotion of the State	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered current assets</b>						
Cash and cash equivalents	(39)	(44)	48	48	2 837	3 008
Receivables	-	-	-	-	-	-
<b>Total assets</b>	<b>(39)</b>	<b>(44)</b>	<b>48</b>	<b>48</b>	<b>2 837</b>	<b>3 008</b>
<b>Administered current liabilities</b>						
Payables	-	-	-	-	-	170
Employee benefits	9	8	-	-	-	-
<b>Total liabilities</b>	<b>9</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>
<b>Net assets</b>	<b>(48)</b>	<b>(52)</b>	<b>48</b>	<b>48</b>	<b>2 837</b>	<b>2 838</b>

	Service SA Administered		Office of the Digital Government Administered		Mintable Administration	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered current assets</b>						
Cash and cash equivalents	1 711	1 585	-	-	-	18
Receivables	-	-	-	-	-	-
<b>Total assets</b>	<b>1 711</b>	<b>1 585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>Administered current liabilities</b>						
Payables	1 711	1 585	-	-	63	80
Employee benefits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1 711</b>	<b>1 585</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>80</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>(62)</b>

**Department of the Premier and Cabinet**  
**Schedule of Assets and Liabilities attributable to Administered Activities**  
*as at 30 June 2018*

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	Native Title		Royalties		Total	
	Agreement					
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered current assets</b>						
Cash and cash equivalents	572	270	26 536	17 698	31 665	22 583
Receivables	221	358	5 596	11 289	5 817	11 647
<b>Total assets</b>	<b>793</b>	<b>628</b>	<b>32 132</b>	<b>28 987</b>	<b>37 482</b>	<b>34 230</b>
<b>Administered current liabilities</b>						
Payables	940	775	32 083	28 938	34 797	31 548
Employee benefits	-	-	-	-	9	8
<b>Total liabilities</b>	<b>940</b>	<b>775</b>	<b>32 083</b>	<b>28 938</b>	<b>34 806</b>	<b>31 556</b>
<b>Net assets</b>	<b>(147)</b>	<b>(147)</b>	<b>49</b>	<b>49</b>	<b>2 676</b>	<b>2 674</b>

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

**Department of the Premier and Cabinet**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2018*

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**A1 Basis of preparation and accounting policies**

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

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

The following funds were administered by the department as at 30 June 2018. They do not represent controlled transactions of the department. As such, they are not recognised in the financial statements of the department.

- Special Act Salaries and Allowances
- SA Okayama
- Promotion of the State
- Service SA collections and disbursements
- Office of the Digital Government - Administered
- Mintabie Administration
- Native Title Agreement
- Royalties

***Special Act Salaries and Allowances***

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

***SA Okayama***

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

***Promotion of the State***

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

***Service SA collections and disbursements***

The department receives fees, levies and fines on behalf of the State Government. Receipts are then distributed to other State Government Departments including the Department of Planning Transport and Infrastructure, South Australia Police, Office of Business and Consumer Affairs, South Australian Water Corporation and South Australian Fire and Emergency Services Commission in the month of collection.

***Office of the Digital Government - Administered.***

The department provided the Australian Governments Open Access and Licensing program on behalf of other interstate jurisdictions. The program transferred to the Queensland Government in 2015-16.

***Mintabie Administration***

The Mintabie Township Lease and Lease Agreement came into operation on 1 July 2012, signed by Anangu Pitjantjatjara Yankunytjatjara (APY), the Minister for Aboriginal Affairs and Reconciliation and the Minister for Mineral Resources and Energy. The department administers the residential campsite licensing system and regulation.

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

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**Native Title Agreement**

The department collects revenue via a levy equivalent to 10% of the total royalty payable for relevant royalty payers. This is offset by payments made to Aboriginal Councils in the APY Lands.

**Royalties**

The department receives royalties levied on minerals and petroleum production on behalf of the State Government. Royalty receipts are collected pursuant to the *Roxby Downs (Indenture Ratification) Act 1982*, *Whyalla Steel Works Act 1958*, *Mining Act 1971* and the *Petroleum and Geothermal Energy Act 2000*. Royalty receipts are returned to the Consolidated Account in the month following collection.

