

Independent Gambling Authority

Financial report
for the year ended
1 December 2018



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To the Chief Executive Attorney-General's Department

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Independent Gambling Authority for the period ended 1 December 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 1 December 2018, its financial performance and its cash flows for the period 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 period ended 1 December 2018
- a Statement of Financial Position as at 1 December 2018
- a Statement of Changes in Equity for the period ended 1 December 2018
- a Statement of Cash Flows for the period ended 1 December 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Executive Director Finance, People and Performance of the 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 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 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

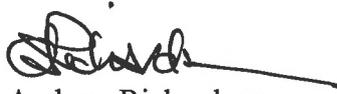
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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, but not for the purpose of expressing an opinion on the effectiveness of the {the entity's} internal control
- 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 'Andrew Richardson', with a long horizontal line extending to the right.

Andrew Richardson

Auditor-General

1 August 2019

Independent Gambling Authority
Statement of Comprehensive Income
for the period ended 1 July 2018 to 1 December 2018

| | Note | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|--|------|--------------------|---------------------|
| Expenses | | | |
| Employee benefits expense | 3 | 405 | 962 |
| Supplies and services | 5 | 144 | 373 |
| Amortisation | 6 | 18 | 46 |
| Grants and sponsorships | | 22 | 16 |
| Total expenses | | 589 | 1 397 |
| Income | | | |
| Interest revenues | 7 | 27 | 60 |
| Other revenues | 8 | - | 2 |
| Total income | | 27 | 62 |
| Net cost of providing services | | (562) | (1 335) |
| Revenues from SA Government | | | |
| Revenues from SA Government | 9 | 781 | 1 849 |
| Total net revenues from SA Government | | 781 | 1 849 |
| Net result | | 219 | 514 |
| Net result and total comprehensive result | | 219 | 514 |

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 1 December 2018

| | Note | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|--------------------------------------|------|--------------------|---------------------|
| Current assets | | | |
| Cash and cash equivalents | 10 | - | 4 643 |
| Receivables | 11 | - | 7 |
| Total current assets | | - | 4 650 |
| Non-current assets | | | |
| Intangible assets | 12 | - | 68 |
| Total non-current assets | | - | 68 |
| Total assets | | - | 4 718 |
| Current liabilities | | | |
| Payables | 13 | - | 45 |
| Employee benefits | 14 | - | 93 |
| Total current liabilities | | - | 138 |
| Non-current liabilities | | | |
| Payables | 13 | - | 13 |
| Employee benefits | 14 | - | 136 |
| Total non-current liabilities | | - | 149 |
| Total liabilities | | - | 287 |
| Net assets | | - | 4 431 |
| Equity | | | |
| Retained earnings | | - | 4 431 |
| Total equity | | - | 4 431 |

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

Unrecognised contractual commitments

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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 period ended 1 July 2018 to 1 December 2018

| | Note | Retained earnings |
|---|------|----------------------|
| | | \$'000 |
| Balance at 30 June 2017 | | 3 917 |
| Net result for 2017-18 | | 514 |
| Total comprehensive result for 2017-18 | | <u>514</u> |
| Balance at 30 June 2018 | | <u>4 431</u> |
| Net result for 1 Dec 2018 | | 219 |
| Total comprehensive result for 1 Dec 2018 | | <u>219</u> |
| Transactions with SA Government as owner | | |
| Net assets transferred as a result of an administrative restructure | 15 | <u>(4 650)</u> |
| Balance at 1 Dec 2018 | | <u><u>-</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 period ended 1 July 2018 to 1 December 2018

| | | 1-Dec-18 (Outflows) Inflows \$'000 | 30-Jun-18 (Outflows) Inflows \$'000 |
|---|-------------|---|--|
| Cash flows from operating activities | Note | | |
| Cash outflows | | | |
| Employee benefits payments | | (439) | (1 069) |
| Payment for supplies and services | | (90) | (474) |
| Payment for grants and sponsorships | | (22) | (16) |
| Cash used in operations | | <u>(551)</u> | <u>(1 559)</u> |
| Cash inflows | | | |
| Interest received | | 16 | 60 |
| Other receipts | | 2 | 12 |
| Cash generated from operations | | <u>18</u> | <u>72</u> |
| Cash flows from SA Government | | | |
| Receipts from SA government | | 781 | 1 849 |
| Cash generated from SA Government | | <u>781</u> | <u>1 849</u> |
| Net cash provided by / (used in) operating activities | | <u>248</u> | <u>362</u> |
| Cash flows from financing activities | | | |
| Cash outflows | | | |
| Cash transferred as a result of restructuring activities | | (4 891) | - |
| Cash used in financing activities | | <u>(4 891)</u> | <u>-</u> |
| Net cash used in financing activities | | <u>(4 891)</u> | <u>-</u> |
| Net increase / (decrease) in cash and cash equivalents | | (4 643) | 362 |
| Cash and cash equivalents at the beginning of the reporting period | | 4 643 | 4 281 |
| Cash and cash equivalents at the end of the reporting period | 10 | <u>-</u> | <u>4 643</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 period ended 1 July 2018 to 1 December 2018

1 Basis of financial statements

1.1 Reporting entity

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

On 4 September 2018 the SA Government announced that the Authority would be wound up as at 1 December 2018 and its functions would be performed by the Liquor and Gambling Commissioner.

