

# Independent Gambling Authority

Financial report  
for the year ended  
30 June 2018



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Presiding Member Independent Gambling Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Independent Gambling Authority 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 Independent Gambling Authority as at 30 June 2018, its financial performance and its cash flows for the 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
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, Acting Director, Independent Gambling Authority and Executive Director, Finance, People and Performance – Attorney-General's Department.

### 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 Independent Gambling Authority. 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 Authority for the financial report**

The members of the Independent Gambling Authority are 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 the members of the Independent Gambling Authority determine are 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**

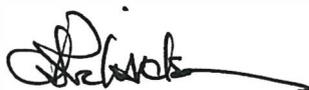
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 members of the Independent Gambling Authority
- 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 members of the Independent Gambling Authority 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 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

28 September 2018

**Independent Gambling Authority**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2018*

---

We certify that the financial statements of the Independent Gambling Authority:

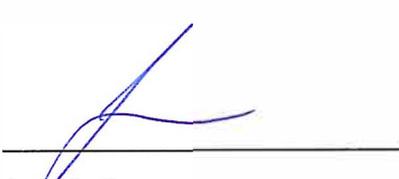
- are in accordance with the accounts and records of the Independent Gambling Authority
- comply with relevant Treasurer's instructions
- comply with relevant accounting standards
- present a true and fair view of the financial position of the Independent Gambling Authority at the end of the financial year and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Independent Gambling Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



---

Alan Moss  
Presiding Member  
September 2018



---

Jeanette Barnes  
Acting Director  
27 September 2018



---

Andrew Swanson  
Executive Director, Finance, People and Performance  
Attorney-General's Department  
27 September 2018

# **Independent Gambling Authority**

## **Financial Statements**

For the year ended 30 June 2018

**Independent Gambling Authority**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

---

	Note	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits expense	3	962	1 501
Supplies and services	5	373	579
Amortisation	6	46	46
Grants and sponsorships		16	-
<b>Total expenses</b>		<u>1 397</u>	<u>2 126</u>
<b>Income</b>			
Interest revenues	7	60	61
Other revenues	8	2	49
<b>Total income</b>		<u>62</u>	<u>110</u>
<b>Net cost of providing services</b>		<u>(1 335)</u>	<u>(2 016)</u>
<b>Revenues from SA Government</b>			
Revenues from SA Government	9	1 849	1 809
<b>Total net revenues from SA Government</b>		<u>1 849</u>	<u>1 809</u>
<b>Net result</b>		<u>514</u>	<u>(207)</u>
<b>Net result and total comprehensive result</b>		<u>514</u>	<u>(207)</u>

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

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Independent Gambling Authority**  
**Statement of Financial Position**  
*as at 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	10	4 643	4 281
Receivables	11	7	17
<b>Total current assets</b>		<b>4 650</b>	<b>4 298</b>
<b>Non-current assets</b>			
Intangible assets	13	68	114
<b>Total non-current assets</b>		<b>68</b>	<b>114</b>
<b>Total assets</b>		<b>4 718</b>	<b>4 412</b>
<b>Current liabilities</b>			
Payables	14	45	146
Employee benefits	15	93	99
Provisions	16	-	1
<b>Total current liabilities</b>		<b>138</b>	<b>246</b>
<b>Non-current liabilities</b>			
Payables	14	13	21
Employee benefits	15	136	227
Provisions	16	-	1
<b>Total non-current liabilities</b>		<b>149</b>	<b>249</b>
<b>Total liabilities</b>		<b>287</b>	<b>495</b>
<b>Net assets</b>		<b>4 431</b>	<b>3 917</b>
<b>Equity</b>			
Retained earnings		4 431	3 917
<b>Total equity</b>		<b>4 431</b>	<b>3 917</b>

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

Unrecognised contractual commitments 17

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Independent Gambling Authority**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2018*

---

	<b>Retained earnings</b>
	<u>\$'000</u>
<b>Balance at 30 June 2016</b>	4 124
Net result for 2016-17	<u>(207)</u>
<b>Total comprehensive result for 2016-17</b>	<u>(207)</u>
<b>Balance at 30 June 2017</b>	<u>3 917</u>
Net result for 2017-18	<u>514</u>
<b>Total comprehensive result for 2017-18</b>	<u>514</u>
<b>Balance at 30 June 2018</b>	<u><u>4 431</u></u>