**A3 Employee benefits**

	2018 \$'000	2017 \$'000
Salaries and wages	528	517
Other employment related expenses	15	17
<b>Total employee benefits</b>	<b>543</b>	<b>534</b>

**Remuneration of employees**

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

	2018 Number	2017 Number
\$429 001 - \$439 000 *	1	-
\$529 001 - \$539 000 *	-	1
<b>Total</b>	<b>1</b>	<b>1</b>

\* The employee on-costs of the staff member were included in the department's controlled financial statements.

The table includes staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs including salaries and wages, payments in lieu of leave, superannuation contributions, FBT and other salary sacrifice benefits. The total remuneration received by the staff member for the year was \$437 000 (2017: \$535 000).

**A4 Grants and subsidies**

	2018 \$'000	2017 \$'000
Grants and subsidies	871	815
<b>Total grants and subsidies</b>	<b>871</b>	<b>815</b>

**A5 Supplies and services**

	2018 \$'000	2017 \$'000
Marketing	1 109	1 079
Native Title Agreement payments	4 220	927
Mintabie Camp Fee payments	16	17
IT services and computing charges	-	1
<b>Total supplies and services</b>	<b>5 345</b>	<b>2 024</b>

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

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**A6 Disbursements on behalf of third parties**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Registrations, licences and other fees - Department of Planning, Transport and Infrastructure	342 001	345 035
Expiation notices - South Australia Police	7 529	8 092
Firearms licences - South Australia Police	3 121	2 653
Office of Business and Consumer Affairs	689	687
South Australian Water Corporation	711	682
Emergency Services Levy - South Australian Fire and Emergency Services Commission	522	865
Other	870	915
<b>Total disbursements on behalf of third parties</b>	<b>355 443</b>	<b>358 929</b>

**A7 Collections on behalf of third parties**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Registrations, licences and other fees - Department of Planning, Transport and Infrastructure	342 001	345 035
Expiation notices - South Australia Police	7 529	8 092
Firearms licences - South Australia Police	3 121	2 653
Office of Business and Consumer Affairs	689	687
South Australian Water Corporation	711	682
Emergency Services Levy - South Australian Fire and Emergency Services Commission	522	865
Other	870	915
<b>Total collections on behalf of third parties</b>	<b>355 443</b>	<b>358 929</b>

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

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**A8 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>	1 976	1 930
Special Acts	546	550
<b>Total revenues from SA Government</b>	<b>2 522</b>	<b>2 480</b>
<b>Payments to SA Government</b>		
Royalties	236 604	65 756
<b>Total payments to SA Government</b>	<b>236 604</b>	<b>65 756</b>
<b>Net revenues from SA Government</b>	<b>(234 082)</b>	<b>(63 276)</b>

The original amount appropriated to the department under the annual *Appropriation Act* was not varied in the current or previous financial year.

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

**A9 Cash and cash equivalents**

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	29 954	20 998
Cash on hand and in transit	1 711	1 585
<b>Total cash and cash equivalents</b>	<b>31 665</b>	<b>22 583</b>

**A10 Receivables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Receivables	232	363
Accrued revenues	5 585	11 284
<b>Total current receivables</b>	<b>5 817</b>	<b>11 647</b>
<b>Total receivables</b>	<b>5 817</b>	<b>11 647</b>

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

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**A11 Payables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Creditors	33 083	29 960
Registration & licensing creditors	1 711	1 585
Unearned revenues	3	3
<b>Total current payables</b>	<u>34 797</u>	<u>31 548</u>
<b>Total payables</b>	<u><u>34 797</u></u>	<u><u>31 548</u></u>

**A12 Employee benefits**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	9	8
<b>Total current employee benefits</b>	<u>9</u>	<u>8</u>
<b>Total employee benefits</b>	<u><u>9</u></u>	<u><u>8</u></u>

**A13 Unrecognised contractual commitments**

There are no unrecognised contractual commitments as at 30 June 2018.

**A14 Contingent assets and liabilities**

The department is not aware of any contingent assets or liabilities affecting the administered activities of the department as at 30 June 2018.

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

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**A15 Transferred functions**

2017-18 transferred in

There were no administrative restructures transferred in or out of the department during 2017-18.

2016-17 transferred in

Resources and Energy Group – Administered was transferred from the Department of State Development (DSD) to Department of the Premier and Cabinet effective 1 April 2017.