On 29 November 2018 the Governor proclaimed the changes to the *Independent Gambling Authority Act 1995* which is now known as the *Gambling Administration Act 1995* and designates the Liquor and Gambling Commissioner (within the Attorney-General's Department) as now responsible for the Authority's functions. The proclamation came into effect on 1 December 2018.

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.

1.3 Basis of preparation

The financial statements have been prepared for a 5 month period commencing 1 July 2018 to 1 December 2018. The comparatives in the financial statements have been prepared based on a 12 month period. All amounts are 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).

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.

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 period ended 1 July 2018 to 1 December 2018

2 Objectives of the Independent Gambling Authority

The Independent Gambling Authority (the Authority) was 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 were set out in section 11 of the *Independent Gambling Authority Act 1995*. Section 11 also required 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.

These functions will be performed by the Liquor and Gambling Commissioner from 1 December 2018 under the *Gambling Administration Act 1995*.

Independent Gambling Authority
Notes to and forming part of the financial statements
for the period ended 1 July 2018 to 1 December 2018

3 Employee benefits expense

Employee benefits expense

| | 1-Dec-18 | 30-Jun-18 |
|---|------------|------------|
| | \$'000 | \$'000 |
| Salaries and wages | 251 | 635 |
| Board fees | 65 | 185 |
| Employment on-costs - superannuation | 36 | 89 |
| Annual leave | 24 | 66 |
| Employment on-costs - payroll tax | 19 | 46 |
| Long service leave | 9 | (56) |
| Other employee related expenses | 1 | (3) |
| Total employee benefits expenses | 405 | 962 |

Key management personnel

Key management personnel of the Authority include the Minister, members of the Authority, 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 \$159 000 (2018: \$396 000). 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:

| | 1-Dec-18 | 30-Jun-18 |
|----------------------------------|----------|-----------|
| | Number | Number |
| \$169 001 to \$179 001 | - | 1 |
| Total number of employees | - | 1 |

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, 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 nil (2018: \$178 000).

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 period ended 1 July 2018 to 1 December 2018

4 Remuneration of board and committee members

Members of the Independent Gambling Authority Board that were entitled to receive remuneration for membership during 2018-19 financial year were

A G Tisato (resigned 6 August 2018)
A P Moss (Presiding Member) (expired 31 October 2018)
E L Barratt (expired 1 December 2018)
J J Ullianich (expired 1 December 2018)
M Wallace (expired 1 December 2018)
P F Kaempf (Deputy Presiding Member) (expired 1 December 2018)

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

| | 1-Dec-18 | 30-Jun-18 |
|-------------------------|----------|-----------|
| \$0 - \$9 999 | 1 | - |
| \$10 000 - \$19 999 | 5 | - |
| \$20 000 - \$29 999 | - | 6 |
| \$40 000 - \$49 999 | - | 1 |
| Total number of members | 6 | 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 \$72 000 (2018: \$203 000).

5 Supplies and services

| | 1-Dec-18 | 30-Jun-18 |
|--|------------|------------|
| | \$'000 | \$'000 |
| General administration and consumables | 78 | 157 |
| Accommodation and telecommunication | 36 | 128 |
| Consultants | 1 | 13 |
| Contractors | - | 53 |
| Service level agreement fees | 20 | 20 |
| Minor works, maintenance and equipment | 3 | 2 |
| Other | 6 | - |
| Total supplies and services | 144 | 373 |

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:

| | 1-Dec-18 | 1-Dec-18 | 30-Jun-18 | 30-Jun-18 |
|--|----------|----------|-----------|-----------|
| | Number | \$'000 | Number | \$'000 |
| Below \$10 000 | 1 | 1 | 6 | 13 |
| Total paid / payable to the consultants engaged | 1 | 1 | 6 | 13 |

Independent Gambling Authority
Notes to and forming part of the financial statements
for the period ended 1 July 2018 to 1 December 2018

6 Amortisation

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|---------------------------|--------------------|---------------------|
| Amortisation | | |
| Intangible assets | 18 | 46 |
| Total amortisation | <u>18</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:

| Class of asset | Useful life (years) |
|------------------------|---------------------|
| 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

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|---|--------------------|---------------------|
| Interest from entities within SA Government | 27 | 60 |
| Total interest revenues | <u>27</u> | <u>60</u> |

8 Other revenues

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|------------------------------------|--------------------|---------------------|
| Expiation notice payments received | - | 2 |
| Total other revenues | <u>-</u> | <u>2</u> |

Independent Gambling Authority
Notes to and forming part of the financial statements
for the period ended 1 July 2018 to 1 December 2018

9 Revenues from SA Government

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|--|--------------------|---------------------|
| Revenues from SA Government | | |
| Appropriations from Consolidated Account Pursuant to the Appropriation Act | 781 | 1 849 |
| Total revenues from SA Government | <u>781</u> | <u>1 849</u> |

Appropriations are recognised upon receipt.