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Independent Gambling Authority**  
**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 payments		(1 069)	(1 543)
Payment for supplies and services		(474)	(498)
Payment for grants and sponsorships		(16)	-
<b>Cash used in operations</b>		<u>(1 559)</u>	<u>(2 041)</u>
<b>Cash inflows</b>			
Interest received		60	62
Other receipts		12	39
<b>Cash generated from operations</b>		<u>72</u>	<u>101</u>
<b>Cash flows from SA Government</b>			
Receipts from SA government		1 849	1 809
<b>Cash generated from SA Government</b>		<u>1 849</u>	<u>1 809</u>
<b>Net cash provided by / (used in) operating activities</b>		<u>362</u>	<u>(131)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>362</b>	<b>(131)</b>
Cash and cash equivalents at the beginning of the reporting period		4 281	4 412
<b>Cash and cash equivalents at the end of the reporting period</b>	10	<u><u>4 643</u></u>	<u><u>4 281</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

# **Independent Gambling Authority**

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

*for the year ended 30 June 2018*

---

### **1 Basis of financial statements**

#### **1.1 Reporting entity**

The Authority is a body corporate established by the *Independent Gambling Authority Act 1995*.

#### **1.2 Statement of compliance**

The Authority has prepared these financial statements 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 (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2018.

#### **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 are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

#### **1.4 Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements has required a change. Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

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

#### **1.5 Taxation**

The Authority is not subject to Income Tax. The Authority is liable for Payroll Tax, Fringe Benefits Tax (FBT), and Goods and Services Tax (GST).

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

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

The net amount of GST recoverable from the ATO is included as part of receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

# Independent Gambling Authority

## Notes to and forming part of the financial statements

for the year ended 30 June 2018

---

### 2 Objectives of the Independent Gambling Authority

The Independent Gambling Authority (the Authority) is established under the *Independent Gambling Authority Act 1995* to perform the following functions:

- to develop and promote strategies for reducing the incidence of problem gambling and for preventing or minimising the harm caused by gambling
- to undertake, assist in and coordinate ongoing research into matters relevant to the Authority's functions, including research into:
  - (a) the social and economic costs and benefits to the community of gambling and the gambling industry
  - (b) the likely impact, both negative and positive, on the community of any new gambling product or gambling activity that might be introduced by any section of the gambling industry
  - (c) strategies for reducing the incidence of problem gambling and preventing or minimising the harm caused by gambling
  - (d) any other matter directed by the Attorney-General.
- to ensure that an effective and efficient system of supervision is established and maintained over the operations of licensees under "prescribed Acts", namely the *Authorised Betting Operations Act 2000*, the *Casino Act 1997*, the *Gaming Machines Act 1992*, and the *Racing (Proprietary Business Licensing) Act 2000*
- to advise, and make recommendations to the Attorney-General on matters relating to the operations of licensees under prescribed Acts or on any aspect of the operation, administration or enforcement of prescribed Acts
- to perform other functions assigned to the Authority under the *Independent Gambling Authority Act 1995* or a prescribed Act or by the Attorney-General.

These functions are set out in section 11 of the *Independent Gambling Authority Act 1995*. Section 11 also requires the Authority, when exercising any discretionary power to take the following objects into account:

- the fostering of responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities
- the maintenance of an economically viable and socially responsible gambling industry (including an economically viable and socially responsible club and hotel gaming machine industry) in this state.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**3 Employee benefits expense**

**Employee benefits expense**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	635	808
Board fees	185	204
Employment on-costs - superannuation	89	106
Annual leave	66	83
Employment on-costs - payroll tax	46	71
Long service leave	( 56)	70
Other employee related expenses	( 3)	159
<b>Total employee benefits expenses</b>	<b>962</b>	<b>1 501</b>

**Key management personnel**

Key management personnel of the Authority include the Minister, members of the Authority, the Director and the General Manager Operations who have responsibility for the strategic direction and management of the Authority.