Total income and expenses attributable to Resources and Energy Group - Administered for 2016-17 were:

	Department of State Development July 2016 to March 2017	Department of the Premier and Cabinet April 2017 to June 2017	Total
	\$'000	\$'000	\$'000
<b><u>Mintabie Administration</u></b>			
<b>Administered income</b>			
Fees and charges	25	13	38
<b>Total administered income</b>	<b>25</b>	<b>13</b>	<b>38</b>
<b>Administered expenses</b>			
Supplies and services	20	18	38
<b>Total administered expenses</b>	<b>20</b>	<b>18</b>	<b>38</b>
<b>Net result</b>	<b>5</b>	<b>(5)</b>	<b>-</b>
<b><u>Native Title Agreement</u></b>			
<b>Administered income</b>			
Fees and charges	2 196	751	2 947
<b>Total administered income</b>	<b>2 196</b>	<b>751</b>	<b>2 947</b>
<b>Administered expenses</b>			
Supplies and services	2 218	927	3 145
<b>Total administered expenses</b>	<b>2 218</b>	<b>927</b>	<b>3 145</b>
<b>Net result</b>	<b>(22)</b>	<b>(176)</b>	<b>(198)</b>
<b><u>Mineral and Petroleum Royalties</u></b>			
<b>Administered income</b>			
Royalties	148 347	65 754	214 101
<b>Total administered income</b>	<b>148 347</b>	<b>65 754</b>	<b>214 101</b>
<b>Administered expenses</b>			
Supplies and services	-	(1)	(1)
Payments to SA Government	148 347	65 756	214 103
<b>Total administered expenses</b>	<b>148 347</b>	<b>65 755</b>	<b>214 102</b>
<b>Net result</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>

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

**Total**

**Administered income**

Royalties	148 347	65 754	214 101
Fees and charges	2 221	764	2 985
<b>Total administered income</b>	<b>150 568</b>	<b>66 518</b>	<b>217 086</b>

**Administered expenses**

Supplies and services	2 238	944	3 182
Payments to SA Government	148 347	65 756	214 103
<b>Total administered expenses</b>	<b>150 585</b>	<b>66 700</b>	<b>217 285</b>
<b>Net result</b>	<b>(17)</b>	<b>(182)</b>	<b>(199)</b>

The following assets and liabilities relating to the Resources and Energy Group – Administered were transferred from the Department of State Development (DSD) effective 1 April 2017:

	<b>Mintabie Administration</b>	<b>Native Title Agreement</b>	<b>Royalties</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>				
Cash	5	(202)	11 384	11 187
Receivables	-	433	406	839
<b>Total assets</b>	<b>5</b>	<b>231</b>	<b>11 790</b>	<b>12 026</b>
<b>Liabilities</b>				
Payables	62	202	11 742	12 006
<b>Total liabilities</b>	<b>62</b>	<b>202</b>	<b>11 742</b>	<b>12 006</b>
<b>Net assets transferred</b>	<b>(57)</b>	<b>29</b>	<b>48</b>	<b>20</b>

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

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**A16 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	31 665	22 583
Balance as per the Statement of Cash Flows	31 665	22 583
<b>Reconciliation of net cash provided by / (used in) operating activities to net result of administered items</b>		
Net cash provided by/(used in) operating activities	9 082	6 745
<b>Add / (less) non-cash Items</b>		
Net transfers from administrative restructures	-	11 167
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(5 830)	11 646
(Increase)/decrease in payables	(3 249)	(29 687)
(Increase)/decrease in employee benefits	(1)	(2)
<b>Net cost of providing services</b>	<u>2</u>	<u>(131)</u>

**A17 Events after the reporting date**

The assets, liabilities and obligations of the following activities will become administered items of the following receiving departments from 1 July 2018:

**Transferring to the Department for Energy and Mining:**

Mintabie Administration

Native Title Agreement

Mineral and Petroleum Royalties

Private Royalties

**Transferring to the Department of Planning, Transport and Infrastructure:**

Service SA collections and disbursements

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

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**A18 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. Transactions with the SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee benefits	A3	-	-	543	534	543	534
Grants and subsidies	A4	-	-	871	815	871	815
Supplies and services	A5						
Marketing		-	-	1 109	1 079	1 109	1 079
Native Title Agreement payments		-	-	4 220	927	4 220	927
Mintabie Camp Fee payments		-	-	16	17	16	17
IT services and computing charges		-	-	-	1	-	1
Disbursements on behalf of third parties	A6						
Registrations, licences and other fees - DPTI		342 001	345 035	-	-	342 001	345 035
Expiation notices - South Australia Police		7 529	8 092	-	-	7 529	8 092
Firearms licences - South Australia Police		3 121	2 653	-	-	3 121	2 653
Office of Business and Consumer Affairs		689	687	-	-	689	687
South Australian Water Corporation		711	682	-	-	711	682
Emergency Services Levy		522	865	-	-	522	865
Other		870	915	-	-	870	915
Payments to SA Government	A8	236 604	65 756	-	-	236 604	65 756
<b>Total expenses</b>		<b>592 047</b>	<b>424 685</b>	<b>6 759</b>	<b>3 373</b>	<b>598 806</b>	<b>428 058</b>

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

**A18 Transactions with SA Government (continued)**

	Note	SA Government		Non SA-Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>							
Collections on behalf of third parties	A7						
Registrations, licences and other fees - DPTI			-	342 001	345 035	342 001	345 035
Expiation notices - South Australia Police		-	-	7 529	8 092	7 529	8 092
Firearms licences - South Australia Police		-	-	3 121	2 653	3 121	2 653
Office of Business and Consumer Affairs		-	-	689	687	689	687
South Australian Water Corporation		-	-	711	682	711	682
Emergency Services Levy		-	-	522	865	522	865
Other		-	-	870	915	870	915
Royalties		-	-	236 607	65 754	236 607	65 754
Revenues from SA Government	A8	2 522	2 480	-	-	2 522	2 480
Fees and charges		-	-	4 236	764	4 236	764
<b>Total income</b>		<b>2 522</b>	<b>2 480</b>	<b>596 286</b>	<b>425 447</b>	<b>598 808</b>	<b>427 927</b>
<b>Financial assets</b>							
Receivables	A10	-	-	5 817	11 647	5 817	11 647
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>5 817</b>	<b>11 647</b>	<b>5 817</b>	<b>11 647</b>
<b>Financial liabilities</b>							
Payables	A11						
Creditors		32 080	28 742	1 003	1 218	33 083	29 960
Registration & licensing creditors		1 711	1 585	-	-	1 711	1 585
Unearned revenues		3	3	-	-	3	3
Employee benefits	A12						
Accrued salaries and wages		-	-	9	8	9	8
<b>Total financial liabilities</b>		<b>33 794</b>	<b>30 330</b>	<b>1 012</b>	<b>1 226</b>	<b>34 806</b>	<b>31 556</b>

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

**A19 Budgetary reporting and explanations of major variances between 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 expenses.

		Original budget <sup>(1)</sup> 2018	Actual 2018	Variance
	Note	\$'000	\$'000	\$'000
<b>Statement of Administered Comprehensive Income</b>				
<b>Administered expenses</b>				
Employee benefits		560	543	(17)
Grants and subsidies		-	871	871
Supplies and services		-	5 345	5 345
Disbursements on behalf of third parties	a	1 555 650	355 443	(1 200 207)
Payments to SA Government		273 033	236 604	(36 429)
<b>Total administered expenses</b>		<b>1 829 243</b>	<b>598 806</b>	<b>(1 230 437)</b>
<b>Administered income</b>				
Collections on behalf of third parties	b	1 575 410	355 443	(1 219 967)
Revenues from SA Government		2 536	2 522	(14)
Royalties		251 008	236 607	(14 401)
Interest		4	-	(4)
Fees and charges		199	4 236	4 037
<b>Total administered income</b>		<b>1 829 157</b>	<b>598 808</b>	<b>(1 230 349)</b>
<b>Net result</b>		<b>(86)</b>	<b>2</b>	<b>88</b>
<b>Total comprehensive result</b>		<b>(86)</b>	<b>2</b>	<b>88</b>

<sup>(1)</sup> The budget process is not 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 Paper - 3). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

- a The budget includes payments to the Department of Planning, Transport and Infrastructure (DPTI) and Motor Accident Commission (MAC) for online motor vehicle registration and licensing collections via EzyReg. A decision was however reached that DPC only administer over-the-counter collections (thereby excluding online collections which are recorded by DPTI). The budget has not yet been adjusted to reflect this decision.
- b The budget includes revenue to DPTI and MAC for online motor vehicle registration and licensing collections via EzyReg. A decision was however reached that DPC only administer over-the-counter collections (thereby excluding online collections which are recorded by DPTI). The budget has not yet been adjusted to reflect this decision.