10 Cash and cash equivalents

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|--|--------------------|---------------------|
| Deposits with the Treasurer | - | 4 643 |
| Total cash and cash equivalents | <u>-</u> | <u>4 643</u> |

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

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|----------------------------------|--------------------|---------------------|
| Current | | |
| Accrued revenue | - | 2 |
| Other interest revenues | - | 5 |
| Total current receivables | <u>-</u> | <u>7</u> |
| Total receivables | <u>-</u> | <u>7</u> |

Independent Gambling Authority
Notes to and forming part of the financial statements
for the period ended 1 July 2018 to 1 December 2018

12 Intangible assets

| | 1-Dec-18 | 30-Jun-18 |
|---|----------|-----------|
| | \$'000 | \$'000 |
| Externally acquired software | | |
| Externally acquired software at cost | - | 228 |
| Accumulated amortisation | - | (160) |
| Total externally acquired software | <u>-</u> | <u>68</u> |
| | | |
| Total intangible assets | <u>-</u> | <u>68</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 the period ended 1 December 2018:

| | Externally acquired software | Total |
|---|---|--------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 68 | 68 |
| Transferred to AGD | (50) | (50) |
| Amortisation | (18) | (18) |
| Carrying amount at the end of the period | <u>-</u> | <u>-</u> |

The following table shows the movement of intangibles assets during the period ended 30 June 2018:

| | Externally acquired software | Total |
|---|---|--------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 114 | 114 |
| Amortisation | (46) | (46) |
| Carrying amount at the end of the period | <u>68</u> | <u>68</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 period ended 1 July 2018 to 1 December 2018

13 Payables

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|-----------------------------------|--------------------|---------------------|
| Current | | |
| Creditors and accrued expenses | - | 31 |
| Employment on-costs | - | 14 |
| Total current payables | <u>-</u> | <u>45</u> |
| Non-current | | |
| Employment on-costs | - | 13 |
| Total non-current payables | <u>-</u> | <u>13</u> |
| Total payables | <u>-</u> | <u>58</u> |

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 remained the same as the 2018 rate 41% and the average factor for the calculation of employer superannuation cost is 9.9% (2018: 9.9%). 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 period ended 1 July 2018 to 1 December 2018

14 Employee benefits liabilities

| | 1-Dec-18 \$'000 | 30-Jun-18 \$'000 |
|--|--------------------|---------------------|
| Current | | |
| Annual leave | - | 58 |
| Accrued salaries and wages | - | 16 |
| Long service leave | - | 14 |
| Skills and experience retention leave | - | 5 |
| Total current employee benefits liabilities | <u>-</u> | <u>93</u> |
| Non-current | | |
| Long service leave | - | 136 |
| Total non-current employee benefits liabilities | <u>-</u> | <u>136</u> |
| Total employee benefits liabilities | <u>-</u> | <u>229</u> |

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 period ended 1 July 2018 to 1 December 2018

15 Transferred functions

Transferred out

On 29 November 2018 the Governor abolished the Independent Gambling Authority and designated the Liquor and Gambling Commissioner (within the Attorney-General's Department) as now responsible for its functions. The proclamation came into effect on 1 December 2018 and the following assets and liabilities were transferred:

| | AGD |
|-------------------------------------|--------------|
| | \$'000 |
| Cash | 4 891 |
| Receivables | 16 |
| Intangibles | 50 |
| Total assets | 4 957 |
| Payables | 84 |
| Employee benefits | 223 |
| Total liabilities | 307 |
| Total net assets transferred | 4 650 |

16 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.

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:

| | 1-Dec-18 | 30-Jun-18 |
|--|----------|-----------|
| | \$'000 | \$'000 |
| Within one year | - | 41 |
| Total operating lease commitments | - | 41 |

Independent Gambling Authority
Notes to and forming part of the financial statements
for the period ended 1 July 2018 to 1 December 2018

17 Related party transactions

The Authority was a statutory authority established by the *Independent Gambling Authority Act 1995* and was 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 \$32,000 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.

18 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.

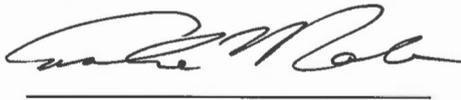
Cash and cash equivalents, receivables and payables are recorded at the carrying amount which approximates net fair value.

Independent Gambling Authority
Certification of the Financial Statements
for the period 1 July 2018 to 1 December 2018

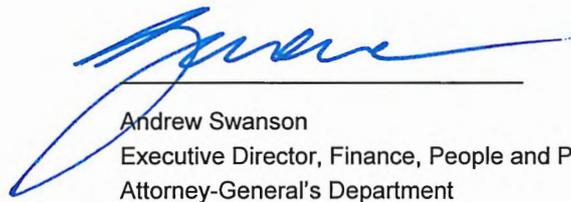
We certify that the financial statements of the Independent Gambling Authority:

- 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.



Caroline Mealar
Chief Executive
Attorney-General's Department
31 July 2019



Andrew Swanson
Executive Director, Finance, People and Performance
Attorney-General's Department
31 July 2019