Total compensation for the Authority's key management personnel was \$396 000 (2017: \$401 000). Salaries and other benefits the Minister receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

**Remuneration of employees**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
\$149 001 to \$159 000*	-	1
\$169 001 to \$179 001	1	-
\$419 001 to \$429 000 *	-	1
<b>Total number of employees</b>	<b>1</b>	<b>2</b>

\* Includes payment of long service leave, annual leave, termination benefits for officers who have left the Authority.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$178 000 (2017: \$573 000).

There were no targeted voluntary separation packages paid during the reporting period or the prior period.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**4 Remuneration of board and committee members**

Members that were entitled to receive remuneration for membership during 2017-18 financial year were:

**Independent Gambling Authority Board**

A D Blair (resigned 2 April 2018)  
A G Tisato  
A P Moss (Presiding Member)  
E L Barratt  
J J Ullianich  
M Wallace  
P F Kaempf (Deputy Presiding Member)

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

	2018	2017
\$20 000 - \$29 999	6	6
\$40 000 - \$49 999	1	1
	7	7

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and superannuation contributions. The total remuneration received or receivable by members was \$203 000 (2017: \$218 000).

**5 Supplies and services**

	2018	2017
	\$'000	\$'000
General administration and consumables	157	213
Accommodation and telecommunication	128	129
Consultants	13	18
Contractors	53	194
Service level agreement fees	20	22
Minor works, maintenance and equipment	2	3
<b>Total supplies and services</b>	<b>373</b>	<b>579</b>

**Operating leases**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

**Consultants**

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

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	6	13	3	4
Above \$10 000	-	-	1	14
<b>Total paid / payable to the consultants engaged</b>	<b>6</b>	<b>13</b>	<b>4</b>	<b>18</b>

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**6 Amortisation**

	2018 \$'000	2017 \$'000
<b>Amortisation</b>		
Intangible assets	46	46
<b>Total amortisation</b>	<u>46</u>	<u>46</u>

**Useful life**

Amortisation is calculated on a straight line basis over the estimated useful life of the following class of assets:

<b>Class of asset</b>	<b>Useful life (years)</b>
Intangibles - software	5

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

**Revision of accounting estimates**

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

**7 Interest revenues**

	2018 \$'000	2017 \$'000
Interest from entities within SA Government	60	61
<b>Total interest revenues</b>	<u>60</u>	<u>61</u>

**8 Other revenues**

	2018 \$'000	2017 \$'000
Expiation notice payments received	2	-
Authorised interstate betting operators (AIBO) annual payments received	-	49
<b>Total other revenues</b>	<u>2</u>	<u>49</u>

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**9 Revenues from SA Government**

	2018	2017
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account Pursuant to the Appropriation Act	1 849	1 809
<b>Total revenues from SA Government</b>	<b>1 849</b>	<b>1 809</b>

Appropriations are recognised upon receipt.

**10 Cash and cash equivalents**

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	4 643	4 281
<b>Total cash and cash equivalents</b>	<b>4 643</b>	<b>4 281</b>

**Interest rate risk**

Deposits with the Treasurer earn a floating interest rate based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

**11 Receivables**

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Accrued revenue	2	12
Other interest revenues	5	5
<b>Total current receivables</b>	<b>7</b>	<b>17</b>
<b>Total receivables</b>	<b>7</b>	<b>17</b>

**12 Office equipment**

	2018	2017
	\$'000	\$'000
Office equipment at cost	-	22
Accumulated depreciation	-	(22)
<b>Total office equipment</b>	<b>-</b>	<b>-</b>

The Authority continued to use the fully depreciated assets during the year.

**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.

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**13 Intangible assets**

	2018	2017
	\$'000	\$'000
<b>Externally acquired software</b>		
Externally acquired software at cost	228	228
Accumulated amortisation	(160)	(114)
<b>Total externally acquired software</b>	<u>68</u>	<u>114</u>
<b>Total intangible assets</b>	<u>68</u>	<u>114</u>

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, 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 Authority only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of software is capitalised only when the amount of expenditure is greater than or equal to \$10 000.

**Reconciliation of intangible assets**

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

	<b>Externally acquired software</b>	<b>Total</b>
	\$'000	\$'000
Carrying amount at the beginning of the period	114	114
Amortisation	(46)	(46)
<b>Carrying amount at the end of the period</b>	<u>68</u>	<u>68</u>

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

	<b>Externally acquired software</b>	<b>Total</b>
	\$'000	\$'000
Carrying amount at the beginning of the period	160	160
Amortisation	(46)	(46)
<b>Carrying amount at the end of the period</b>	<u>114</u>	<u>114</u>

The externally acquired software is the Barring and Online Employee Notification System (BOEN), which is used to manage welfare barring of problem gamblers under Part 4 of the *Independent Gambling Authority Act 1995* and the "notify and work" scheme for gaming employees under the *Gaming Machines Act 1992*.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**14 Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors and accrued expenses	31	132
Employment on-costs	14	14
<b>Total current payables</b>	<b>45</b>	<b>146</b>
<b>Non-current</b>		
Employment on-costs	13	21
<b>Total non-current payables</b>	<b>13</b>	<b>21</b>
<b>Total payables</b>	<b>58</b>	<b>167</b>

Employment on-costs include payroll tax, and superannuation contributions. The Authority 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.

As a result of actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave taken as leave has changed from the 2017 rate 40% to 41% and the average factor for the calculation of employer superannuation cost is 9.9% (2017: 10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in actuarial assumptions in the current financial year is immaterial.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**15 Employee benefits liabilities**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	58	56
Accrued salaries and wages	16	29
Long service leave	14	7
Skills and experience retention leave	5	7
<b>Total current employee benefits liabilities</b>	<b>93</b>	<b>99</b>
<b>Non-current</b>		
Long service leave	136	227
<b>Total non-current employee benefits liabilities</b>	<b>136</b>	<b>227</b>
<b>Total employee benefits liabilities</b>	<b>229</b>	<b>326</b>

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

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

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

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

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

**Long service leave**

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

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

The actuarial assessment performed by the Department of Treasury and Finance (DTF) has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has remained unchanged at 2.5%.

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**Independent Gambling Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

---

**16 Provisions**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Provision for workers' compensation	-	1
<b>Total current provisions</b>	<u>-</u>	<u>1</u>
<b>Non-current</b>		
Provision for workers' compensation	-	1
<b>Total non-current provisions</b>	<u>-</u>	<u>1</u>
<b>Total provisions</b>	<u><u>-</u></u>	<u><u>2</u></u>

The provision was based on an internal estimate. There have been no actual claims in the reporting period or the previous period. The likelihood of a claim being made before the Authority is wound up is minimal.

**17 Unrecognised contractual commitments**

Commitments include operating 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.

**Other commitments**

The Authority's 2016-17 other commitments are for research progress. There were no other commitments in 2017-18.

	2018 \$'000	2017 \$'000
Within one year	-	52
<b>Total other commitments</b>	<u>-</u>	<u>52</u>

**Operating lease commitments**

The Authority's operating leases are for the lease of office accommodation. Office accommodation is leased from the Department of Planning, Transport and Infrastructure (DPTI). The lease is non-cancellable with a term of three (3) years.

Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial report are payable as follows:

	2018 \$'000	2017 \$'000
Within one year	41	116
Later than one year and not later than 5 years	-	48
<b>Total operating lease commitments</b>	<u>41</u>	<u>164</u>

# **Independent Gambling Authority**

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

### *for the year ended 30 June 2018*

---

#### **18 Related party transactions**

The Authority is a statutory authority established by the *Independent Gambling Authority Act 1995* and is a wholly owned and controlled entity of the Crown.

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

##### **Significant transactions with government related entities**

The Authority had no significant transactions with government related entities except for the appropriation funding received from the Department of Treasury and Finance (Note 9) and \$119,000 in accommodation and telecommunication costs paid to the Department for Planning, Transport and Infrastructure (Note 5).

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

Compensation of Key Management Personnel is disclosed in note 3.

There are no related party transactions.

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

##### **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 note 1 Basis of financial statements.

Cash and cash equivalents, receivables and payables are recorded at the carrying amount which approximates net fair value.

#### **20 Events after the reporting period**

On 4 September 2018 the SA Government announced as part of the 2018-19 budget papers that the Authority would be wound up and its functions would be performed by the Liquor and Gambling Commissioner.